INTERIM REPORT

January - March 2020

Strong financing secures coming stages

FIRST QUARTER

- Net sales, SEK 0 (0) million
- Operating loss, SEK -39.9 (-23.7) million
- Loss after tax, SEK -40.0 (-23.5) million
- Loss per share, before and after dilution, SEK -0.49 (-0.36)
- Equity/assets ratio, 95 (90) per cent
- Cash and cash equivalents, SEK 237.2 (160.9) million
- Short-term investments, SEK 259.6 (90.3) million

Significant events in the first quarter

- Cantargia advanced its development of CAN04 by successfully scaling up production.
- Cantargia completed a directed share issue which raised SEK 410 million before transaction costs.
- Cantargia acquired a patent portfolio from Cellerant Therapeutics Inc. that includes a US patent on IL1RAP as target for antibody therapy in leukemia.

Significant events after the end of the period

- In May, the FDA approved the IND application from Cantargia in April regarding the start of a clinical trial with CAN04 and immunotherapy in the US.
- Cantargia announced that the COVID-19 pandemic will affect patient recruitment for the CANFOUR study, which will thus last about a quarter longer than previously announced.
- In May, Cantargia announced that new preclinical data supporting the combination of the clinical stage antibody CAN04 with platinum-based chemotherapy will be presented at the 2020 Annual Meeting of the American Association of Cancer Research (AACR).

Comments on significant events

In parallel with the clinical development, optimization of the production process, scale-up and manufacturing, are prioritized activities in the CAN04-project right now. The production campaign accomplished in 2000 litre scale is an important step securing the supply of study material for upcoming clinical trials.

Cantargia also secured financing of upcoming activities through a directed share issue to existing and new institutional investors. The proceeds are primarily planned to be used for preparations of CAN04 before phase III clinical evaluation and secure financing of new clinical trials and production.

Cantargia has further strengthened its patent portfolio through the acquisition of strategic patents around IL1RAP as target for leukemia therapy. This opens new opportunities to broaden the development of CAN04.

A central milestone in the CAN04 development was reached when the US FDA reviewed the documentation from Cantargia and then granted the IND together with a clinical trial protocol for CAN04 as combination treatment with pembrolizumab (an antibody against the target PD1).

The ongoing COVID-19 pandemic affects the health care systems and the possibilities to perform clinical trials on a global scale. Cantargia has analysed the impact on the clinical program and updated the timelines for the CAN04 and CAN10 projects.

Presentations of data at scientific conferences is an important opportunity for Cantargia to generate attention. At the annual AACR conference, Cantargia will present novel data on CAN04 in combination with chemotherapy.

CHIEF EXECUTIVE'S REVIEW

Strong financing secures coming stages

Cantargia continues to perform well and the beginning of 2020 was no exception. The last couple of months several important milestones were reached. 1) We presented positive interim data for CAN04 in combination with chemotherapy, 2) we started the CAN10 project for treatment of systemic sclerosis and myocarditis and 3) our production process was successfully scaled up to 2,000-litre scale. After this positive development, we were able to complete one of the largest Swedish biotech share issues in the last few years, raising SEK 410 million. This puts us in an ideal position for the future and for coming value-creating milestones. In addition to securing our financing until mid-2022, we have further strengthened our already strong ownership base by acquiring new owners such as Swedbank, Robur and HBM. The trust shown in Cantargia by our existing and new investors is highly motivating and gives us the confidence to focus on the future. This is of crucial importance, especially in the new challenging situation created by the pandemic where no one is able to say with certainty what the remainder of the year will bring.

For Cantargia, the main impact of the pandemic has been on our timetables, although the impact has so far been limited. Our successful scale-up of production has enabled us to secure access to study drug for ongoing and planned studies. Although the pace of recruitment for our ongoing clinical CANFOUR study has slowed down, we are planning to complete the recruitment of pancreatic cancer patients in the third quarter, with results due three months later. The recruitment of lung cancer patients is expected to be completed in the fourth quarter, followed by results three months later. We recently received approval from the FDA to initiate a new study with CAN04 in combination with immunotherapy and expect the first patient to be able to initiate treatment in the third quarter of 2020. We are also making advances in our early research and will no doubt have reason to report back on this over the course of the year. We thus have several exciting milestones ahead of us in 2020.

