YEAR-END REPORT

January – December 2023

Scientific successes in challenging environment

FOURTH QUARTER

- Net sales: SEK 0.0 M (0.0)
- Operating loss: SEK -71.1 M (-89.7)
- Loss after tax: SEK -71.3 M (-90.6)
- Loss per share, before and after dilution: SEK -0.40 (-0.54)

JANUARY – DECEMBER

- Net sales: SEK 0.0 M (0.0)
- Operating loss: SEK -290.0 M (-381.5)
- Loss after tax: SEK -280.0 M (-371.8)
- Loss per share, before and after dilution: SEK -1.65 (-2.90)
- Equity/assets ratio: 75 (82) per cent
- Total available funds: SEK 194.7 M (426.7)

Significant events in the fourth quarter

- Positive signals of efficacy and favorable safety were presented for nadunolimab in combination with chemotherapy in triple-negative breast cancer (TNBC).
- New preclinical data providing further support for Cantargia's clinical projects in both cancer and cardiovascular disease was presented.
- The decision by the European Patent Office, EPO, that Cantargia's patent, covering IL1RAP-binding antibodies with specific functional properties, would remain in force was appealed by a third party. The appeal was subsequently withdrawn.
- A directed share issue was completed of approximately SEK 60 M before deduction of transaction costs, implying a prolonged runway into 2025.

Significant events after the end of the period

- The first results from the ongoing phase I clinical trial of CAN10 shows that the antibody binds to the target, IL1RAP, without any safety concerns. The study progresses according to plans.
- New clinical and preclinical results show that nadunolimab can reduce neuropathy, a serious side effect of chemotherapy and so-called antibody drug conjugates (ADC).
- Regulatory approval in the US was obtained to initiate the phase IIb trial of nadunolimab in pancreatic cancer.

Comments on significant events

New results were presented at the ESMO Congress from the TRIFOUR trial which investigates nadunolimab with chemotherapy in TNBC. The response rate was 60% and the progression-free survival 6.6 months for the 15 patients included in phase I of the trial, which is well above historical control data. The safety was favorable and in line with chemotherapy alone. The phase II study, including a control arm, is ongoing.

New preclinical data show that IL1RAP blockade results in reduced inflammation, e.g. reduction of interleukin-6 (IL6) in blood vessels, and that the level of IL1RAP correlated with several inflammatory markers in inflamed tissue. In addition, analyses of atherosclerotic plaques from patients show that IL1RAP levels correlate with several inflammatory markers that were reduced by IL1RAP blockade.

Following the opposition proceedings against Cantargia's patent EP 3293202, where the EPO decided that the patent would remain in force with a modified claim scope, a third party filed an appeal against this decision. The appeal was subsequently withdrawn.

On October 30, Cantargia's Board of Directors resolved on a directed share issue of 16.7 million shares at a subscription price of 3.55 SEK per share. Gross proceeds amounted to SEK 59.3 M, resulting in net proceeds of SEK 54.7 M, after deduction of SEK 4.6 M in transaction expenses.

The clinical phase I trial of the CAN10 antibody proceeds according to plan, with the four initial dose groups concluded without any safety concerns. In addition, a receptor occupancy study shows that already at initial dose levels, the majority of IL1RAP molecules on immune cells are binding CAN10 in a dose dependent manner. This is in line with predictions from preclinical studies.

Neuropathy is a serious side effect of many chemotherapies. New results from Cantargia's clinical CANFOUR study as well as studies in animal models provide further support that nadunolimab can counteract neuropathy. In addition, preclinical studies show that the payloads of ADCs activate the IL-1 system, which stimulates tumor growth, but the effect can be counteracted with nadunolimab.

CHIEF EXECUTIVE'S REVIEW

Scientific successes in challenging environment

During 2023, Cantargia made important progress, despite the year being challenging from a global perspective. Our new results with nadunolimab have generated great interest and we expect a continued exciting news flow going forward. CAN10 also achieved significant milestones when the first individuals started treatment followed by the first clinical results.

Close to 300 cancer patients have started treatment with nadunolimab and the results so far show very interesting efficacy signals. In the spring, new results were presented in both pancreatic cancer and lung cancer, and in the last quarter, new results were presented on the treatment of patients with triple-negative breast cancer. The ongoing trial TRIFOUR, which studies nadunolimab in combination with the chemotherapies carboplatin/gemcitabine, began with an evaluation of dose in 15 patients and 9 of these, i.e. 60%, achieved a response. That's about twice as high as expected with chemotherapy alone. Long-term effects, such as progression-free survival, were better than historical data with chemotherapy alone. Safety with the combination treatment was good and the study has continued into the second part, which is a controlled study in approximately 100 patients, where the control group receives only chemotherapy. We are planning to present the first results towards the end of 2024. Triple negative breast cancer is the most difficult to treat variant of breast cancer and the medical need is great. A success here would be of great importance medically and commercially. In parallel, the preparations for the PANFOUR-study in PDAC continues, where we reached an important milestone with the approval from regulatory authorities in the USA. The plan is to start treating patients mid-2024, although the exact timing is subject to ongoing funding discussions.

In addition to nadunolimab providing efficacy signals in the treatment of several forms of cancer, further analysis of the results has provided support that nadunolimab may counteract a serious side effect, in the form of neuropathy. In addition to clinical results, we have also documented reduction of neuropathy in animal models. These results highlight the potential for expanding the development to combinations with Antibody Drug Conjugates (ADC) in the future, which is one of the hottest areas in new cancer drugs.

