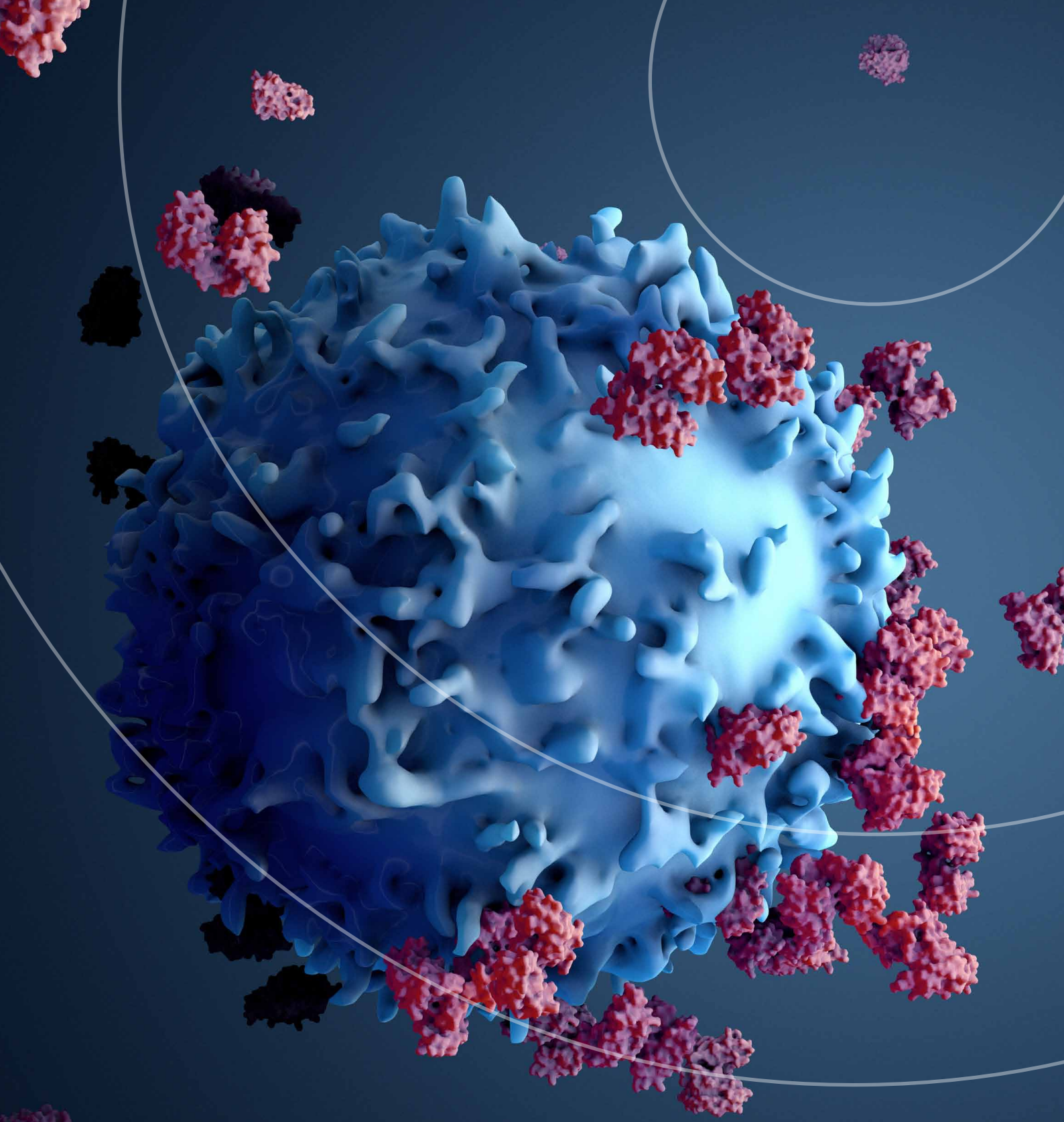

Annual Report

2021

Cantargia AB (publ.) 556791-6019

Cantargia

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Cantargia at a glance

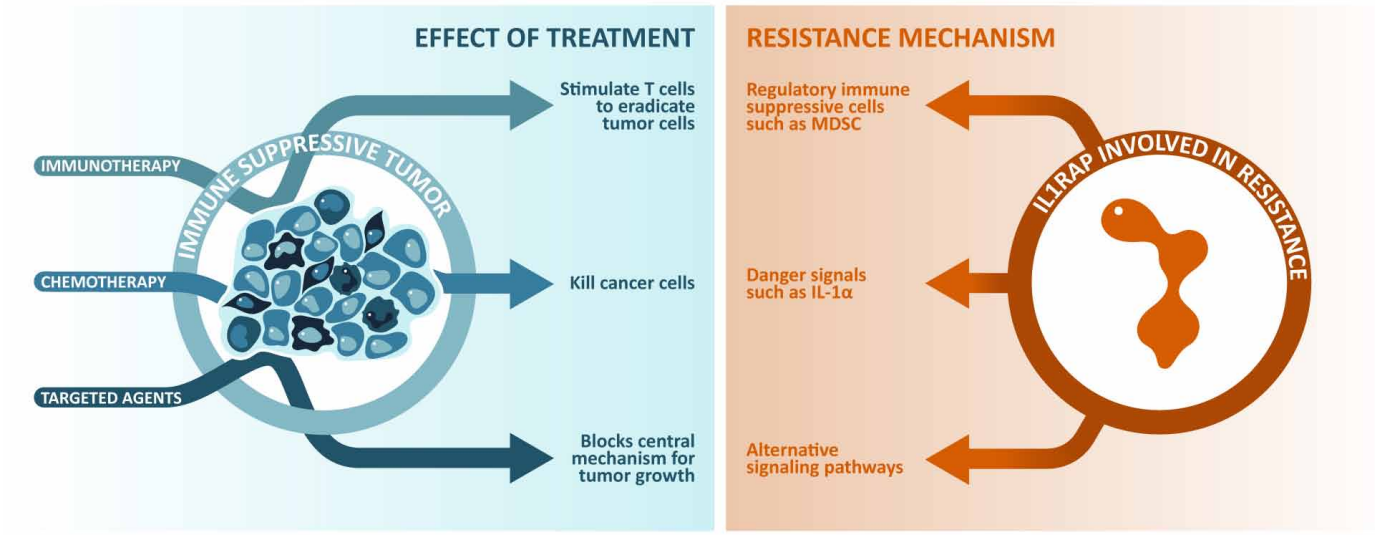
Cantargia is a Swedish biotech company that develops antibody-based treatments for cancer and other life-threatening diseases, and operates in the borderland between immunotherapy and targeted therapies. Owing to significant research advances in recent years, these have become established as new complementary treatments for cancer in addition to surgery, radiation and chemotherapy. The research in this area is intense and many new treatment options will likely be made available in the coming years.

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. Modern drug development is based on identifying unique targets against which pharmaceutical substances can be directed, and in this research, IL1RAP has proved to be a highly interesting target. Cantargia's most advanced program, the IL1RAP-targeting antibody nadunolimab (CAN04), is unique as it has a dual mechanism of action which involves killing of cancer cells and blocking signals which contribute to tumor development and growth.

The clinical development of nadunolimab 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 difficult to treat, and few effective therapies have so far been developed. The development of nadunolimab has more recently been broadened to also include additional forms of cancer, including triple-negative breast cancer.

Targeted antibody-based treatments such as nadunolimab increase the odds of achieving an effective treatment with fewer side effects for patients. Cantargia's objective with nadunolimab is to develop a new drug which, individually or in combination with other therapies, can become an important part of cancer treatment in the future. Nadunolimab is particularly suitable for this as IL1RAP is involved in several resistance mechanisms against established treatments of cancer.