As we continue to make progress the company continues to grow, and during the period we were able to strengthen our management team by recruiting Ignacio Garcia-Ribas as Chief Medical Officer. Ignacio has previously worked on cancer drug development at Eli Lilly, Sanofi and Takeda. We are planning further recruitments during the year in order to build an organisation that will enable us to continue to take important further steps in our development at the same high pace. In addition to expanding our team, we also strengthened our patent portfolio by acquiring several patents from US firm Cellerant. Looking at our overall portfolio, we feel justified in calling ourselves the world-leading IL1RAP company.

The long-term needs for new treatment forms for the cancers and autoimmune/inflammatory diseases that we focus on remain considerable. This, coupled with the results we have presented so far, puts us in a strong position. Depending on the results we generate in the coming months, many new exciting opportunities for the future will arise. Despite the widespread uncertainty which the ongoing pandemic has created, I have strong confidence in Cantargia as a company and in our ability to offer new treatment options to patients with life-threatening illnesses in the future.

Göran Forsberg
CEO, Cantargia AB

ABOUT CANTARGIA

Cantargia is a Swedish biotech firm operating in the borderland between immunotherapy and targeted treatments that is developing targeted antibody-based treatments for life-threatening diseases. Thanks to the significant research advances made in recent years, both immunotherapy and targeted treatments have been added as new cancer treatment options, in addition to surgery, radiation therapy and chemotherapy. Intensive research is being conducted in this field and the 2018 Nobel Prizes for medicine and physiology were awarded for immunotherapy research.

Cantargia's research and development were born out of an important discovery at Lund University, where research on leukemia stem cells showed that the IL1RAP molecule was present on the cell surface of immature cancer cells. Continued research showed that this molecule is also present on cancer cells from a large number of tumour diseases. Modern drug development is aimed at identifying unique targets against which pharmaceutical substances can be aimed, and in this research IL1RAP has proved to be a highly interesting target. Cantargia's treatment against IL1RAP is unique, as it has a double mechanism of action and attacks the cancer cells directly while also suppressing tumour inflammation, which is one of the key drivers of tumour disease progression.

For CAN04, the company has initially focused on non-small cell lung cancer and pancreatic cancer. Lung cancer is the form of cancer that causes the largest number of deaths and non-small cell lung cancer is the most common form of the disease. Pancreatic cancer is very hard to cure and few effective treatments have so far been developed. In future studies, Cantargia is planning to include new IL1RAP-expressing cancers: bladder cancer and head and neck cancer.

Targeted antibody treatments increase the chances of achieving an effective treatment with fewer side effects for patients. Cantargia's objective for CAN04 is clear: to develop a new drug which, individually or in combination with other drugs, can become an important part of tomorrow's cancer treatment. In a parallel project, the company is developing other antibodies against IL1RAP outside the field of cancer. In the CAN10 project, the initial focus is on two serious autoimmune/inflammatory diseases: systemic sclerosis and myocarditis. The goal is to initiate clinical studies for CAN10 in early 2022.

Cantargia's project portfolio

Vision

Cantargia's vision is to become an important part of tomorrow's more effective cancer treatment by developing a new generation of targeted immunotherapies against IL1RAP. Our ambition is to be able to broaden the use of the technology to several disease areas with significant medical needs, such as autoimmune/inflammatory diseases.

Business model & strategy

Cantargia's business model and scientific strategy are based on partnerships, and Cantargia has concluded agreements with a number of different companies, hospitals and academic groupings. Currently around 30 international and local players are engaged in research and development related to Cantargia's CAN04 project. We are now building partnerships in a similar way in our new project, CAN10. The strategy is based on driving the development of candidate drugs until an indication of clinical activity has been obtained. Alongside its clinical development activities, Cantargia intends to find a commercial partner.

