INTERIM REPORT

January - June 2022

ASCO results attract great interest

SECOND QUARTER

- Net sales: SEK 0 M (0)
- Operating loss: SEK -96.0 M (-86.6)
- Loss after tax: SEK -93.3 M (-85.9)
- Loss per share, before and after dilution: SEK -0.93 (-0.86)

HALF-YEAR

- Net sales: SEK 0 M (0)
- Operating loss: SEK -217.6 M (-159.8)
- Loss after tax: SEK -210.7 M (-158.5)
- Loss per share: before and after dilution, SEK -2.10 (-1.58)
- Equity/assets ratio: 83 (91) per cent
- Cash and cash equivalents: SEK 114.1 M (94.7)
- Short-term investments: SEK 236.1 M (666.0)

Significant events in the second quarter

- At ASCO 2022, one of the world's largest cancer congresses, Cantargia presented interim clinical data for nadunolimab for the more than 100 patients with pancreatic cancer (PDAC) or non-small cell lung cancer (NSCLC) included in the phase IIa part of the CANFOUR study, and for the first patients in the CIRIFOUR study
- Positive preclinical efficacy data were presented for CAN10 in a model of atherosclerosis at the European Atherosclerosis Society Congress
- Cantargia's Board of Directors resolved to carry out a rights issue and invited to an Extraordinary General Meeting

Significant events after the end of the period

- At the Extraordinary General Meeting in July, the resolution of the Board of Directors to carry out a rights issue was approved, and in August, a significantly oversubscribed rights issue was completed, raising SEK 250 million before deduction of transaction costs
- New preclinical efficacy data were presented for CAN10 in a further model of myocarditis at the Basic Cardiovascular Sciences Scientific Sessions 2022 conference
- Cantargia obtained a Notice of Allowance from the United States Patent and Trademark Office (USPTO) for its product patent for the CAN10 antibody and the patent is expected to issue within 1-2 months
- Dr. Dominique Tersago was appointed as new Chief Medical Officer

Comments on significant events

Nadunolimab has great potential to provide a potent long-term effect in combination with established cancer therapies. Positive interim clinical data presented at ASCO 2022 show that nadunolimab in combination with chemotherapy results in therapeutic effects which are significantly stronger than historical control data for chemotherapy only. In the 73 PDAC patients which received nadunolimab with first-line chemotherapy (gemcitabine/nab-paclitaxel), median survival was 12.7 months, which is about four months longer than has been reported for chemotherapy alone. In the 30 NSCLC patients treated with nadunolimab and chemotherapy (cisplatin/gemcitabine), the response rate was 53 per cent, which is approximately twice as high as previously reported for chemotherapy alone. The safety profile was good and manageable. Data for combination therapy with the checkpoint inhibitor Keytruda® were also presented, showing a good safety profile. Overall, these results were received with great interest from leading researchers and clinicians attending the ASCO congress.

In PDAC, preparations are underway for a potentially registrational clinical study at leading hospitals in the US in collaboration with the organization PanCAN, and in NSCLC a randomized study is planned for 2023. To finance these activities and develop nadunolimab in one of the additional indications currently evaluated, Cantargia completed a rights issue raising approximately SEK 250 million during the summer.

As nadunolimab advances towards the start of late-stage clinical trials, the company was also strengthened with the appointment of Dr. Dominique Tersago as Chief Medical Officer.

Positive results showing that CAN10 inhibits disease progression in a preclinical model for atherosclerosis were presented at the European Atherosclerosis Society Congress. At the Basic Cardiovascular Sciences (BCVS) Scientific Sessions 2022 conference, Cantargia also presented new preclinical data in a viral myocarditis model where CAN10 was shown to reduce disease burden and inflammation. Further progress was made in the CAN10 project as Cantargia received a Notice of Allowance from the USPTO for its patent application for CAN10 in the US. This indicates that the USPTO intends to approve the application once standard procedural steps have been completed.

CHIEF EXECUTIVE'S REVIEW

ASCO results attract great interest

Cantargia has undergone an eventful period which in the long term may prove to be of decisive importance. An important event was our presentation of new clinical results at the annual ASCO conference in Chicago, and another was the completion of a significantly oversubscribed SEK 250 million rights issue in a challenging market, on the basis of these results. Armed with strong data in our main project, which have generated great international interest, as well as a solid cash position, we have an excellent opportunity to keep building value in the company.

Our main project, nadunolimab, has many different potential uses in cancer treatment. Currently, we are focusing our development on combinations with standard treatments with the ambition to prove that the combination is a significantly better option compared to the individual treatments. The results we have observed in combination with chemotherapy in pancreatic cancer and lung cancer, both in terms of efficacy and safety, indicate that we are on the right track. The results presented at the ASCO conference in June show effects on survival, progression-free survival and tumour burden that are stronger than would be expected from historical data for chemotherapy alone. Still, these results need to be confirmed in studies which include a control group. We are currently preparing a controlled study for the treatment of pancreatic cancer together with the US organization PanCAN, and the goal is that this study, Precision Promise^{SM}, will allow for marketing authorization if the results are positive. At the time of writing, details are being fine-tuned together with external experts and discussions are underway with regulatory authorities in preparation for the formal application to start the study. In lung cancer, we will continue treating additional patients with the aim of starting a controlled study next year, based on the results we obtain. There is strong competition in lung cancer; the market is becoming increasingly segmented, which requires a carefully considered approach and a robust foundation on which to build. We are therefore pleased to have completed the crucial financing now during the summer, which will enable us to focus on these studies.