In parallel with nadunolimab, Cantargia is developing other IL1RAP-targeting antibodies outside the field of cancer. One such project is CAN10 where the initial focus is on two severe autoimmune and inflammatory diseases: systemic sclerosis and myocarditis. Cantargia's goal is to initiate the first clinical trial with CAN10 in early 2023.



A requirement for tumor growth is that the tumor is not detected by the immune system. For such immunologically "cold" tumors, immunotherapy has become established as first-line treatment which converts the tumor into a "hot" tumor, i.e., a tumor that is attacked by immune cells. In cases where immunotherapy is insufficient for killing or reducing the tumor, chemotherapy or targeted agents are administered. All these treatments are counteracted by various resistance mechanisms, for example by recruitment of immune suppressive cells (so-called MDSC), or release of interleukin-1 alpha. IL1RAP plays a central role in these resistance mechanisms, making it an attractive therapeutic target.

Vision, business model and strategy

WE CONTRIBUTE TO THE DEVELOPMENT OF SAFER AND MORE EFFECTIVE TREATMENTS FOR LIFE-THREATENING DISEASES

Cantargia's vision is to develop a new generation of antibody-based treatments aimed at IL1RAP, with the potential to become an important part of future treatments for life-threatening diseases with better efficacy and safety.

Cantargia's business model and scientific strategy are based on partnerships and Cantargia has established agreements with several companies, hospitals, and academic research groups. Currently, around 50 international and local players are involved with research and development related to Cantargia's most advanced program, nadunolimab. In a similar fashion, Cantargia is establishing partnerships in the CAN10 project.

Cantargia's strategy is based on advancing the development of each drug candidate in-house until the stage where a development or commercialization agreement is reached.

2021 – A summary of the year and coming steps

In 2020, Cantargia raised new funds in two financing rounds that enabled the company to build long-term value in its project portfolio. For this reason, Cantargia has been able to advance the development of nadunolimab in the main indications while simultaneously broadening its development activities to cover other disease areas. For CAN10, the funding allowed for taking the final steps leading up to the start of clinical studies. Despite the global challenges resulting from the COVID pandemic, Cantargia reached many milestones in 2021 with continued strong results.

- ## Positive results in pancreatic cancer and non-small cell lung cancer

  In 2021, great progress was made in Cantargia's most advanced program nadunolimab. In September, positive data in pancreatic cancer and non-small cell lung cancer from the CANFOUR trial were presented at the major ESMO congress. Although these are early results, they indicated that nadunolimab combined with chemotherapy has good safety as well as higher efficacy than would be expected with chemotherapy alone. In June 2022, Cantargia will present updated data from CANFOUR at two poster discussions at ASCO, one of the world's largest cancer research conferences.

  In pancreatic cancer, Cantargia initiated a collaboration with the United States organization PanCAN in early 2022 where nadunolimab will be included in PanCAN's ongoing phase II/III clinical trial Precision Promise^{SM}, a potentially registrational trial. Nadunolimab also received orphan drug status for treatment of pancreatic cancer in the United States and Europe. For non-small cell lung cancer, which is a more segmented market, the decision was taken to focus further clinical development mainly on the non-squamous subtype where initial results indicated a strong effect. The CANFOUR and CIRIFOUR trials were therefore expanded to include additional patients with this subtype of lung cancer. Meanwhile, preparations began for a randomized study in this patient group, expected to start in early 2023.

- ## Broadening of clinical development to include new forms of cancer and combination therapies

  During the year, Cantargia broadened the clinical development of nadunolimab with the start of the CAPAFOUR, CESTAFOUR and TRIFOUR trials. These trials and the CIRIFOUR trial were designed to evaluate safety and preliminary efficacy in additional forms of cancer or combination therapies and will allow for opportunities in seven segments not covered by CANFOUR. The first results are expected in 2022, which will enable Cantargia to prioritize among these segments.

- ## Preclinical results provide support for nadunolimab's unique mechanism of action

  New results were presented that provided further support for nadunolimab's unique mechanism of action. In a preclinical tumor model, nadunolimab, which blocks both the alpha and beta form of the signalling molecule interleukin-1, was shown to potentiate the effect of the chemotherapy docetaxel. This was not achieved with an antibody that only blocks interleukin-1 beta. The results also showed that docetaxel increases the release of interleukin-1 alpha by tumor cells, which may underlie the synergistic effect between nadunolimab and chemotherapy.