Our clinical program

Cantargia's first study, CANFOUR, is looking at the company's main candidate, CAN04, for treatment of non-small cell lung cancer and pancreatic cancer. CANFOUR is a phase I/IIa study and consists of two stages. In the first stage, the emphasis was on evaluating safety and dosage while the phase IIa stage is looking at the effects of the treatment both as an individual drug (monotherapy) and in combination with the standard treatments for non-small cell lung cancer and pancreatic cancer. The phase I results were very encouraging and indicated good safety as well as effects on certain 'biomarkers.' Positive interim results from the phase IIa stage were presented in December 2019 and showed that a majority of patients receiving CAN04 in combination with chemotherapy saw a more than 50 per cent reduction in their tumour burden after just two months of treatment.

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 18 million people are diagnosed with cancer each year and nearly 10 million lose their lives to cancer-related diseases. Despite significant advances in treatment and diagnosis, there is a great need for new treatment methods.

To maximise the effectiveness of the treatment, it is necessary to take account of the tumour's location, spread and cell type as well as the patient's general condition and other diseases. Thanks to the advances that have been made in cancer treatment, it is now standard practice to combine different cancer treatments as far as possible to achieve the best possible treatment results.

Cantargia has initially focused on non-small cell lung cancer and pancreatic cancer. The next planned study will include bladder cancer, head and neck cancer and malignant melanoma. These are IL1RAP-expressing cancers and immunotherapy is today one of the standard treatments for these diseases, as well as for non-small cell lung cancer.

The lung cancer market

In 2018, around 2 million new cases of lung cancer were diagnosed globally while more than 1.7 million people died as a result of lung cancer. Around 85 per cent of all lung cancers are non-small cell lung cancer. In the United States, the number of people being diagnosed with lung cancer has declined by around 31 per cent over the past 14 years while the number of people being diagnosed with the disease in countries like China and India as well as in European countries like Hungary, Denmark and Serbia is increasing.

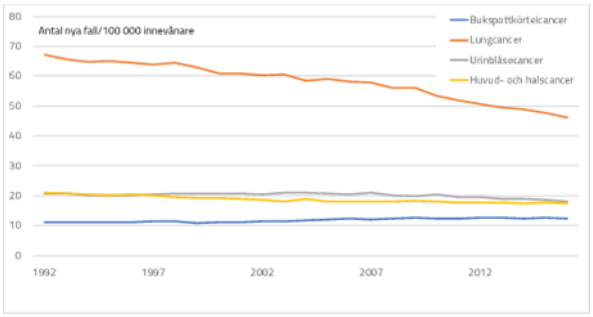
Sales of drugs for non-small cell lung cancer totalled USD 16 billion in 2018 and are projected to increase to USD 43.7 billion by 2026. Sales are being driven mainly by increasing use of various antibody-based immunotherapies. Another important factor driving the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The pancreatic cancer market

Worldwide, around 456,000 new cases of pancreatic cancer were diagnosed in 2018. In the same year, 432,000 people died from the disease. In the US, the number of people being diagnosed with the disease has increased by nearly 11 per cent over the past 14 years. Being hard to diagnose, the disease is difficult to treat, as it is often far advanced by the time it is discovered.

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

Source: SEER Cancer Statistics Review



The global market for pancreatic cancer treatment is expected to be worth USD 4.1 billion by 2025. In 2017, the market was worth around USD 2 billion. The market is expected to grow by 8 per cent annually from 2018 to 2025. The main factor behind the growth of this market is the growing number of cancer cases, which in turn is driven by an aging population and the increasing incidence of diabetes, both of which are risk factors for developing this disease. Another factor why the market is expected to grow is improved diagnostics, which increases the chance of discovering pancreatic cancer at an earlier stage and thus enabling treatment. The number of people being diagnosed with pancreatic cancer is expected to grow by 55 per cent by 2030. This year, pancreatic cancer is expected to be the third most common cause of cancer-related deaths in the US.