In addition to the studies with nadunolimab, we have also presented several new results for CAN10 in various disease models. CAN10 is designed for the treatment of autoimmune/inflammatory diseases and development activities have been focused on myocarditis and systemic sclerosis, two diseases with a very high medical need. Myocarditis can have a variety of causes and the results we have presented earlier relate to autoimmune myocarditis. During the summer, in collaboration with a research team from Johns Hopkins in the US, we presented new results in a form of the disease that is instead caused by viral infection. The data show a clear treatment effect of CAN10, providing further support for its great potential. Additionally, myocarditis caused by viral infection has increased during the ongoing COVID-19 pandemic. Further evidence for the broad potential of CAN10 were obtained in a collaboration with Lund University as CAN10 was found to inhibit disease progression in atherosclerosis. Also, the United States Patent and Trademark Office has announced that they intend to approve our patent application for CAN10, which means that we will receive our first granted patent for CAN10 within the next couple of months. The project is advancing as planned towards the start of a phase I clinical study in early 2023.

Cantargia has also made another key recruitment by the appointment of Dr. Dominique Tersago as new Chief Medical Officer. Dominique has a solid background within the industry, including a role as CMO at Ablynx, Belgium. Considering what lies ahead, Dominique has the experience and knowledge necessary to help Cantargia make further progress.

I am confident that Cantargia is in a strong position to continue a very exciting journey. We have achieved strong results, have a solid cash position, and face many milestones in the coming quarters.

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 research demonstrated that this molecule is also found on cancer cells from a large number of tumor types. Antibodies targeting IL1RAP can thus potentially be used in the treatment of several types of cancer.

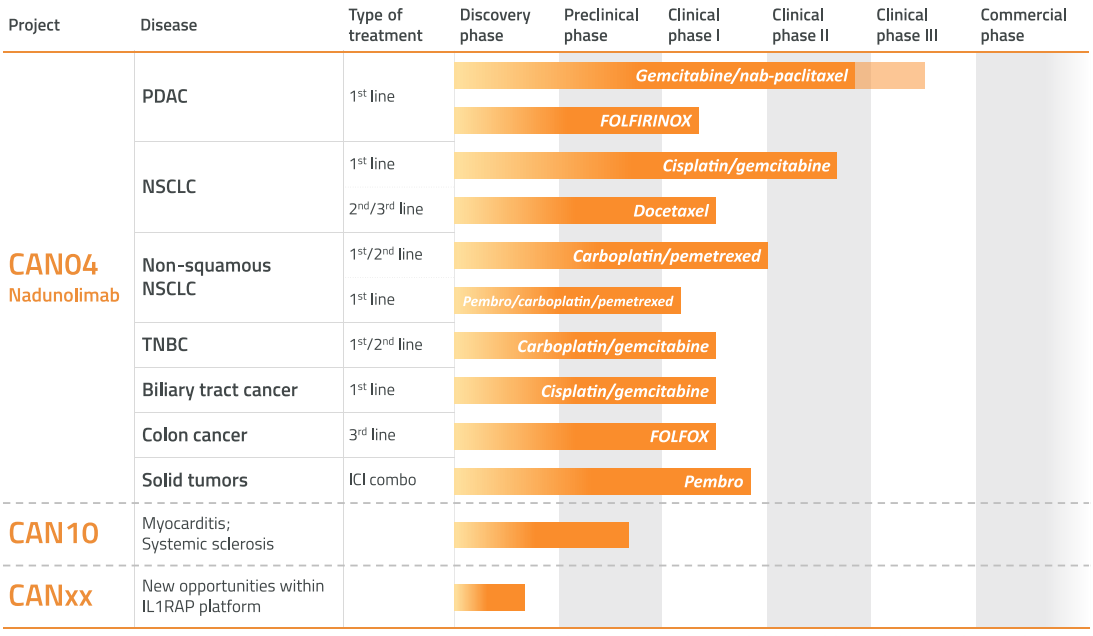
Nadunolimab (CAN04)
The development of Cantargia's first drug candidate, the IL1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and pre-clinical data in the treatment of cancer. In addition to targeting cancer cells and stimulating our natural immune system to destroy such cells, nadunolimab also blocks signals which contribute to tumor development and growth. In a large number of tumor diseases, the tumor growth benefits from the so-called interleukin-1 system, which contributes to an environment favorable to tumors. 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 IIa stage where the current focus is on treatment of pancreatic cancer and non-small cell lung cancer. Promising interim data have been presented from patients receiving nadunolimab in combination with chemotherapy and indicate a stronger efficacy than would be expected from chemo-therapy alone. Currently, the next steps in late-stage clinical development in pancreatic cancer are being prepared as nadunolimab will be included in the ongoing adaptive clinical phase II/III trial Precision Promise[SM], designed by the Pancreatic Cancer Action Network (PanCAN). In parallel, preparations for a randomized study in non-squamous non-small cell lung cancer are ongoing. Cantargia has more recently also broadened the development to include additional forms of cancer such as triple-negative breast cancer.