- ## CAN10 advancing towards clinical trial

  Cantargia's second project, CAN10, also advanced in 2021. At the AAI IMMUNOLOGY 2021 conference, efficacy data for CAN10 in a disease model of myocarditis were presented. In early 2022, further results were presented at the 7th Systemic Sclerosis World Congress which showed that CAN10 reduces disease progression in a model of systemic sclerosis and normalizes levels of several biomarkers that are also affected in patients with this disease. Progress was also reported for the manufacturing development of CAN10 along with good safety in initial toxicity studies. The first clinical trial with CAN10 is scheduled to start in early 2023.

Oppositions against Cantargia's strong patent protection

Cantargia has a broad patent protection for IL1RAP-binding antibodies and their use in the treatment and diagnosis of cancer. Globally, Cantargia's patent portfolio consists of over one hundred granted patents in key commercial territories. Parts of the company's strong patent protection have been challenged by competitors. During the year, an opposition initiated in 2019 against one of Cantargia's European patents for the treatment of solid tumors, was rejected by the European Patent Office and Cantargia's patent remained unchanged. This decision was appealed by the opponent in early 2022. In addition, new oppositions were submitted against another European patent owned by Cantargia, which provides broad protection against anti-IL1RAP antibodies with similar functional properties as nadunolimab.

Management team and Board strengthened

Since its inception, Cantargia has advanced from early research phase towards registrational drug studies. As a consequence, changes have been made to the company's management team and Board of Directors. In 2021, the Board was strengthened when Magnus Nilsson and Damian Marron, both with extensive industry experience, were elected as new Directors at the Annual General Meeting. Nedjad Losic was recruited as VP Biometrics with responsibility for statistics and data management. In 2022, Cantargia's expertise on the medical side was also strengthened when Dr. Roger Belusa was appointed as interim CMO while the former CMO, Dr. Ignacio Garcia-Ribas, took on a new role focusing on ongoing clinical studies.

"Despite the global challenges resulting from the COVID pandemic, Cantargia reached many milestones in 2021 with continued strong results."

Chief executive's review

The past year was marked by many successes in our projects. We presented new clinical data that added further weight to the potential of nadunolimab in the treatment of both pancreatic cancer and lung cancer. These results have formed the basis of a very important collaboration with the US-based Pancreatic Cancer Action Network (PanCAN) as nadunolimab was selected to be included in PanCAN's ongoing clinical phase II/III trial Precision Promise℠.

As planned, we also broadened the development of nadunolimab to cover additional forms of cancer in order to fully exploit its potential and reduce risk during development. The CAN10 project has shown strong preclinical results in various disease models, as well as very favorable safety in initial toxicity studies. From a broader perspective, 2021 continued to be overshadowed by the pandemic and uncertain market outlook. However, this had a relatively limited impact on Cantargia, including somewhat reduced patient recruitment rate and delays in parts of the CAN10 project. In this situation, the two capital raisings completed in 2020 have given Cantargia both security and room for manoeuvre. This financial strength has enabled us to take bold, long-term action. Despite the challenging environment, we made significant progress in 2021.

Great progress was made in our most advanced program, nadunolimab, and new results were presented in the spring and at the major ESMO congress in the autumn. Over the last few years, we have generated results which suggest that nadunolimab may potentiate and prolong the effect of cancer treatment by chemotherapy. We are seeing such signals in the treatment of patients with pancreatic cancer as well as non-small cell lung cancer, and we have been able to map the mechanisms behind these results in preclinical cancer models. Taken together, these results have encouraged us to continue the development of nadunolimab in two dimensions. Firstly, we are continuing our development activities in pancreatic cancer and lung cancer towards randomized and potentially registrational studies. Secondly, we have started to broaden our development activities to cover additional combination therapies and forms of cancer. The objective is to obtain more information on which combinations and diseases provide the best opportunities. We expect that these studies will generate many new and hopefully exciting results in both 2022 and 2023. The largest effort in the broadening of our development activities is done in collaboration with the Spanish Breast Cancer Group, GEICAM, in the TRIFOUR trial, which also includes a control group receiving standard treatment without nadunolimab.