The head and neck cancer market

Head and neck cancer is a group of cancer indications that affect the lips, salivary gland, pharynx, nasal cavity, larynx and thyroid gland. The number of new annual cases of head and neck cancer in the 7MM countries is forecast to rise from 164,000 in 2020 to around 175,000 in 2025. The global pharmaceutical market for head and neck cancer treatment was estimated at USD 1.3 billion in 2017 and is forecast to be worth USD 2.3 billion by 2025. This represents an annual growth rate of 7.3 per cent from 2018 to 2025.

The bladder cancer market

Bladder cancer is the seventh most common form of cancer in men and the seventeenth most common form of cancer in women. The number of new cases of bladder cancer is expected to increase from 251,000 in 2018 to 290,000 in 2025. The bladder cancer market is forecast to grow by 4.5 per cent annually from 2018 to 2025. The market was estimated at USD 241 million in 2018 and is forecast to grow to USD 327.9 million by 2025.

The market for systemic sclerosis and myocarditis
Systemic sclerosis is a chronic autoimmune disease that is characterised mainly 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. The estimated annual incidence of the disease in North America is approximately 4.5 cases per 100,000 inhabitants and the corresponding figure in Europe is 1.8. The estimated incidence of myocarditis is around 1.7 million and the disease accounts for around 46,400 deaths annually worldwide.

Immune therapy
In 2011, the first immunotherapy drug was approved by the U.S. Food and Drug Administration (FDA). Since then, the FDA has approved a number of new preparations. Of these, the four that have achieved the highest sales are Yervoy® (Bristol-Myers Squibb), Opdivo® (Bristol-Myers Squibb), Keytruda® (Merck & Co) and Tecentriq® (Roche). In 2017, these four preparations generated sales of around USD 10.4 billion, and sales grew to USD 21.7 billion in 2019. In the first quarter of 2020, sales had increased by nearly 30 per cent compared with the same period in 2019. Lung cancer and malignant melanoma are two types of cancer that can be treated with these preparations.

FINANCIAL INFORMATION

Income

The company had no income in the first quarter of 2020.

Operating expenses/operating loss

Research and developments costs in the first quarter totalled SEK 36.1 (20.6) million. The change compared with the previous year is primarily related to Cantargia's main project, CAN04, where costs for the CANFOUR clinical study as well as investments in production development (CMC) have increased. Costs for preclinical studies for CAN10 and CANxx also increased compared with 2019.

Administrative expenses for the first quarter were SEK 3.4 (2.8) million.

Other operating expenses, which comprise foreign exchange differences on trade payables, totalled SEK 0.4 (0.2) million for the three-month period. Other operating expenses is related to the weakening of the Swedish krona, mainly against EUR and USD.

The operating loss was SEK -39.8 (-23.7) million.

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 and fixed income funds. Net financial income/expense for the period includes an impairment charge of SEK -0.5 million on a short-term investment in a fixed income fund. Net financial income/expense for the first quarter was SEK 0.0 (0.1) million.

Earnings

Cantargia's pre-tax loss, which is the same as the loss for the period, was SEK -40.0 (-23.5) million.

Financial position

Cantargia's equity/assets ratio at 31 March 2020 was 95 (90) per cent and equity was SEK 489.2 (229.8) million.

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 237.2 (160.9) million at the balance sheet date. In addition to cash and cash equivalents, the company has short-term investments with banks and in fixed income funds in a total amount of SEK 259.6 (90.3) million. The company's liquidity (including short-term investments) increased significantly in the first quarter of 2020 as a result of a SEK 409.5 million directed share issue, which raised SEK 386.9 million after transaction costs.

Total non-current assets were SEK 14.4 (3.0) million. The year-on-year increase is attributable to investments in production equipment and, most recently in the first quarter of 2020, to the acquisition of a patent family from Cellerant, which is accounted for as intangible assets.

At the end of the period, total assets stood at SEK 514.2 (256.5) million.