CAN10
IL1RAP is also an interesting target in many diseases outside the field of cancer. In the CAN10 project, Cantargia is developing a new 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 in the 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. CAN10 is currently in late-stage preclinical development and the goal is to initiate the first clinical trial with CAN10 in early 2023.

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; NSCLC – non-small cell lung cancer; TNBC – triple negative breast cancer; ICI – immune checkpoint inhibitor; Pembro – pembrolizumab

Cantargia's clinical studies

In Cantargia's first clinical study, CANFOUR, nadunolimab is evaluated for treatment of pancreatic cancer and non-small cell lung cancer. CANFOUR is a phase I/IIa study consisting of two parts. While the first part primarily evaluated safety and dosage of monotherapy, the second part, phase IIa, focuses on combination therapy with the standard treatments 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 the phase IIa part, presented at ASCO in June 2022, 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, progression-free survival of 7.2 months and median overall survival of 12.7 months is observed. In 30 patients with non-small cell lung cancer, a response of 53 per cent is achieved, resulting in median progression-free survival of 6.8 months. An even higher response is observed in patients with the non-squamous subtype of non-small cell lung cancer. In CANFOUR, additional patients with non-squamous non-small cell lung cancer are now being recruited. This is a first step in a focused strategy for late-stage clinical development and these patients are being prioritized as they are most likely to benefit from treatment with nadunolimab and chemotherapy.

In a further clinical study, CIRIFOUR, nadunolimab is being studied in combination with the immunotherapy pembrolizumab (Keytruda®), where the main purpose is to assess safety. Studies of biomarkers and efficacy are also being conducted. For CIRIFOUR, patient recruitment was recently completed for the initial treatment arm, which included 15 patients with non-small cell lung cancer, head and neck cancer or malignant melanoma, with patients no longer responding to immunotherapy. Interim data presented at ASCO in June 2022 show that the combination is well-tolerated and that disease control for at least 30 weeks (up to 58 weeks) is achieved in 6 of 15 patients, including one partial response. In the next step, CIRIFOUR will be expanded to include an additional combination therapy arm where nadunolimab will be assessed in combination with immunotherapy and platinum-based chemotherapy in patients with non-squamous non-small cell lung cancer.

In 2021, further studies were initiated with the aim to broaden the clinical programme for nadunolimab to include additional forms of cancer and combination therapies. One such study is the phase Ib study CAPAFOUR where nadunolimab is evaluated in combination with the FOLFIRINOX chemotherapy regimen in pancreatic cancer. The phase I/II study CESTAFOUR and phase Ib/II study TRIFOUR were also started. In CESTAFOUR, nadunolimab is evaluated in three different forms of cancer: non-small cell lung cancer, biliary tract cancer and colon cancer in combination with standard of care chemotherapies. In TRIFOUR, the focus is on triple-negative breast cancer, where nadunolimab is also evaluated in combination with chemotherapy.

Currently, the next steps in late-stage clinical development in pancreatic cancer are also being prepared as nadunolimab will be included in the pivotal clinical phase II/III trial Precision Promise^{SM} in collaboration with the US organization PanCAN.

Ongoing clinical studies for nadunolimab

Study	Disease	Combination therapy	Estimated enrollment	Status	NCT number
CANFOUR	NSCLC	Cisplatin/gemcitabine	33	Recruitment completed	NCT03267316
	Non-squamous NSCLC	Carboplatin/pemetrexed	40	Recruiting	
	PDAC	Gemcitabine/nab-paclitaxel	76	Recruitment completed	
CIRIFOUR	NSCLC, bladder cancer, HNSCC, melanoma	Pembro	15	Recruitment completed	NCT04452214
	Non-squamous NSCLC	Pembro/carboplatin/ pemetrexed	24	Recruitment not yet started	
CAPAFOUR	PDAC	FOLFIRINOX	30	Recruiting	NCT04990037
CESTAFOUR	NSCLC	Docetaxel	55	Recruiting	NCT05116891
	Biliary tract cancer	Cisplatin/gemcitabine	55		
	Colon cancer	FOLFOX	55		
TRIFOUR	TNBC	Carboplatin/gemcitabine	113	Recruiting	NCT05181462
Precision Promise^{SM}	PDAC	Gemcitabine/nab-paclitaxel	175	Recruitment not yet started	NCT04229004

NSCLC – non-small cell lung cancer; PDAC – pancreatic cancer; HNSCC – head and neck cancer; TNBC – triple-negative breast cancer; Pembro – pembrolizumab

CANTARGIA OPERATES IN A GROWING MARKET

Cancer is one of the most common causes of death in the world, accounting for around 20 per cent of deaths in the West. Globally, more than 19 million people are diagnosed with cancer each year and nearly 10 million die from cancer-related diseases[1]. Despite significant advances in treatment and diagnosis, there is great need for new treatment methods.