In our clinical development of nadunolimab, we now have ten separate tracks, and we are strategically employing various processes for selecting the most promising options as more data is generated.

To advance our development activities in pancreatic cancer, we are preparing the start of a treatment arm with nadunolimab in Precision Promise℠, an extensive phase II/III trial where several different treatments are evaluated in parallel. This study will be administered and funded in part by PanCAN with the aim to develop new effective treatments for pancreatic cancer. The decision by PanCAN to include nadunolimab is very rewarding for Cantargia and clearly shows that there is interest in our results. We are currently engaged in activities to complete the clinical study protocol and are conducting discussions with the regulatory authorities to obtain approval for patient treatment in the trial. Our development activities in pancreatic cancer have advanced quickly and efficiently. At the time of writing, we have treated more than 70 patients with nadunolimab and chemotherapy and will present new results at the ASCO Annual Meeting in the second quarter. In 2021, nadunolimab also received orphan drug status for the treatment of pancreatic cancer in both the United States and Europe. This will benefit our development activities in several ways, notably in the form of tax breaks, reduced fees, and seven and ten years of market exclusivity in the United States and Europe, respectively. It will also simplify our contacts and discussions with the regulatory authorities during the process.

The lung cancer field is very interesting, partly because of the great market potential and partly because we have presented early but promising data. However, competition in this field is fierce and the market is becoming increasingly segmented. It is therefore encouraging that we have detected early signals of a strong effect in one of these segments, the non-squamous subtype of non-small cell lung cancer, which is the most common form of this type of cancer. We intend to continue recruiting patients with this form of lung cancer in the CANFOUR trial in order to obtain robust data before proceeding to a controlled study. We are also evaluating combination with the immunotherapy Keytruda® (pembrolizumab) in the CIRIFOUR trial and with the chemotherapy drug docetaxel in the CESTAFOUR trial.

"Cantargia has developed tremendously since its IPO in 2015. We have gone from being a company with limited cash and an antibody in research phase to a stage where, based on positive results in clinical studies, we are completing the final preparations for our first pivotal trial."

Göran Forsberg

For these studies, the data generated is not yet mature, but as the studies are still ongoing there will be many opportunities to present updated results both this and the following year. Updated results will be presented for the non-small cell lung cancer patients in the CANFOUR trial, as well as for the patients in the first stage of the CIRIFOUR trial, at the ASCO Annual Meeting in the second quarter. As we obtain more data in the different groups, we will decide on possible expansions.

Nadunolimab has a broad and unique mechanism of action that is made possible by the fact that the antibody is directed against IL1RAP. As a result of this, nadunolimab blocks both forms of interleukin-1, alpha and beta, which is a key advantage over many competitors who have designed their products to block only one of these. Although there are scenarios where it may be sufficient to block only one form of interleukin-1, our data unambiguously show that blocking both the alpha and beta forms in combination with standard chemotherapy drugs in the treatment of cancer has great benefits. This is because chemotherapy increases the release of both forms of interleukin-1 in the tumor, which reduces the effectiveness of the therapy. The results of our own early clinical studies show precisely that nadunolimab in combination with chemotherapy provides a more effective treatment of the tumor than would be expected with chemotherapy alone. Results reported by Novartis from two phase III clinical trials in 2021 lend further weight to our hypothesis on the importance of blocking both forms of interleukin-1. These studies assessed an antibody against the beta form of interleukin-1 combined with chemotherapy in the treatment of lung cancer and neither of the two studies achieved their goals. This is in line with our own preclinical data and provides further support for the significance of blocking both forms of interleukin-1.