Cash flow and investments

Cash flow from operating activities for the first quarter was SEK -39.1 (-23.6) million. As part of cash flow from operating activities, changes in working capital were SEK 7.5 (9.6) million.

Cash flow from investing activities in the first quarter totalled SEK -158.2 (0) million. Cash flow from investing activities in the first quarter was essentially related to the investment of proceeds of the private placement in a fixed-rate account, SEK -150.0 million, but during the period an investment was also made in patents, SEK -8.1 million. The investment in patents refers to the patent family acquired from Cellerant.

Cash flow from financing activities totalled SEK 386.9 (98.3) million. The outcome for the period as well as the previous year is wholly related to the completion of a directed share issue.

The total change in cash and cash equivalents for the period was SEK 197.0 (84.3) million.

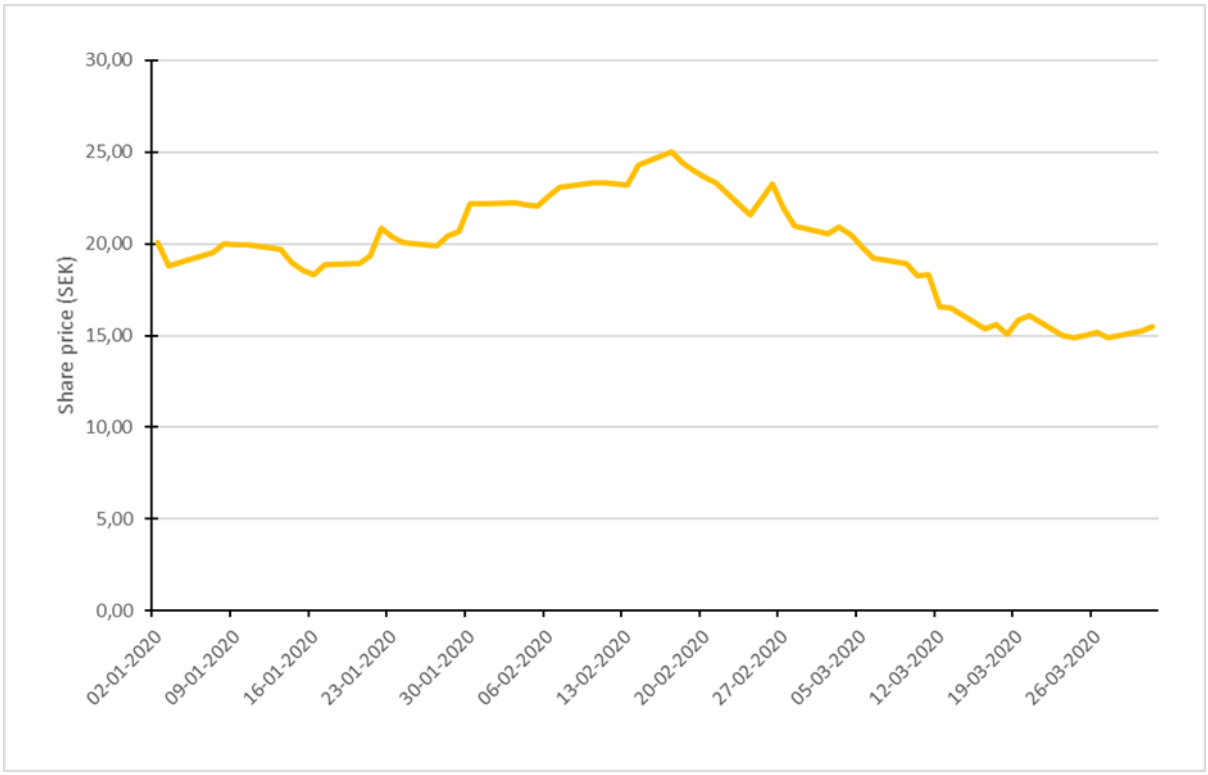
SHAREHOLDER INFORMATION

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 31 March 2020, the number of shares was 91,005,489 (66,185,811).