In the CAN10 project, which is being developed against autoimmune and inflammatory diseases, treatment of healthy volunteers started in phase I to primarily document safety, and pharmacokinetics but also effects on biomarkers. In the beginning of January 2024, the first clinical results based on the first four dose groups were presented. Safety was good, and we were also able to demonstrate that CAN10 binds its target, IL1RAP, on immune cells in the blood. The receptor occupancy was consistent with the results from a preclinical model, which further strengthens the project. We expect a continued interesting flow of news from this clinical study in 2024. In the third quarter, we also expect to advance the phase I into treatment of patients with psoriasis and in 2025 we plan to start phase II in one of our main indications (systemic sclerosis and myocarditis).

Cantargia has a strong patent portfolio that, in addition to product patents on nadunolimab and CAN10, also covers other antibodies directed against the target IL1RAP. For one of these patents, an opposition process occurred during the year. The European Patent Office (EPO) modified the patent, but overall, a strong patent protection remained. One of the opponents decided to first appeal EPO's decision, but later withdrew its appeal. The conclusion is that our results are attracting interest, and we note increased competition as at least two other pharmaceutical companies have started clinical studies with antibodies against IL1RAP. Against this background, it is therefore natural that companies try to limit our broad patent rights in order not to risk infringement in the future.

During the fourth quarter, we strengthened our finances through a directed new share issue of almost SEK 60 million. It was an important funding that allows us to continue our activities in a vigorous way and still have funding into 2025. In that context, I am very grateful for the support from our shareholders.

In summary, I am very satisfied with how Cantargia developed in 2023 and I look forward to 2024. We expect to have many interesting results to present during the year and with inflation currently falling, we expect increased interest in the sector we work in. Our projects are important as they have the opportunity to extend the lives of patients with very difficult diseases.

Göran Forsberg
CEO, Cantargia AB

ABOUT CANTARGIA

Cantargia is a Swedish biotech company that develops antibody-based treatments for cancer and other life-threatening diseases. Cantargia's research and development were born out of an important discovery at Lund University where research on leukemic stem cells showed that the IL1RAP molecule is present on the cell surface of immature cancer cells. Further studies demonstrated that this molecule is also found on cancer cells from a large number of solid tumor types. Antibodies targeting IL1RAP can thus potentially be used for the treatment of several types of cancer.

Nadunolimab (CAN04)
The development of Cantargia's first drug candidate, the IL1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and pre-clinical data in the treatment of cancer. In addition to targeting cancer cells and stimulating our natural immune system to destroy such cells, nadunolimab also blocks signals which contribute to tumor development and growth. In a large number of cancer diseases, tumor growth benefits from the so-called interleukin-1 system, which contributes to a pro-tumor environment. The interleukin-1 system is dependent on IL1RAP for transferring signals to cells and blockade of IL1RAP by nadunolimab prevents this signaling.

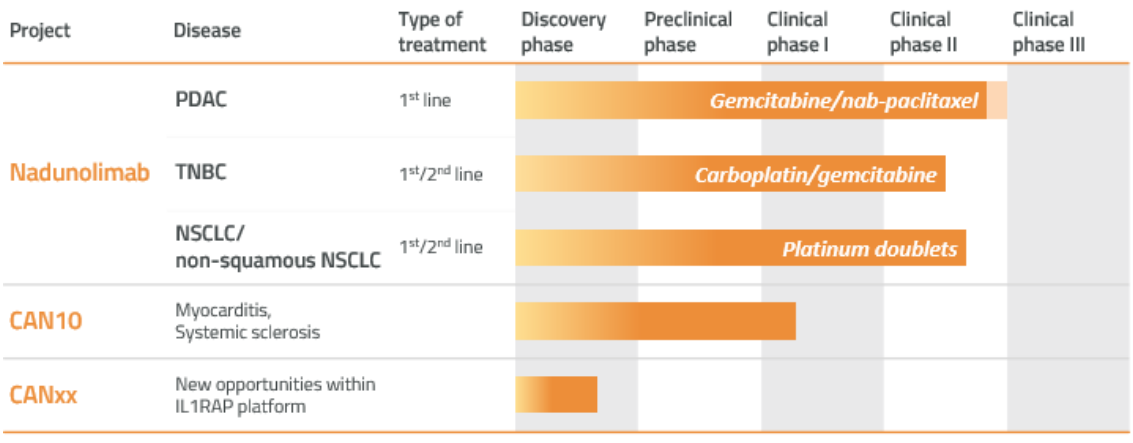
Cantargia has rapidly advanced nadunolimab to the clinical phase II stage in pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer. Promising interim data from patients receiving nadunolimab in combination with chemotherapy have been presented and indicate a stronger efficacy than would be expected from chemotherapy alone.

Nadunolimab is mainly evaluated in combination with chemotherapy as its mechanism of action enables synergy with other cancer therapies. This is because IL1RAP affects various resistance mechanisms that tumors can develop to these therapies. In parallel with the clinical development, studies are conducted on various biomarkers to obtain more information regarding which patients respond best to treatment and how nadunolimab can be combined with additional established cancer therapies for optimal effect.

CAN10
IL1RAP is also an interesting target in many diseases outside the field of cancer. In the CAN10 project, Cantargia is developing an IL1RAP-targeting antibody which has a unique capability of blocking signaling not only by interleukin-1, but also interleukin-33 and interleukin-36. Simultaneous blockade of all three of these cytokines has great potential for treatment of several autoimmune and inflammatory diseases. The initial focus is on two severe diseases: systemic sclerosis and myocarditis, where CAN10 has shown very strong pre-clinical data. During 2023, CAN10 reached clinical development stage as treatment of healthy volunteers was started in a phase I clinical trial. The first promising results from this study were announced early 2024.

CANxx
In the CANxx project, Cantargia is expanding its knowledge of IL1RAP and develops new antibodies that complement nadunolimab and CAN10. The goal is to identify new antibody-based IL1RAP-targeting drugs with properties that differ from those of nadunolimab and CAN10 and are thus specifically designed for the treatment of new diseases.