Cantargia initially focused its development of nadunolimab on non-small cell lung cancer and pancreatic cancer. Pancreatic cancer is very difficult to treat and few effective treatments have been developed to date. Lung cancer is the form of cancer that causes the most number of deaths and non-small cell lung cancer is the most common form of the disease.

As IL1RAP, the target molecule of nadunolimab, is found on multiple solid tumors, there is potential to utilize Cantargia's immuno-oncology platform for treatment of several additional forms of cancer. For this reason, the development of nadunolimab has been broadened to also include additional forms of cancer, including triple-negative breast cancer.

The market for lung cancer treatment

In 2020, around 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[3]. In the United States, the number of people diagnosed with lung cancer has declined by approximately 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.

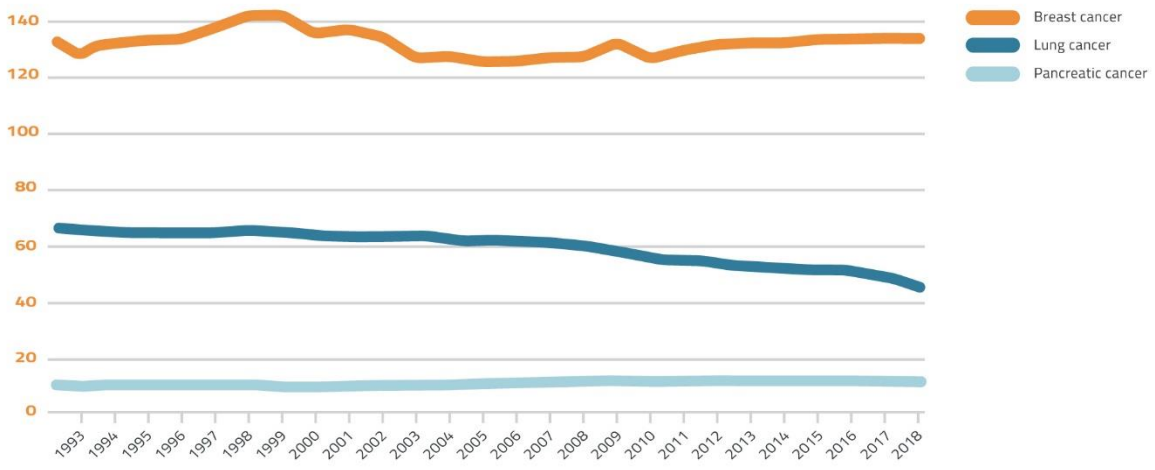
Sales of drugs for non-small cell lung cancer totalled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[4]. Sales are driven mainly by increasing use of various antibody-based immunotherapies. Another important factor driving the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The market for pancreatic cancer treatment

Globally, approximately 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 past 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the United States[5]. Pancreatic cancer is difficult to diagnose, and for this reason, it is also difficult to treat as it is often well advanced by the time it is discovered.

Pancreatic cancer treatment was valued at approximately USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approximately USD 4.2 billion by 2026[6]. This corresponds to an annual growth rate of just over 8 per cent during these years. The growth in this market is mainly caused by an increasing number of cancer cases. The number of people diagnosed with pancreatic cancer is estimated to increase by 70 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.

Number of new cancer cases in the US per 100,000 inhabitants



Source: SEER Cancer Statistics Review

The market for breast cancer

Breast cancer is currently the most common form of cancer. In 2020, approximately 2.3 million new cases were reported, and approximately 685,000 women died from the disease. In 2040, around 3.2 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[7]. 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[8].

The global market for breast cancer treatment amounted to approximately USD 15 billion in 2021 and is expected to increase to USD 20 billion by 2025, corresponding to an annual growth rate of approximately 13 per cent[9]. The market growth is primarily caused by an increased incidence of the disease, but also the need for preventive measures and early treatment. Market growth is also expected to be driven by the launch of new drugs.

Approximately 10-15 per cent of breast cancer cases are triple-negative breast cancer, an aggressive and difficult to treat form of cancer that expresses IL1RAP at higher levels compared to other types of 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 approximately 4.5 per cent between 2020 and 2027[10].

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 the treatment of systemic sclerosis and myocarditis. 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 approximately 1.4 per 100,000 according to a new systematic review[11]. 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 approximately USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[12]. This corresponds to an average annual growth rate of 14 per cent.

Myocarditis is characterized by inflammation of the muscular tissues of the heart (myocardium) arising from, for example, 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 myocardium architecture and contractile function. The incidence of myocarditis is about 22 per 100,000 (1.7 million)[13], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[14]. 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 immune subtypes. For these patients, heart transplantation is currently the only definitive treatment.