The outstanding warrant schemes comprised 85,000 warrants, which after restatement for the rights issue registered on 8 January 2018 entitle the holders to subscribe for 86,700 shares at an exercise price of SEK 11.18 per share. If all outstanding warrants are exercised, the share capital will increase by SEK 6,936. In other respects, the terms are the same as those described in the annual report for 2019.

Share price performance in 2020



Ownership distribution, 31 March 2020

Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	7 056 751	7,8%
Swedbank Robur Fonder	6 726 148	7,4%
Alecta Pensionsförsäkring, Ömsesidigt	6 048 596	6,6%
Första AP-fonden	5 750 000	6,3%
Sunstone Life Science Ventures Fund III K/S	5 472 292	6,0%
Försäkringsaktiebolaget, Avanza Pension	4 279 700	4,7%
Öhman Bank S.A., Luxemburg	3 716 730	4,1%
Skandinaviska Enskilda Banken S.A., Luxemburg	2 734 044	3,0%
Morgan Stanley & Co Intl PLC	2 262 258	2,5%
Handelsbanken fonder	2 170 264	2,4%
Other	44 788 706	49,2%
Total	**91 005 489**	**100,0%**

Ownership distribution by size class, 31 March 2020

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	2 471	412 912	0,5%	6 400
501 - 1 000	812	665 924	0,7%	10 332
1 001 - 5 000	1 465	3 656 110	4,0%	56 670
5 001 - 10 000	430	3 084 891	3,4%	47 816
10 001 - 15 000	136	1 744 356	1,9%	27 038
15 001 - 20 000	103	1 801 579	2,0%	27 924
20 001 -	305	79 639 717	87,5%	1 234 416
Total	**5 722**	**91 005 489**	**100,0%**	**1 410 596**

OTHER INFORMATION

Employees

The average number of employees during the period January to March 2020 was 13 (8), of whom 8 (4) were women.
Cantargia operates to a large extent through external partners.

Financial calendar

- Interim report April-June 2020, 20 August 2020
- Interim report July-September, 12 November 2020
- Year-end report 2020, 25 February 2021

Annual General Meeting 2020

The Annual General Meeting of Cantargia will be held at Ideon Gateway, Scheelevägen 27 in Lund on 27 May 2020, at 4 p.m.

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.

Lund, 27 May 2020

The Board of Directors

STATEMENT OF COMPREHENSIVE INCOME

(kSEK)	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Operating income				
Net sales		-	-	-
Other operating income		-	-	-
Operating expenses	6			
Research and development costs	5	-36 108	-20 643	-97 477
Administrative costs		-3 435	-2 823	-13 097
Other operating expenses		-395	-194	-1 016
		-39 937	**-23 661**	**-111 589**
Operating profit		**-39 937**	**-23 661**	**-111 589**
Financial income and expense				
Interest income and similar items		408	139	780
Interest expense and similar items		-456	-	-
		-48	**139**	**780**
Profit before taxes		**-39 985**	**-23 522**	**-110 809**
Loss for the period *)		**-39 985**	**-23 522**	**-110 809**
Earnings per share before and after dilution (SEK) based on average number of shares		-0,49	-0,36	-1,56