Our second project, CAN10, has great potential in several autoimmune and inflammatory diseases. We have initially chosen to develop CAN10 for two diseases with a great medical need – myocarditis and systemic sclerosis. For both of these, we have shown strong efficacy data in preclinical models, and currently, a GLP toxicity study remains to be completed before we can apply for authorization to start studies in humans. The COVID pandemic and demand for new drugs and vaccines against the disease have led to a shortage of raw materials for production of drugs, as well as insufficient global capacity for toxicity studies. This has forced us to adjust our timelines, but in the meantime, we have made additional preclinical advances that will enable the clinical studies to start based on stronger supportive results.

Cantargia's patents came under the spotlight in 2021 as several competitors filed oppositions against some of our European patents. Cantargia has patent protection for nadunolimab, as well as broader protection for IL-1RAP as a target for the treatment of leukemias and solid tumors. However, it is not Cantargia's vital patents for nadunolimab that are being challenged; the oppositions instead concern the broader patents related to IL1RAP-targeting antibodies that create obstacles for competitors to develop their own substances. To date, all rulings on oppositions have been in Cantargia's favor, which is in line with our view that the oppositions have no basis.

Although Cantargia is primarily associated with nadunolimab, there are tremendous commercial opportunities in many different diseases in the platform that we have established, not only in the field of cancer but in many other inflammatory disease areas. There are great opportunities in, for example, autoimmunity and cardiovascular and neurological diseases. In our CANxx project, we have created a foundation for gradually entering new areas. The possibilities include new antibodies with properties that differ from nadunolimab and CAN10 and that are designed for the treatment of other diseases. There are also opportunities to develop our antibodies as "antibody drug conjugates", or bispecific antibodies. The point is that we can be opportunistic, identify new possibilities and tailor new treatment concepts. It is clear that other companies have realized the potential of these commercial opportunities, which is one of the reasons for the oppositions against our patents. But it is equally obvious that after many years of research and development, Cantargia is the frontrunner and the world-leading IL1RAP company.

In conclusion, I would like to say that I am very pleased with how Cantargia is continuously evolving, even though the past year has had its challenges. None of these, however, were related to Cantargia's performance, but were due to changes in our operating environment caused by the pandemic or the actions of our competitors. Cantargia has developed tremendously since its IPO in 2015. We have gone from being a company with limited cash and an antibody in research phase to a stage where, based on positive results in clinical studies, we are completing the final preparations for our first pivotal trial that will be conducted in collaboration with PanCAN, a renowned US organization.

We are well-financed and have many interesting milestones ahead of us. I would like to thank everyone who has been involved and helped make this journey possible. Hopefully the best is still yet to come.

Göran Forsberg
Lund, April 2022

Cantargia advances the clinical development of nadunolimab in pancreatic cancer

Cantargia has evaluated multiple opportunities for advancing the clinical development of nadunolimab in pancreatic cancer. At the start of 2022, it was decided that nadunolimab would take part in the adaptive clinical phase II/III trial Precision Promise℠, conducted by the Pancreatic Cancer Action Network (PanCAN).

PanCAN is a US-based organization that funds research, provides patient and caregiver support, conducts community outreach and advocates for increased federal research funding for those affected by pancreatic cancer. PanCAN was founded in 1999 by a group of pancreatic cancer survivors and caregivers. As part of its current mission, PanCAN funds grants for biomedical research in order to better understand the causes of pancreatic cancer and to advance its prevention, detection, treatment and cure. In 2021, PanCAN invested 28 million USD into different R&D projects and has invested 149 million USD in total in clinical research since 2003. PanCAN also has a Scientific and Medical Advisory Board that provides scientific and clinical expertise to guide PanCAN in planning and implementing research initiatives. The board is composed of leading cancer scientists, clinicians, and healthcare professionals

from institutions across the United States who specialize in pancreatic cancer. In addition to receiving financial support for their research projects, grantees participate in the organization's Community for Progress, which consists of researchers working together to accelerate scientific and medical advances.