Cantargia's project portfolio



PDAC – pancreatic cancer; TNBC – triple-negative breast cancer; NSCLC – non-small cell lung cancer

Cantargia's clinical studies

In Cantargia's first clinical trial, the phase I/IIa trial CANFOUR, nadunolimab is evaluated for treatment of pancreatic cancer and non-small cell lung cancer. While phase I primarily evaluated safety and dosage of monotherapy, phase IIa focuses on combination therapy with standard therapies for pancreatic cancer and non-small cell lung cancer. The phase I results were very encouraging and indicated good safety, as well as effects on key biomarkers.

Moreover, positive interim results from phase IIa show clear signals on the efficacy of combination therapy as stronger effects are observed in both pancreatic cancer and lung cancer patients compared to what would be expected from chemotherapy alone. In a total of 73 patients with pancreatic cancer, median progression-free survival of 7.2 months and median overall survival of 13.2 months was observed, which is an improvement over historical control data for chemotherapy alone. Even stronger efficacy was observed in patients with high tumor levels of IL1RAP, including significantly prolonged median overall survival compared to patients with low IL1RAP levels (14.2 vs 10.6 months; p=0.026). In 30 non-small cell lung cancer patients, a response of 53 per cent was achieved, resulting in median progression-free survival of 7.0 months. This is an improvement over historical controls for chemotherapy only, which show a 22-28 per cent response rate and median progression-free survival of 5.1 months. Moreover, an even higher response was achieved in a subgroup of patients with non-squamous non-small cell lung cancer.

In the clinical phase Ib/II trial TRIFOUR, patients with triple-negative breast cancer are treated with nadunolimab in combination with chemotherapy. In this trial, an initial dose escalation phase in 15 patients was completed during 2023. This showed acceptable safety and promising efficacy of the combination, including a response rate of 60 per cent, which is well above historical control data. Patients are now enrolled to a second, randomized phase of TRIFOUR where the anti-tumor efficacy of nadunolimab in combination with chemotherapy will be evaluated and compared to a control group with chemotherapy only.

Additional clinical studies include the phase Ib trials CIRIFOUR and CAPAFOUR, and the phase I/II trial CESTAFOUR, that all ended recruitment during 2022. In CIRIFOUR, nadunolimab was studied in combination with the immunotherapy pembrolizumab (Keytruda®) with the main objective to assess safety. A total of 16 patients with various solid tumors were treated. Interim data showed that the combination was well-tolerated and that disease control for at least 30 weeks (up to 58 weeks) was achieved in 6 of 15 evaluated patients, including one partial response. In CAPAFOUR, pancreatic cancer patients were treated with nadunolimab in combination with the chemotherapy regime FOLFIRINOX, and in CESTAFOUR in combination with chemotherapy in three different forms of solid tumors. Preliminary results showed an acceptable safety profile for the combination therapies and signs of efficacy in non-small cell lung cancer patients treated with nadunolimab and cisplatin/gemcitabine in CESTAFOUR.

In addition to the clinical studies for nadunolimab, Cantargia is conducting a phase I trial for CAN10 with the primary objective to evaluate safety and tolerability. Initially, single ascending doses will be given intravenously to up to 64 healthy volunteers. A second part will include up to 16 psoriasis patients, who will receive multiple doses subcutaneously at two dose levels to demonstrate early proof-of-concept.

Cantargia's clinical studies

	Study	Disease	Combination therapy	No. of patients	Status	NCT number
Nadunolimab	CANFOUR	PDAC	Gemcitabine/nab-paclitaxel	76	Recruitment completed	NCT03267316
		NSCLC/ non-squamous NSCLC	Platinum doublets	33 + 10	Recruitment completed	
	CIRIFOUR	Solid tumors	Pembrolizumab	16	Recruitment completed	NCT04452214
	CAPAFOUR	PDAC	FOLFIRINOX	18	Recruitment completed	NCT04990037
	CESTAFOUR	Solid tumors	Docetaxel, cisplatin/ gemcitabine or FOLFOX	36	Recruitment completed	NCT05116891
	TRIFOUR	TNBC	Carboplatin/gemcitabine	Up to 113	Recruiting	NCT05181462
	PANFOUR	PDAC	Gemcitabine/nab-paclitaxel	Up to 150-200	In preparation	-
CAN10	Phase I trial	Healthy volunteers/ Psoriasis	-	64+16	Recruiting	Not yet available

PDAC – pancreatic cancer; TNBC – triple-negative breast cancer; NSCLC – non-small cell lung cancer

CANTARGIA OPERATES IN A GROWING MARKET

Cancer is one of the leading causes of death in the world, accounting for around 20 per cent of deaths in the Western world. Globally, more than 18 million people are diagnosed with cancer annually and nearly 10 million die of cancer-related diseases[1]. Despite significant advances in treatment and diagnostics, there is a great need for new therapies.

Cantargia is focusing the development of nadunolimab on pancreatic cancer, triple-negative breast cancer and non-small cell lung cancer.

The market for pancreatic cancer

Globally, approx. 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[1]. In the United States, the number of people diagnosed with the disease has increased by nearly 13 per cent over the last 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the United States[2]. Since pancreatic cancer is difficult to diagnose, it is also difficult to treat as it is often well-advanced at the time of diagnosis.

Pancreatic cancer treatment was valued at approx. USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approx. USD 4.2 billion by 2026[3]. This corresponds to an annual growth rate of just over 8 per cent during these years. The growth in this market is mainly due to an increasing number of cancer cases. The number of people diagnosed with pancreatic cancer is estimated to increase by 60 per cent by 2040[1]. The increase in the number of cases is in turn caused by an aging population and the increasing incidence of diabetes, which are both risk factors for developing pancreatic cancer. Improved diagnostics also contribute to the expected market growth as they increase the likelihood of discovering pancreatic cancer at an earlier stage, thus enabling treatment.