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

STATEMENT OF FINANCIAL POSITION

(kSEK)	31-03-2020	31-03-2019	31-12-2019
ASSETS			
Fixed assets			
Intangible assets			
Patent	8 036	-	-
	8 036	**-**	**-**
Financial assets			
Other securities held as non-current asset	-	2 957	-
	-	**2 957**	**-**
Tangible assets			
Machinery and equipment	6 368	-	6 868
	6 368	**-**	**6 868**
Total fixed assets	**14 404**	**2 957**	**6 868**
Current assets			
Other receivables	1 420	1 189	1 482
Prepaid expenses and accrued income	1 607	1 191	7 818
	3 027	**2 380**	**9 300**
Short-term investments			
Other short-term investments	259 563	90 319	110 019
	259 563	**90 319**	**110 019**
Cash and bank balances			
Cash and bank balances	237 181	160 853	39 870
	237 181	**160 853**	**39 870**
Total current assets	**499 771**	**253 552**	**159 189**
TOTAL ASSETS	**514 175**	**256 509**	**166 057**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7 280	5 295	5 824
	7 280	**5 824**	**5 824**
Non-restricted equity			
Share premium account	873 687	488 518	488 272
Retained earnings	-351 823	-241 015	-241 015
Loss for the period	-39 984	-23 522	-110 808
	481 879	**223 982**	**136 448**
Total equity	**489 160**	**229 806**	**142 273**
Short-term liabilities			
Trade payables	10 128	14 834	12 620
Tax liabilities	139	35	103
Other liabilities	445	370	474
Accrued expenses and deferred income	14 303	11 463	10 588
	25 015	**26 702**	**23 784**
TOTAL EQUITY AND LIABILITIES	**514 175**	**256 509**	**166 057**

STATEMENT OF CHANGES IN EQUITY

(kSEK)	Restricted equity		Non-restricted equity		Total
1 January 2020 - 31 March 2020	Share capital	Paid not registered share capital	Share premium account	Retained earnings incl Loss for the period	Total equity
Opening balance 1 January 2020	**5 824**	**-**	**488 272**	**-351 823**	**142 273**
Loss for the period	-	-	-	-39 985	-39 985
Transactions with shareholders					
Issue of new shares for the year	1 456	-	408 069	-	409 525
Capital acquisition cost	-	-	-22 654	-	-22 654
	1 456	-	385 415	-	386 871
Closing balance 31 March 2020	**7 280**	**-**	**873 687**	**-391 808**	**489 160**
1 January 2019 - 31 March 2019					
Opening balance 1 January 2019	**5 295**	**-**	**390 765**	**-241 015**	**155 045**
Loss for the period	-	-	-	-23 522	-23 522
Transactions with shareholders					
Issue of new shares for the year	-	529	105 500	-	106 030
Capital acquisition cost	-	-	-7 747	-	-7 747
	-	529	97 753	-	98 283
Closing balance 31 March 2019	**5 295**	**529**	**488 518**	**-264 536**	**229 806**
1 January 2019 - 31 December 2019					
Opening balance 1 January 2019	**5 295**	**-**	**390 765**	**-241 015**	**155 045**
Loss for the period	-	-	-	-110 809	-110 809
Transactions with shareholders					
Issue of new shares for the year	529	-	105 500	-	106 030
Capital acquisition cost	-	-	-7 993	-	-7 993
	529	-	97 507	-	98 036
Closing balance 31 December 2019	**5 824**	**-**	**488 272**	**-351 824**	**142 273**

STATEMENT OF CASH FLOWS

(kSEK)	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Operating activities				
Operating loss		-39 937	-23 661	-111 589
Adjustments for non-cash items	7	1 095	-	12
Interest received etc.		107	93	597
Interest paid etc.		-456	-	-
Cash flow from operating activities before changes in working capital		**-39 191**	**-23 568**	**-110 980**
Changes in working capital				
Change in receivables		6 273	-741	-7 661
Change in trade payables		-2 492	5 878	3 664
Changes in other current liabilities		3 723	4 427	3 722
		7 504	**9 564**	**-274**
Cash flow from operating activities		**-31 687**	**-14 004**	**-111 254**
Investing activities				
Acquisition of intangible assets		-8 111	-	-
Acquisition of tangible assets		-64	-	-6 880
Disposal of other long-term securities		-	-	2 957
Increase in other short-term investments		-150 000	-	-120 000
Decrease in other short-term investments		-	-	100 300
		-158 175	**-**	**-23 623**
Financing activities				
Issue of new shares for the year		409 525	106 030	106 030
Capital acquisition cost		-22 654	-7 747	-7 993
		386 871	**98 283**	**98 036**
Change in cash and cash equivalents		197 009	84 279	-36 841
Cash and cash equivalents at beginning of period		39 870	76 528	76 528
Exchange rate difference in cash equivalents		302	46	183
Cash and cash equivalents at end of period *)		**237 180**	**160 853**	**39 870**