Launched in 2019, the Precision Promise[SM] adaptive clinical trial platform aims to accelerate pancreatic cancer drug development, de-risk industry participation and increase clinical trial enrollment for pancreatic cancer patients. This patient-centric study represents a fundamental shift in drug development for pancreatic cancer in the United States and aims to become the largest phase II/III registrational trial ever launched in this disease. The trial contains an adaptive design intended for the parallel evaluation of multiple new treatments for pancreatic cancer. Precision Promise[SM] currently evaluates pamrevlumab, an antibody inhibiting the activity of connective tissue growth factor, in combination with chemotherapy.

The trial is currently being conducted in the United States at 15 leading clinical centers, including Dana-Farber/Harvard Cancer Center, Johns Hopkins Medicine, Weill Cornell Medicine, Perelman School of Medicine, University of Pennsylvania, UC San Francisco Helen Diller Family Comprehensive Cancer Center, and The University of Texas MD Anderson Cancer Center.

The Precision Promise[SM] trial utilizes adaptive randomization along with several trial design and Bayesian statistical innovations. With the adaptive design, only 175 patients per experimental arm are required to initiate a regulatory registration, altogether resulting in both time saving and a 30-50 per cent cost saving compared to traditional study designs. The statistical design of Precision Promise[SM] was led by renowned statistician Dr. Donald Berry, who designed the I-SPY breast cancer trials and has published over 400 peer-reviewed scientific articles.

In the trial, patients will be randomized to receive experimental therapy of nadunolimab combined with gemcitabine and nab-paclitaxel, or a standard of care chemotherapy regime alone. Depending on the arm's results at the time, successful completion of a 100-patient adaptively randomized first stage of the trial may be followed seamlessly by a transition to a 75-patient fixed-randomized second stage. All patients undergo pre- and on-treatment biopsies with state-of-the-art genomic, transcriptomic, and immune analysis, along with collection of blood samples for research purposes throughout the study. Trial results for the nadunolimab arm are expected to be available in 2027 or earlier.

Before treatment of patients in the nadunolimab arm is started, additional meetings with regulatory authorities will take place, followed by regulatory submission of a pre-IND for this experimental arm. The pre-IND is planned to be submitted to the US FDA in the second quarter of 2022. Cantargia will fund the nadunolimab arm and will be responsible for supplying the drug.

Interview with PanCAN CEO **Julie M. Fleshman**

What motivated PanCAN to launch the Precision Promise℠ adaptive clinical trial?

Pancreatic cancer is the world's deadliest cancer with a five-year survival rate of just 11 per cent and, currently, there simply are not enough effective treatment options for this disease. All pancreatic cancer treatments available today have been approved through a clinical trial, however, standard trials are slow, costly and have had a dismal success rate over the last 20 years, making it a risky space for pharmaceutical companies. PanCAN saw the opportunity to design a trial that would help de-risk the pancreatic cancer drug development process for industry partners. As a nonprofit organization, we have a unique perspective that allows us to bring together all key stakeholders – investigators, clinicians, industry, pancreatic cancer thought-leaders, expert biostatisticians, regulatory authorities, and patients – to help accelerate the development of new pancreatic cancer treatment options.

Can you elaborate on the adaptive nature of the Precision Promise℠ clinical trial?

PanCAN's novel clinical trial platform is designed to enable the development of new treatments more efficiently than standard pancreatic cancer trials by testing multiple experimental therapies simultaneously. The concept makes it possible to test investigational drugs for their effectiveness and safety in treating patients with metastatic pancreatic cancer while requiring fewer patients to understand if a potential new therapy is working, with the intention to make drug development quicker and more cost-effective. Through the adaptive nature of PanCAN's

Precision Promise℠, data will be constantly monitored, and treatment arms can be discontinued if results do not look promising.

What made you include Cantargia's nadunolimab in the Precision Promise℠ clinical trial?

The arm selection committee was tasked with evaluating the preclinical and early clinical data presented by Cantargia and recommended this arm to be included in Precision Promise℠ based on that information. There was a particular interest to evaluate immune-based interventions such as Cantargia's nadunolimab.