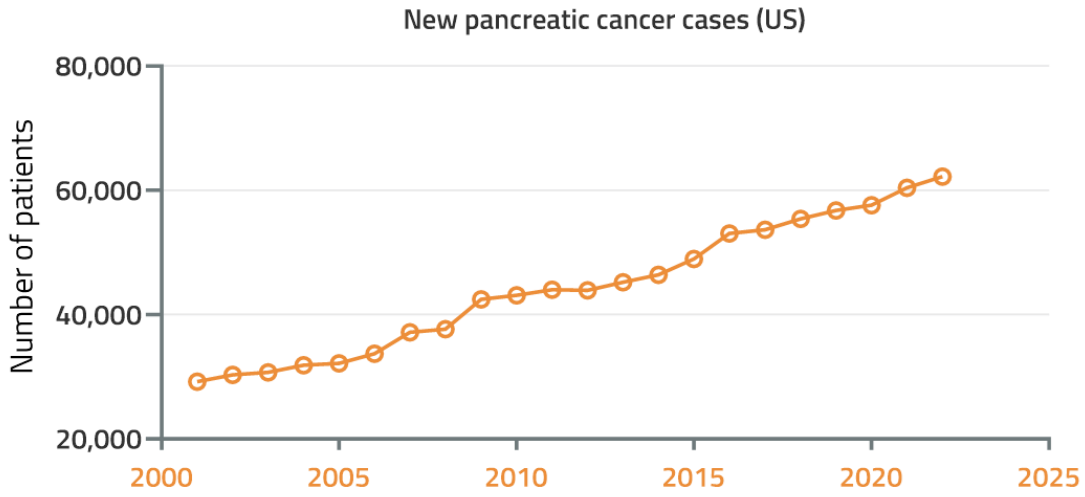
The market for breast cancer

Breast cancer is currently the most common form of cancer. In 2020, approx. 2.3 million new cases were reported, and approx. 685,000 women died from the disease. In 2040, around 3 million women are expected to be diagnosed with the disease and just over one million will die as a consequence of the disease[1]. The risk of developing breast cancer increases with age up to the age of 70. In the United States, the median age for developing breast cancer is 62 years[4]. According to a study conducted on American women, increases in BMI and the fact that women on average give birth to fewer children, are likely to contribute to the increase in cases in the United States between 1980 and 2018[5].

The global market for breast cancer treatment amounted to approx. USD 17.9 billion in 2021 and is expected to increase to USD 20 billion by 2025, corresponding to an annual growth rate of approx. 13 per cent[6]. The market growth is primarily fueled by an increased disease incidence, but also the need for preventive measures and early treatment. Market growth is also expected to be driven by the launch of new therapies.

Approx.10-15 per cent of breast cancer cases is triple-negative breast cancer. The market for the treatment of triple-negative breast cancer is expected to be worth over USD 820 million by 2027 following an annual growth rate of approx. 4.5 per cent between 2020 and 2027[7].

Number of new pancreatic cancer cases in the US between 2001 and 2022[2]



The market for lung cancer

In 2020, approx. 2.3 million cases of lung cancer were diagnosed globally, and more than 1.8 million people died from the disease[1]. Around 85 per cent of all lung cancers are non-small cell lung cancer[2], which is subdivided into the squamous and non-squamous subgroups, where the latter is the largest and corresponds to 70-80 per cent of all cases[8]. In the United States, the number of people diagnosed with lung cancer has declined by approx. 27 per cent over the past 20 years, while the number of people diagnosed with this disease is increasing in countries such as China and India, and in European countries such as Hungary, Denmark, and Serbia.

Sales of drugs for non-small cell lung cancer totaled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[9]. Sales are driven mainly by increasing use of various antibody-based immunotherapies. Another important factor contributing to the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The market for systemic sclerosis and myocarditis

In Cantargia's second project, CAN10, the objective is to develop a novel IL1RAP-binding antibody primarily for treatment of systemic sclerosis and myocarditis.

Myocarditis is characterized by inflammation of the muscular tissues of the heart (myocardium) arising from, for example, autoimmunity or various types of infections. Regardless of its etiology, myocarditis is characterized by initial acute inflammation that can progress to subacute and chronic stages, resulting in tissue remodeling, fibrosis, and loss of contractile function. The incidence of myocarditis is approx. 22 per 100,000 (1.7 million)[10], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[11]. The medical need is high for subgroups of patients with fulminant myocarditis (acute disease) and dilated cardiomyopathy (chronic disease), where mortality is very high in certain sub-types. For these patients, heart transplantation is currently the only definitive treatment.

Systemic sclerosis is a chronic autoimmune disease that is mainly characterized by inflammation and fibrosis of the skin and subcutaneous tissue, as well as blood vessels and internal organs such as the lungs, heart, and kidneys. Systemic sclerosis is a complex, heterogeneous disease that can occur with a variety of clinical manifestations ranging from minor to life-threatening. The estimated annual incidence of systemic sclerosis is approx. 1.4 per 100,000[12]. The main cause of death in patients with systemic sclerosis is interstitial lung disease and the medical need is particularly high in these patients. The worth of the pharmaceutical market for systemic sclerosis was estimated to approx. USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[13]. This corresponds to an average annual growth rate of 14 per cent.