[1]Globocan 2020

[2]https://www.lungcancer.org/find_information/publications/163-lung_cancer_101/268-types_and_staging

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

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

[5]American Cancer Society, Cancer Facts & Figures 2021

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

[7]American Cancer Society

[8]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

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

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

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

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

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

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

FINANCIAL INFORMATION

Revenue

The company's revenue amounted to SEK 0.0 M (0.0) in the second quarter and SEK 0.0 M (0.0) in the first six months of the year.

Operating expenses/operating loss

Research and development costs totalled SEK 90.6 M (81.1) in the second quarter and SEK 207.1 (150.1) in the first six months. The change compared to the previous year is primarily related to Cantargia's main project, CAN04, and the expansion of the clinical programme with the CIRIFOUR, CAPAFOUR, CESTAFOUR, TRIFOUR, and Precision Promise^{SM}. studies. Investments in production development (CMC) and preclinical studies for CAN10 also increased.

Administrative expenses amounted to SEK 3.9 M (5.4) in the second quarter and SEK 8.1 M (8.9) for the six-month period.

Other operating expenses, which mainly comprise foreign exchange differences on trade payables, were SEK 1.5 M (0.1) in the second quarter and SEK 2.5 M (0.8) in the first six months. Other operating expenses are mainly related to changes in the value of the Swedish krona against EUR.

The operating loss was SEK -96.0 M (-86.6) in the second quarter and SEK -217.6 M (-159.8) for the first six-month period.

Net financial income/expense

Net financial income/expense consists substantially of foreign exchange differences on the company's currency accounts and interest earned on short-term investments in fixed-rate accounts. Net financial income/expense for the period includes an impairment charge of SEK -1.0 M on a short-term investment in a fixed income fund. Net financial income was SEK 2.8 M (0.7) for the second quarter and SEK 6.9 M (1.3) for the six-month period.

Earnings

Cantargia's loss before tax, which is the same as the loss for the period, was SEK -93.3 M (-85.9) for the second quarter and SEK -210.7 M (-158.5) for the first six months.

Cash flow and investments

Cash flow from operating activities was SEK -95.2 M (-82.1) in the second quarter and SEK -215.9 M (-143.2) in the first six months. As part of cash flow from operating activities, changes in working capital were SEK -1.2 M (1.2) in the second quarter and SEK -3.0 M (11.7) in the first six months.

Cash flow from investing activities was SEK 0.0 M (0.0) in the second quarter and SEK 75.0 M (-456.1) in the first six months. Cash flow from investing activities refers essentially to the reallocation of other short-term investments in fixed-rate accounts and fixed income funds.

Cash flow from financing activities was SEK 0.0 M (0.0) in the second quarter and SEK 0.0 M (0.0) during the first six months.

The total change in cash and cash equivalents was SEK -95.2 M (-82.1) for the second quarter and SEK -141.0 M (-599.3) for the six-month period.

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 114.1 M (94.7) 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 236.1 M (666.0). Total available funds, bank deposits and short-term investments amounted to SEK 350.2 M (760.7).

In June, a share issue of SEK 250 M before deduction of transaction costs was resolved, which was completed in August.

Cantargia's equity/assets ratio at 30 June 2022 was 83 (91) per cent and equity was SEK 325.6 M (737.8).

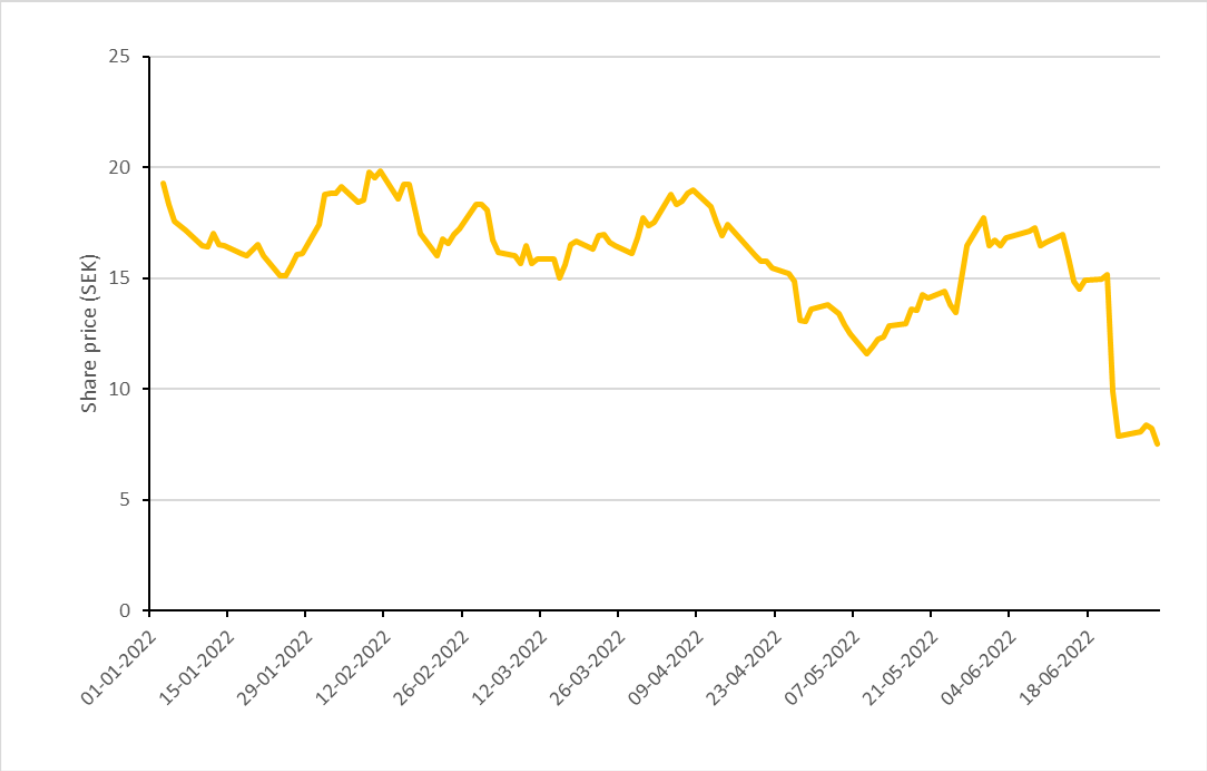
At the end of the period, total assets amounted to SEK 394.7 M (897.0).