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

KEY FIGURES

(kSEK)	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net sales	-	-	-
Operating profit	-39 937	-23 661	-111 589
Loss for the period	-39 985	-23 522	-110 809
Average number of shares	81 298 237	66 185 811	71 149 747
Earnings per share before and after dilution (SEK) based on average number of shares	-0,49	-0,36	-1,56
Change in cash and cash equivalents	197 009	84 279	-36 841
Cash and cash equivalents	237 181	160 853	39 870
Short-term investments	259 563	90 319	110 019
Equity end of period	489 160	229 806	142 273
Equity/assets ratio, %	95%	90%	86%
Average number of employees	13	8	9
Number of employees at end of period	14	9	11
R&D costs as a percentage of operating expenses	90%	87%	87%

Key performance indicators, definitions

Operating profit/loss, kSEK	Net sales less total operating expenses.
Earnings per share, SEK	Profit/loss for the period divided by average number of shares for the period.
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 first quarter 2020 was approved for publication on 27 May 2020 in accordance with a resolution of the Board of Directors of 26 May.

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 full year report are consistent with those used in preparing the annual report for 2019.

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

A number of risk factors can have a negative impact on Cantargia's operations. The company's overall risk management is aimed at minimising adverse effects on the company's results and financial position. The company's commercial risks are described in detail in the annual report for 2019.

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 most critical judgement in Cantargia's financial reporting refers to the date of capitalisation of development costs. Based on the accounting policies applied by Cantargia, the criteria for recognising development costs as an asset and thus expensing these are currently not met. The criteria for capitalisation are considered to be met no earlier than when positive results have been obtained in phase III clinical trials and it is highly likely that the drug will be approved.

There is no expiration date which limits the use of the company's tax losses. It is, however, uncertain at what point in time it will be possible to use these tax losses to offset taxable profits, as the company has not yet generated any profits. The deferred tax asset arising from the tax loss has therefore not been assigned any value. Changes in ownership, historical and potential future capital acquisitions may limit the amount of tax losses that can be used in future.

In recent months, the COVID-19 pandemic has developed in a way that has put a heavy strain on society. Cantargia follows the spread and its consequences. The greatest risk lies around clinical studies where the increased burden on healthcare can mean delays in patient recruitment, or that patients are subject to travel or visitor restrictions and cannot make the visits that are expected. Given that COVID-19 has developed very differently aggressively in different countries and that hospitals are choosing different strategies for conducting clinical studies, the risks are less for major delays or major quality problems. Delays may also occur with other subcontractors, but the production of CAN04 for the clinical trials is assured. Based on the COVID-19 pandemic, Cantargia updated its timelines in early April. Cantargia is currently well funded and well equipped to cope with delays.

Note 5 Related party transactions

Cantargia has a research agreement with Lund University, where Thoas Fioretos, one of Cantargia's founders and a Director of Cantargia, is engaged in research. Under the agreement, Thoas Fioretos has undertaken, as part of his employment at Lund University, to conduct projects aimed at obtaining more knowledge about IL1RAP. Under the agreement, Cantargia has the right to use and, where applicable, take over any and all research results from the two projects at no cost. During the period January to March 2020, the company incurred a cost of kSEK 231 (231) 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.

(kSEK)	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Project costs	-29 028	-17 293	-81 053
Other external expenses	-4 647	-3 084	-14 298
Personnel expenses	-5 228	-3 089	-15 210
Other operating expenses	-395	-194	-1 016
Depreciation	-639	-	-12
	-39 937	**-23 661**	**-111 589**

Note 7 Adjustments for non-cash items

(kSEK)	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Depreciation	-639	-	-12
Value adjustment other short-term investments	-456	-	-
	-1 095	**0**	**-12**

SUBMISSION OF INTERIM REPORT

This interim report has been approved for publication by the Board of Directors and Chief Executive Officer. This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the Chief Executive Officer on 27 May 2020, at 8:30 a.m.

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