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[1]Globocan 2020

[2]American Cancer Society, Cancer Facts & Figures

[3]Reportlinker.com, Pancreatic Cancer Treatment Market Research Report - Global Forecast to 2026

[4]American Cancer Society

[5]Pfeiffer RM, Webb-Vargas Y, Wheeler W, Gail MH. Proportion of U.S. Trends in Breast Cancer Incidence Attributable to Long-term Changes in Risk Factor Distributions. Cancer Epidemiol Biomarkers Prev. 2018;1:1

[6]Research and Markets, Breast Cancer Drugs Global Market Report 2021

[7]FutureWise, Triple Negative Breast Cancer Treatment Market By Drug Type, 2020-2027

[8]Paz-Ares et al, N Engl J Med 2018; 379:2040-2051

[9]Reportlinker, Global Non-Small Cell Lung Cancer (NSCLC) Therapeutics Industry

[10]J Am Coll Cardiol. 2016 Nov 29;68(21):2348-2364

[11]Lancet. 2018;392:1736-88

[12]Bairkdar, Rossides, Westerlind, Hesselstrand, Arkema, Holmqvist, Incidence and prevalence of systemic sclerosis globally: A comprehensive systematic review and meta-analysis, Rheumatology 2021:7

[13]GlobalData, Systemic Sclerosis: Global Drug Forecast and Market Analysis to 2030

FINANCIAL INFORMATION

All financial amounts are in Swedish kronor ("SEK") unless otherwise stated. "TSEK" indicates SEK thousand and "MSEK" indicates SEK million. Certain financial and other information presented may have been rounded off to make the information easily accessible to the reader.

Revenue

The company's revenue amounted to SEK 0.0 M (0.0) in the fourth quarter and for the full year.

Operating expenses/operating loss

Research and development costs totaled SEK 68.0 M (88.0) in the fourth quarter and SEK 272.9 M (364.7) for the full year. The reduced R&D costs compared to previous year are primarily a result of the focus within the clinical program and lower production costs.

Administrative expenses amounted to SEK 3.5 M (3.0) in the fourth quarter and to SEK 14.9 M (15.0) for the full year.

Other operating expenses, consisting of currency differences in trade payables, mainly related to the exchange rate changes in the value of the Swedish krona against EUR and USD, amounted to SEK -0.4 M (-1.3) in the fourth quarter and SEK 2.3 M (1.9) for the full year. The positive outcome in the fourth quarter is a result of the appreciation of the Swedish krona.

The operating loss was SEK 71.1 M (89.7) in the fourth quarter and SEK 290.0 M (381.5) for the full year.

Net financial income/expense

Net financial income/expense substantially consists of foreign exchange differences in the company's currency accounts and interest earned on short-term investments in fixed-rate accounts. Net financial income/expense for the full year period was positively affected by the sale of short-term investments totaling SEK 5.7 M. The total net financial income was SEK -0.1 M (-0.9) for the fourth quarter and SEK 10.0 M (9.7) for the full year.

Earnings

Cantargia's loss before tax, which is the same as the loss for the period, was SEK 71.3 (90.6) for the fourth quarter and SEK 280.0 M (371.8) for the full year.

Cash flow and investments

Cash flow from operating activities was SEK -56.4 M (-61.6) in the fourth quarter and SEK -286.6 M (-358.9) for the full year. As part of cash flow from operating activities, changes in working capital were SEK 9.2 M (26.4) in the fourth quarter and SEK -14.5 M (14.6) for the full year.

Cash flow from investing activities was SEK 25.2 M (-7.1) in the fourth quarter and SEK 182.1 M (67.9) for the full year. Cash flow from investing activities essentially refers to reallocation of other short-term investments in fixed-rate accounts and fixed income funds.

Cash flow from financing activities was SEK 54.7 M (0.0) in the fourth quarter and SEK 54.7 M (223.9) for the full year. The positive cash flow for the fourth quarter 2023 is related to the directed share issue that was completed in November 2023. The positive cash flow during the full year 2022 is related to the rights issue that was completed in August 2022.

The total change in cash and cash equivalents was SEK 23.5 M (-68.7) for the fourth quarter and SEK -49.8 M (-67.1) for the full year.

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 139.7 M (189.6) at the balance sheet date. In addition to cash and cash equivalents, the company had short-term investments with banks and in fixed income funds of SEK 55.0 M (237.1). At the balance date, total available funds, bank deposits and short-term investments, amounted to SEK 194.7 M (426.7).

The board continuously evaluate the financial status of the Company and has concluded that the current available funds and proceeds from the directed issue are sufficient to finance ongoing activities into 2025. The conditions for going concern upon issuing of financial statements are met.

Cantargia's equity/assets ratio on 31 December 2023 was 75 (82) per cent and equity was SEK 168.7 M (389.7).

At the end of the period, total assets amounted to SEK 223.7 M (474.8).

SHAREHOLDER INFORMATION

Share information

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA".

The closing price on the last trading day of the period was 3.738 SEK (3.08 SEK). On December 31, 2023, the number of shares was 183,686,684 (166,987,895). The change in 2023 is due to the directed share issue decided on October 30, 2023, which implied that 16,698,789 shares were issued at a price of SEK 3.55. The issue resulted in gross proceeds of approximately SEK 59 million before deduction of transaction costs.

Share price performance in 2023

Ownership distribution, December 31, 2023

Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	18,124,193	9.9%
Första AP-fonden	13,000,000	7.1%
Alecta Tjänstepension, Ömsesidigt	12,865,770	7.0%
Six Sis AG	8,474,922	4.6%
Försäkringsaktiebolaget, Avanza Pension	8,451,152	4.6%
Goldman Sachs International	6,353,905	3.5%
Handelsbanken fonder	4,658,416	2.5%
Swedbank Robur Fonder	3,692,995	2.0%
Nordnet Pensionsförsäkring	2,812,241	1.5%
Brushamn Invest Aktiebolag	2,261,160	1.2%
Other	102,991,930	56.1%
Total	**183,686,684**	**100.0%**

Ownership distribution by size class, December 31, 2023

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	8,421	1,258,662	0.7%	4,705
501 - 1 000	2,111	1,674,666	0.9%	6,260
1 001 - 5 000	4,231	10,577,411	5.8%	39,538
5 001 - 10 000	1,230	9,214,826	5.0%	34,445
10 001 - 15 000	430	5,316,568	2.9%	19,873
15 001 - 20 000	286	5,101,045	2.8%	19,068
20 000 -	759	137,085,091	74.6%	512,424
Unknown holding size	0	13,458,415	7.3%	50,308
Total	**17,468**	**183,686,684**	**100.0%**	**686,621**

The ownership register above has been compiled and processed based on data from the share register for Cantargia AB maintained by Euroclear AB. Share of capital and votes are based on the number of outstanding shares at the time, which amounted to 183,686,684.