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". On 30 June 2022, the number of shares was 100,192,737 (100,192,737).

Share price performance in 2022



Ownership distribution, 30 June 2022

Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	8 846 347	8,8%
Alecta Tjänstepension, Ömsesidigt	7 344 596	7,3%
Six Sis AG	7 036 138	7,0%
Swedbank Robur Fonder	6 376 665	6,4%
Första AP-fonden	6 324 244	6,3%
Försäkringsaktiebolaget, Avanza Pension	5 618 982	5,6%
SEB AB, Luxemburg Branch	2 992 139	3,0%
Handelsbanken fonder	2 351 867	2,3%
Unionen	1 717 928	1,7%
Goldman Sachs International	1 545 106	1,5%
Other	50 038 725	49,9%
Total	**100 192 737**	**100,0%**

Ownership distribution by size class, 30 June 2022

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	6 627	963 162	1,0%	7 224
501 - 1 000	1 464	1 178 388	1,2%	8 838
1 001 - 5 000	2 440	5 896 098	5,9%	44 221
5 001 - 10 000	553	4 099 262	4,1%	30 744
10 001 - 15 000	214	2 706 613	2,7%	20 300
15 001 - 20 000	131	2 332 040	2,3%	17 490
20 001 -	352	83 017 174	82,9%	622 629
Total	**11 781**	**100 192 737**	**100,0%**	**751 446**

OTHER INFORMATION

Employees

The average number of employees during the period January to June 2022 was 28 (20), of whom 17 (12) were women. Cantargia operates to a large extent through external partners.

Financial calendar

- Interim report July-September, 10 November 2022
- Year-end report 2022, 23 February 2023

Review by auditors

The interim report has not been reviewed by Cantargia's auditors.

Contact

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

The Board and the CEO confirm that the interim report provides a true and fair overview of the company's operations, position and earnings and describes the material risks and uncertainty factors faced by the company.

Lund, 30 August 2022

Magnus Persson Chariman	Karin Leandersson	Thoas Fioretos
Patricia Delaite	Anders Martin-Löf	Flavia Borellini
Magnus Nilsson	Damian Marron	Göran Forsberg CEO

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating income						
Net sales		-	-	-	-	-
Other operating income		-	-	-	-	-
Operating expenses	6					
Research and development costs	5	-90 613	-81 086	-207 062	-150 082	-352 709
Administrative costs		-3 925	-5 439	-8 051	-8 851	-15 309
Other operating expenses		-1 468	-71	-2 495	-836	-2 249
		-96 006	**-86 596**	**-217 609**	**-159 769**	**-370 267**
Operating loss		**-96 006**	**-86 596**	**-217 609**	**-159 769**	**-370 267**
Financial income and expense						
Interest income and similar items		3 707	703	7 840	1 276	3 766
Interest expense and similar items		-956	-	-956	-	-3
		2 750	**703**	**6 883**	**1 276**	**3 763**
Loss before taxes		**-93 256**	**-85 893**	**-210 726**	**-158 492**	**-366 504**
Loss for the period *)		**-93 256**	**-85 893**	**-210 726**	**-158 492**	**-366 504**
Earnings per share before and after dilution (SEK) based on average number of shares		-0,93	-0,86	-2,10	-1,58	-3,66