OTHER INFORMATION

Employees

The average number of employees during the fourth quarter was 23 (27), of whom 13 (17) were women. At the end of 2023, Cantargia had 22 (26) employees, of whom 13 (17) were women. Cantargia operates to a large extent through external partners.

Financial calendar

- Annual Report 2023, April 2024
- Interim report January-March, May 21, 2024
- Interim report April-June 2024, August 28, 2024
- Interim report July-September 2024, November 15, 2024
- Year-end report 2024, February 21, 2025

Annual General Meeting

The annual General Meeting (AGM) of Cantargia will be held at Ideon Gateway, Scheelevägen 27 in Lund on May 23, 2024, at 3 p.m. (CET). Invitation to participate will be announced via Post-och Inrikes Tidningar and on the Company's website.

Nomination Committee

In accordance with the resolution at the 2023 AGM, the Nomination Committee for the 2024 AGM has been appointed and announced. The Nomination Committee consists of: Jan Särlvik Chairman (Fjärde AP-fonden), Daniel Kristiansson (Alecta Tjänstepension), Mats Larsson (Första AP-fonden) and Magnus Persson (Chairman of the Board).

Dividend

The board of directors proposes that no dividend shall be distributed related to fiscal year 2023.

Review by auditors

The year-end report has not been reviewed by Cantargia's auditors.

Presentation of the Year-End Report

Cantargia invites investors, analysts, and media to an audiocast with teleconference (in English) on February 22, 2024, at 3:00 p.m. CET, where Cantargia's CEO, Göran Forsberg, and CFO, Patrik Renblad, will present Cantargia and comment on the year-end report for 2023, followed by a Q&A-session.

Web cast: https://ir.financialhearings.com/cantargia-q4-report-2023.

Contact

Göran Forsberg, CEO of Cantargia AB
Telephone: +46 (0)46-275 62 60
E-mail: goran.forsberg@cantargia.com

Interim reports and the annual report are available at www.cantargia.com.

CEO's Assurance

The CEO assures that this year-end report provides a true and fair view of the company's operations, financial position, and results, as well as outlines significant risks and uncertainties the company is facing.

Lund, February 22, 2024

Göran Forsberg
CEO

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating income					
Net sales		-	-	-	-
Other operating income		-	-	-	-
		-	**-**	**-**	**-**
Operating expenses	6				
Research and development costs	5	-68 049	-87 967	-272 882	-364 686
Administrative costs		-3 497	-3 025	-14 883	-14 964
Other operating expenses*		411	1 279	-2 252	-1 899
		-71 135	**-89 712**	**-290 017**	**-381 549**
Operating loss		**-71 135**	**-89 712**	**-290 017**	**-381 549**
Financial income and expense					
Interest income and similar items		4 822	-1 205	16 362	9 740
Interest expense and similar items**		-4 944	312	-6 372	-4
		-122	**-893**	**9 990**	**9 736**
Loss before taxes		**-71 257**	**-90 605**	**-280 027**	**-371 814**
Loss for the period***		**-71 257**	**-90 605**	**-280 027**	**-371 814**
Earnings per share before dilution (SEK)		-0.40	-0.54	-1.65	-2.90
Earnings per share after dilution (SEK)		-0.40	-0.54	-1.65	-2.90

* Positive amount during the fourth quarter of 2022 and 2023 refers to capital gains.

** Positive amount during the fourth quarter of 2022 refers to reversed impairment of short-tem investment.

*** No items are reported in other comprehensive income, meaning total comprehensive income is consistent with the loss for the period.

STATEMENT OF FINANCIAL POSITION

SEK thousand	Note	31-12-2023	31-12-2022
ASSETS			
Fixed assets			
Intangible assets			
Patent		4 657	5 558
		4 657	**5 558**
Tangible assets			
Machinery and equipment		4 845	7 395
		4 845	**7 395**
Total fixed assets		**9 502**	**12 953**
Current assets			
Other receivables		2 194	2 462
Prepaid expenses and accrued income		17 269	32 714
		19 463	**35 176**
Short-term investments			
Other short-term investments		55 000	237 095
		55 000	**237 095**
Cash and bank balances			
Cash and bank balances		139 747	189 573
		139 747	**189 573**
Total current assets		**214 210**	**461 845**
TOTAL ASSETS		**223 712**	**474 798**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		14 695	13 359
		14 695	**13 359**
Non-restricted equity			
Share premium account		1 676 530	1 623 185
Retained earnings		-1 242 456	-875 046
Loss for the period		-280 027	-371 814
		154 047	**376 325**
Total equity		**168 742**	**389 684**
Long-term liabilities			
Provision for social security contributions, incentive program	8	119	24
		119	**24**
Short-term liabilities			
Trade payables		23 173	37 910
Tax liabilities		0	342
Other liabilities		802	1 025
Accrued expenses and deferred income		30 877	45 813
		54 851	**85 090**
TOTAL EQUITY AND LIABILITIES		**223 712**	**474 798**