STATEMENT OF FINANCIAL POSITION

SEK thousand	Note	30-06-2022	30-06-2021	31-12-2021
ASSETS				
Fixed assets				
Intangible assets				
Patent		6 008	6 910	6 459
		6 008	**6 910**	**6 459**
Tangible assets				
Machinery and equipment		1 817	4 068	3 097
		1 817	**4 068**	**3 097**
Total fixed assets		**7 825**	**10 978**	**9 556**
Current assets				
Other receivables		2 726	3 222	4 588
Prepaid expenses and accrued income		33 875	32 077	26 713
		36 601	**35 299**	**31 301**
Short-term investments				
Other short-term investments		236 134	666 019	312 064
		236 134	**666 019**	**312 064**
Cash and bank balances				
Cash and bank balances		114 113	94 677	247 322
		114 113	**94 677**	**247 322**
Total current assets		**386 848**	**795 995**	**590 688**
TOTAL ASSETS		**394 673**	**806 973**	**600 244**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		8 015	8 015	8 015
		8 015	**8 015**	**8 015**
Non-restricted equity				
Share premium account		1 404 595	1 404 595	1 404 595
Retained earnings		-876 267	-516 339	-513 362
Loss for the period		-210 726	-158 492	-366 504
		317 602	**729 764**	**524 729**
Total equity		**325 617**	**737 779**	**532 745**
Long-term liabilities				
Provision for social security contributions, incentive program	8	161	1 255	892
		161	**1 255**	**892**
Short-term liabilities				
Trade payables		8 154	39 573	34 512
Tax liabilities		349	407	570
Other liabilities		3 122	2 317	1 105
Accrued expenses and deferred income		57 270	25 642	30 420
		68 895	**67 939**	**66 607**
TOTAL EQUITY AND LIABILITIES		**394 673**	**806 973**	**600 244**

STATEMENT OF CHANGES IN EQUITY

(kSEK)		Restricted equity	Non-restricted equity		Total
1 April 2022 - 30 June 2022	Note	Share capital	Share premium account	Retained earnings incl. Loss for the	Total equity
Opening balance 1 April 2022		**8 015**	**1 404 595**	**-995 462**	**417 149**
Loss for the period		-	-	-93 256	-93 256
Transactions with shareholders					
Employee stock option program	8	-	-	1 725	1 725
		-	-	1 725	1 725
Closing balance 30 June 2022		**8 015**	**1 404 595**	**-1 086 994**	**325 617**
1 April 2021 - 30 June 2021					
Opening balance 1 April 2021		**8 015**	**1 404 595**	**-591 203**	**821 407**
Loss for the period		-	-	-85 893	-85 893
Transactions with shareholders					
Employee stock option program	8	-	-	2 263	2 263
		-	-	2 263	2 263
Closing balance 30 June 2021		**8 015**	**1 404 595**	**-674 833**	**737 779**
1 January 2022 - 30 June 2022					
Opening balance 1 January 2022		**8 015**	**1 404 595**	**-879 866**	**532 745**
Loss for the period		-	-	-210 726	-210 726
Transactions with shareholders					
Employee stock option program	8	-		3 598	3 598
		-	-	3 598	3 598
Closing balance 30 June 2022		**8 015**	**1 404 595**	**-1 086 994**	**325 617**
1 January 2021 - 30 June 2021					
Opening balance 1 January 2021		**8 015**	**1 404 595**	**-520 676**	**891 934**
Loss for the period		-	-	-158 492	-158 492
Transactions with shareholders					
Employee stock option program	8	-		4 337	4 337
		-	-	4 337	4 337
Closing balance 30 June 2021		**8 015**	**1 404 595**	**-674 832**	**737 779**
1 January 2021 - 31 December 2021					
Opening balance 1 January 2021		**8 015**	**1 404 595**	**-520 676**	**891 935**
Loss for the period		-	-	-366 504	-366 504
Transactions with shareholders					
Employee stock option program	8	-	-	7 314	7 314
		-	-	7 314	7 314
Closing balance 31 December 2021		**8 015**	**1 404 595**	**-879 866**	**532 745**

STATEMENT OF CASH FLOW

SEK thousand	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Operating activities						
Operating loss		-96 006	-86 596	-217 609	-159 769	-370 267
Adjustments for non-cash items	7	2 855	2 959	5 568	4 196	8 541
Interest received etc.		30	355	78	645	927
Interest paid etc.		-956	-	-956	-	-3
Cash flow from operating activities before changes in working capital		**-94 078**	**-83 283**	**-212 919**	**-154 928**	**-360 802**
Changes in working capital						
Change in receivables		21 428	-13 355	-5 300	-25 780	-21 782
Change in trade payables		-19 144	7 053	-26 358	28 896	23 834
Changes in other current liabilities		-3 443	7 497	28 646	8 575	12 304
		-1 159	**1 195**	**-3 012**	**11 690**	**14 357**
Cash flow from operating activities		**-95 237**	**-82 088**	**-215 931**	**-143 238**	**-346 445**
Investing activities						
Acquisition of intangible assets		-	-	-	-	-
Acquisition of tangible assets		-	-	-17	-71	-383
Increase in other short-term investments		-9	-	-22	-531 000	-177 046
Decrease in other short-term investments		-	-	75 000	75 000	75 000
Cash flow from investing activities		**-9**	**-**	**74 961**	**-456 071**	**-102 429**
Cash flow from financing activities		**-**	**-**	**-**	**-**	**-**
Change in cash and cash equivalents		-95 247	-82 088	-140 971	-599 308	-448 873
Cash and cash equivalents at beginning of period		205 683	176 416	247 322	693 354	693 354
Exchange rate difference in cash equivalents		3 677	349	7 762	631	2 839
Cash and cash equivalents at end of period *)		**114 113**	**94 677**	**114 113**	**94 677**	**247 322**