STATEMENT OF CHANGES IN EQUITY

(kSEK)		Restricted equity	Non-restricted equity		Total
		Share capital	Share premium account	Retained earnings incl. Loss for the period	Total equity
1 October - 31 December 2023	**Note**				
Opening balance 1 October 2023		**13 359**	**1 623 185**	**-1 246 860**	**389 684**
Loss for the period		-	-	-280 027	-280 027
Transactions with shareholders					
Issue of new shares		1 336	57 945	-	59 281
Capital acquisition cost		-	-4 600	-	-4 600
Employee stock option program	8	-	-	4 405	4 405
		1 336	53 345	4 405	59 085
Closing balance 31 December 2023		**14 695**	**1 676 530**	**-1 522 482**	**168 742**
1 Januari 2022 - 31 December 2022					
Opening balance 1 January 2022		**8 015**	**1 404 595**	**-879 866**	**532 745**
Loss for the period		-	-	-371 814	-371 814
Transactions with shareholders					
Issue of new shares		5 344	245 138	-	250 482
Capital acquisition cost		-	-26 548	-	-26 548
Employee stock option program	8	-	-	4 819	4 819
		5 344	218 590	4 819	228 753
Closing balance 31 December 2022		**13 359**	**1 623 185**	**-1 246 860**	**389 684**

STATEMENT OF CASH FLOW

SEK thousand	Note	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Operating activities					
Operating loss		-71 135	-89 712	-290 017	-381 549
Adjustments for non-cash items	7	1 980	1 157	7 951	7 643
Interest received etc.		3 555	253	9 929	388
Interest paid etc.		-	312	-1	-4
Cash flow from operating activities before changes in working capital		**-65 600**	**-87 990**	**-272 138**	**-373 523**
Changes in working capital					
Change in receivables		8 841	5 077	15 713	-3 876
Change in trade payables		-973	20 551	-14 737	3 398
Changes in other current liabilities		1 232	743	-15 501	15 085
		9 100	**26 370**	**-14 525**	**14 607**
Cash flow from operating activities		**-56 500**	**-61 619**	**-286 663**	**-358 915**
Investing activities					
Acquisition of tangible assets		-	-7 072	-	-7 089
Increase in other short-term investments		-15 000	-	-55 000	-31
Decrease in other short-term investments		40 238	-	237 095	75 000
Cash flow from investing activities		**25 238**	**-7 072**	**182 095**	**67 880**
Financing activities					
Issue of new shares for the year		59 281	-	59 281	250 482
Capital acquisition cost		-4 600	-11	-4 600	-26 548
Cash flow from financing activities		**54 681**	**-11**	**54 681**	**223 934**
Change in cash and cash equivalents		23 420	-68 703	-49 888	-67 101
Cash and cash equivalents at beginning of period		120 004	259 734	189 573	247 322
Exchange rate difference in cash equivalents		-3 677	-1 458	62	9 352
Cash and cash equivalents at end of period*		**139 747**	**189 573**	**139 747**	**189 573**

*The company's cash and cash equivalents consist of cash and disposable balances with banks and other credit institutions.

KEY FIGURES

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	-	-	-	-
Operating loss	-71 135	-89 712	-290 017	-381 549
Loss for the period	-71 257	-90 605	-280 027	-371 814
Average number of shares	178 120 421	166 987 895	169 771 027	128 024 053
Earnings per share before and after dilution (SEK) based on average number of shares	-0.40	-0.54	-1.65	-2.90
Change in cash and cash equivalents	23 420	-68 703	-49 888	-67 101
Cash and cash equivalents	139 747	189 573	139 747	189 573
Short-term investments	55 000	237 095	55 000	237 095
Total available funds	194 747	426 669	194 747	426 669
Equity end of period	168 742	389 684	168 742	389 684
Equity/assets ratio, %	75%	82%	75%	82%
Average number of employees	23	27	24	27
Number of employees at end of period	22	26	22	26
R&D costs as a percentage of operating expenses	96%	98%	94%	96%

Key performance indicators, definitions

Operating profit/loss, SEK thousand	Net sales less total operating expenses.
Earnings per share, SEK	Profit/loss for the period divided by average number of shares for the period.
Total available funds, SEK thousand	Cash and cash equivalents plus short-term investments.
Equity/assets ratio, %	Equity divided by total capital.
R&D costs as a percentage of operating expenses, %	Research and development costs divided by operating expenses.

NOTES

Note 1 General information

This year-end report refers to Cantargia AB (publ) ("Cantargia"), corporate ID number 556791-6019. Cantargia has no subsidiaries.

Cantargia is a Swedish public limited company with registered office in Lund, Sweden. The company's address is Ideon Gateway, Scheelevägen 27, SE-223 63 Lund.

The year-end report has been approved by Cantargia's Board of Directors for publication on 22 February 2024.

Note 2 Accounting policies

This year-end report has been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and IAS 34 Interim Financial Reporting. The accounting policies applied in preparing this year-end report are consistent with those used in preparing the annual report for 2022.

The year-end report has been prepared using the cost method. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on the company. Cantargia applies the alternative performance measures issued by the European Securities and Markets Authority (ESMA).

Note 3 Information on risks and uncertainties

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. Although Cantargia's operations have not been significantly affected by external factors such as the COVID-19 pandemic or the war in Ukraine so far, such factors could potentially impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities.

Financial risks

Through its operations, Cantargia is exposed to various types of financial risks; liquidity risk, market risks (currency risk, interest rate risk and other price risk) and credit risks. Cantargia's financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities.

Cantargia is a research and development company that neither has nor is expected to generate revenue in the near term. The company's ongoing and future development of its drug candidates as well as general operations are dependent on the availability of financial resources. Against this background, the board continuously monitors the company's financial situation and evaluates various financing alternatives. It is the board's assessment that the company's available funds at the balance date are sufficient to ensure continued operations.

The company is also affected by foreign exchange risk since the main part of the development costs are paid in EUR and USD. In accordance with Cantargia's financial policy, the company exchanges cash into USD, EUR and GBP based on entered agreements to manage the currency exposure. For more information about the company's financial risk management see note 3 on page 49 in the Annual Report for 2022.

A more detailed description of the company's risk exposure and risk management can be found in the section "Risks and risk management" in the Directors' report on page 33 in the Annual Report for 2022.

Note 4 Critical judgements and estimates

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management which are deemed reasonable at the time when they are made. The estimates and assumptions applied are based on historical experience and other factors which are deemed reasonable under current circumstances. The results of these are then used to determine carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Any changes are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

The critical judgements and estimates that are of the greatest importance for Cantargia are described in Note 4 on page 51 in the Annual Report for 2022.

Note 5 Related party transactions

Cantargia has a research agreement with Lund University since 2021, where Gunilla Westergren-Thorsson, Professor in Lung Biology, is engaged in the research. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, will conduct a project aimed at expanding the knowledge about IL1RAP as part of her employment at Lund University. Under the agreement, Cantargia has the right to use and, if applicable, take over all research results from the projects free of charge. During 2023, the company incurred a cost of SEK 0.0 thousand (650.0) under the agreement.

Cantargia is co-financing a postdoctoral position as part of Lund University's CANFASTER programme where Professor Karin Leandersson is Head of Research. The CANFASTER programme centers on collaborations between industry and universities and is funded in equal parts by both parties. Under the agreement, Karin Leandersson is conducting research aimed at expanding the knowledge about the function of IL1RAP in tumors. Cantargia has the right to research results and IP arising from the project. Karin Leandersson was a member of Cantargia's Board of Directors until the annual general meeting 2023 and was then considered an insider at Cantargia. During 2023, the company incurred a cost of SEK 426.8 thousand (651.3) under the agreement.

The Board considers that the above agreements have been concluded on commercial terms.

Note 6 Costs by nature of expense

On a "by nature" basis, the sum of expenses by function is distributed as follows.

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Project costs	-55 215	-73 257	-220 479	-306 691
Other external expenses	-5 093	-6 192	-26 278	-25 951
Personnel expenses	-10 375	-10 472	-37 557	-43 317
Other operating expenses	411	1 279	-2 252	-1 899
Depreciation	-863	-1 070	-3 451	-3 692
	-71 135	**-89 712**	**-290 017**	**-381 549**

Note 7 Adjustments for non-cash items

SEK thousand	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Depreciation	-863	-1 070	-3 451	-3 692
Employee stock option program	-1 117	-399	-4 499	-3 951
Value adjustment other short-term investments	-	312	-	-
	-1 980	**-1 157**	**-7 951**	**-7 643**

Note 8 Share-based incentive programs

Employee stock option program

The purpose of share-based incentive programs is to promote the company's long-term goals and to create opportunities for the company to retain competent personnel.

Cantargia currently has two active programs and one decided program that covers the company's management, other employees, and consultants. The active programs are the employee stock option program 2020/2023 approved at the Annual General Meeting 2020 and the employee stock option program 2021/2024 approved at the Annual General Meeting 2021. For further information about these programs, see Note 19 in the Annual Report for 2022. The decided but not yet active program refers to the employee stock option program 2023/2026 approved at the Annual General Meeting 2023.

Below is a summary of the total number of shares that granted options may entitle to as of December 31, 2023. Each warrant in the employee stock option program 2020/2023 and 2021/2024 entitles to 1.2 potential ordinary shares. Each warrant in the stock employee stock option program 2023/2026 entitles to 1.0 potential ordinary share.

Full exercise of granted options as of December 31, 2023, corresponding to a total of 4,916,800 shares, would result in a dilution of shareholders by 2.6 per cent. If decided but not allotted options from the option program 2023/2026 are fully exercised, which corresponds to an additional 3,000,000 options, it would result in a total dilution of shareholders by 4.1 per cent.

Changes in existing incentive programs during 2023 (number of warrants)	
Granted instruments	
Employee stock option program 2020/2023	-
Employee stock option program 2021/2024	1 406 000
Employee stock option program 2023/2026	-
Exercised instruments	-
Lapsed instruments	
Employee stock option program 2020/2023	-9 000
Employee stock option program 2021/2024	-369 000
Employee stock option program 2023/2026	-
Total change	**1 028 000**

Number of shares granted instruments may entitle to December 31, 2023*	
Employee stock option program 2020/2023	2 089 600
Employee stock option program 2021/2024	2 827 200
Employee stock option program 2023/2026	-
Number of shares granted instruments may entitle to	**4 916 800**

*Recalculation of employee stock option programs after the rights issue in 2022 means that each warrant in the stockoption programs 2020/2023 and 2021/2024 entitles to 1.2 shares. Each warrant in the stock program 2023/2026 entitles to 1.0 share.

Note 9 Significant events after the end of the period

- The first results from the ongoing phase I clinical trial of CAN10 shows that the antibody binds to the target, IL1RAP, without any safety concerns. The study progresses according to plans.
- New clinical and preclinical results show that nadunolimab can reduce neuropathy, a serious side effect of chemotherapy and so-called antibody drug conjugates (ADC).
- Regulatory approval was obtained in the US to initiate the phase IIb trial of nadunolimab in pancreatic cancer.

SUBMISSION OF YEAR-END REPORT

The information was submitted for publication through the Chief Executive Officer on February 22, 2024, at 7:00 a.m. (CET).

Cantargia AB (publ)
Ideon Gateway
Scheelevägen 27
SE-223 63 Lund
Telephone: +46(0)46 2756260
www.cantargia.com