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

KEY FIGURES

SEK thousand	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Net sales	-	-	-	-	-
Operating loss	-96 006	-86 596	-217 609	-159 769	-370 267
Loss for the period	-93 256	-85 893	-210 726	-158 492	-366 504
Average number of shares	100 192 737	100 192 737	100 192 737	100 192 737	100 192 737
Earnings per share before and after dilution (SEK) based on average number of shares	-0,93	-0,86	-2,10	-1,58	-3,66
Change in cash and cash equivalents	-95 247	-82 088	-140 971	-599 308	-448 873
Cash and cash equivalents	114 113	94 677	114 113	94 677	247 322
Short-term investments	236 134	666 019	236 134	666 019	312 064
Total available funds	350 247	760 696	350 247	760 696	559 387
Equity end of period	325 617	737 779	325 617	737 779	532 745
Equity/assets ratio, %	83%	91%	83%	91%	89%
Average number of employees	28	21	28	20	22
Number of employees at end of period	27	23	27	23	26
R&D costs as a percentage of operating expenses	94%	94%	95%	94%	95%

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 interim 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 interim report for the second quarter was approved for publication on 30 August 2022 in accordance with a resolution of the Board of Directors on 29 August 2022.

Note 2 Accounting policies

This interim 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 interim report are consistent with those used in preparing the annual report for 2021.

The interim 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. External factors such as COVID-19 may also impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities. 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 39 in the Annual Report for 2021.

Financial risk management

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. The company is primarily 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 and EUR based on entered agreements in order to manage the currency exposure. For more information about the company's financial risk management see note 3 on page 55 in the Annual Report for 2021.

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 recognised 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 57 in the Annual Report for 2021.

Note 5 Related party transactions

Cantargia has a research agreement with Lund University since 2021, where Gunilla Westergren-Thorsson, Professor of Lung Biology, is engaged in research. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, will conduct a project aimed at expanding 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 the period January to June 2022, the company incurred a cost of SEK 650.0 thousand (0.0) 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. Under the agreement, Karin Leandersson is conducting research aimed at expanding our knowledge about IL1RAP's function in tumours. Cantargia has the right to research results and IP arising from the project. Karin Leandersson is a member of Cantargia's Board of Directors and is also an insider at Cantargia. The CanFaster programme centres on collaborations between industry and universities and is funded in equal parts by both parties. During the period January to June 2022, the company incurred a cost of SEK 320.6 thousand (0.0) under the agreement.
The Board considers that the above agreement has 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	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Project costs	-76 710	-68 812	-178 370	-129 164	-304 229
Other external expenses	-6 576	-6 735	-12 887	-11 092	-22 378
Personnel expenses	-10 380	-10 121	-22 109	-16 962	-37 966
Other operating expenses	-1 467	-71	-2 495	-836	-2 249
Depreciation	-874	-858	-1 748	-1 715	-3 446
	-96 006	**-86 596**	**-217 609**	**-159 769**	**-370 267**

Note 7 Adjustments for non-cash items

SEK thousand	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Depreciation	-874	-858	-1 748	-1 715	-3 446
Employee stock option program	-1 028	-2 101	-2 867	-2 481	-5 095
Value adjustment other short-term investments	-953	-	-953	-	-
	-2 855	**-2 959**	**-5 568**	**-4 196**	**-8 541**

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 that covers the company's management, other employees, and consultants. These programs are the employee stock option program 2021/2024 approved at the Annual General Meeting 2021 and the employee stock option program 2020/2023 approved at the Annual General Meeting 2020.

For further information about these programs, see Note 19 in the Annual Report for 2021.

Below is a summary of the total number of shares that granted options may entitle to as of June 30, 2022. One warrant represents one potential ordinary share.

Full exercise of granted options as of June 30, 2022, corresponding to a total of 3,158,666 shares, would result in a dilution of shareholders by 3.1 per cent. If decided, but not allotted options, a further total of 1,556,000 are fully exercised, it would result in a total dilution of shareholders of 4.5 per cent.

Changes in existing incentive programs during 2022 (number of warrants)	
Granted instruments	
Employee stock option program 2021/2024	110 000
Employee stock option program 2020/2023	-
Exercised instruments	-
Lapsed instruments	
Employee stock option program 2021/2024	-80 000
Employee stock option program 2020/2023	-41 667
Total change	**-11 667**

Number of shares granted instruments may entitle to March 31, 2022	
Employee stock option program 2021/2024	1 340 000
Employee stock option program 2020/2023	1 818 666
Number of shares granted instruments may entitle to	**3 158 666**

SUBMISSION OF INTERIM REPORT

This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the Chief Executive Officer on 30 August 2022, at 8:30 a.m.

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