What are the critical milestones of the trial?

Critical milestones for bringing the Cantargia arm into the trial include finalizing the appendix and submitting it to the FDA for review and approval. Once approval is received, we will begin activating the investigational arm at our consortium sites across the United States. As Precision Promise℠ is a registrational trial, the primary endpoint of this phase II/III trial is overall survival.

You are collaborating with some of the most premier cancer treatment institutions across the US; what is the significance of that for the trial?

We are proud to have the opportunity to work some of the best pancreatic cancer specialists in the United States, including medical oncologists, surgeons, clinical trialists, translational science experts and supportive care specialists, among others. Our initial 15 sites cover many of the most renowned institutions. We are in the process now of adding 15 additional sites with a focus on diversity of geographical regions and patient populations, including specifically selecting locations that will help us reach underserved communities.

Do you have any concerns regarding the prospects of recruiting patients to the trial considering the risk of a continued COVID pandemic?

Throughout the pandemic, we have learned to adapt to new ways of implementing clinical trials and monitoring patients. In fact, we began activating sites in 2020 at the very start of the pandemic. We anticipate that the COVID pandemic will continue to impact the conduct of clinical trials, however, we feel well-positioned to handle this challenge.

Given a positive outcome of the trial, will PanCAN be involved in other actions connected to bringing the drug candidate to the market after the trial is concluded?

In case of a positive outcome of an investigation arm, it is our responsibility to provide the clinical study report and relevant data to our biopharma partners; and it is the biopharma partner's responsibility to initiate the regulatory process of filing for a new drug or biologics application. We would be eager to collaborate with our biopharma partner to make this registration successful. Ultimately, our goal is — together with all our collaborators — to bring innovative treatment options to patients in the shortest possible time.

Julie M. Fleshman, CEO at PanCAN

As President and Chief Executive Officer for PanCAN, Julie Fleshman has been leading the organization since 2004 and oversees PanCAN's fundraising for medical research and vital resources in support of patients and their families.

Fleshman's commitment to fight against pancreatic cancer began after she lost her father to the disease, only four months after his diagnosis. Under her leadership, PanCAN has grown to a staff of over 150, and a budget of over 40 million USD. Her collaborative leadership style enabled the organization to launch ground-breaking initiatives such as PanCAN's Precision Promise℠ trial. Fleshman holds her JD and MBA degrees from Santa Clara University and a BA from the University of California, Santa Barbara, where she graduated Magna Cum Laude. She serves on the boards of several cancer care and research committees and organizations. She recently served as a National Cancer Research Advocate for the National Cancer Institute. In addition, Fleshman is the Chair of the World Pancreatic Cancer Coalition, an international group of pancreatic cancer patient advocacy groups with a mission to drive transformational change for all those affected by the disease.

Background to Cantargia's projects

Modern drug development is based on identifying unique targets against which pharmaceutical substances can be directed. Cantargia's research has shown that IL1RAP is a promising target for treatment of cancer as well as autoimmune and inflammatory diseases.

Nadunolimab (CAN04)

The development of Cantargia's first drug candidate, the IL-1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and preclinical data in the treatment of cancer. In addition to locating 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 IL-1RAP for transferring signals to cells and blockade of IL1RAP by nadunolimab prevents this signaling.

In a short period of time, Cantargia has advanced nadunolimab to the clinical phase IIa stage where the current focus is on treatment of non-small cell lung cancer and pancreatic cancer. Over the past year, promising interim data have been presented from patients receiving nadunolimab in combination with chemotherapy. These data indicate a stronger efficacy than would be expected from chemotherapy alone.

Currently, the next steps in late-stage clinical development in pancreatic cancer are being prepared as nadunolimab will be included in PanCAN's ongoing adaptive clinical phase II/III trial Precision Promise^{SM}. At the same time, preparations are also ongoing for a randomized study in non-squamous non-small cell lung cancer. Cantargia has more recently also broadened the development to include additional forms of cancer such as triple-negative breast cancer.

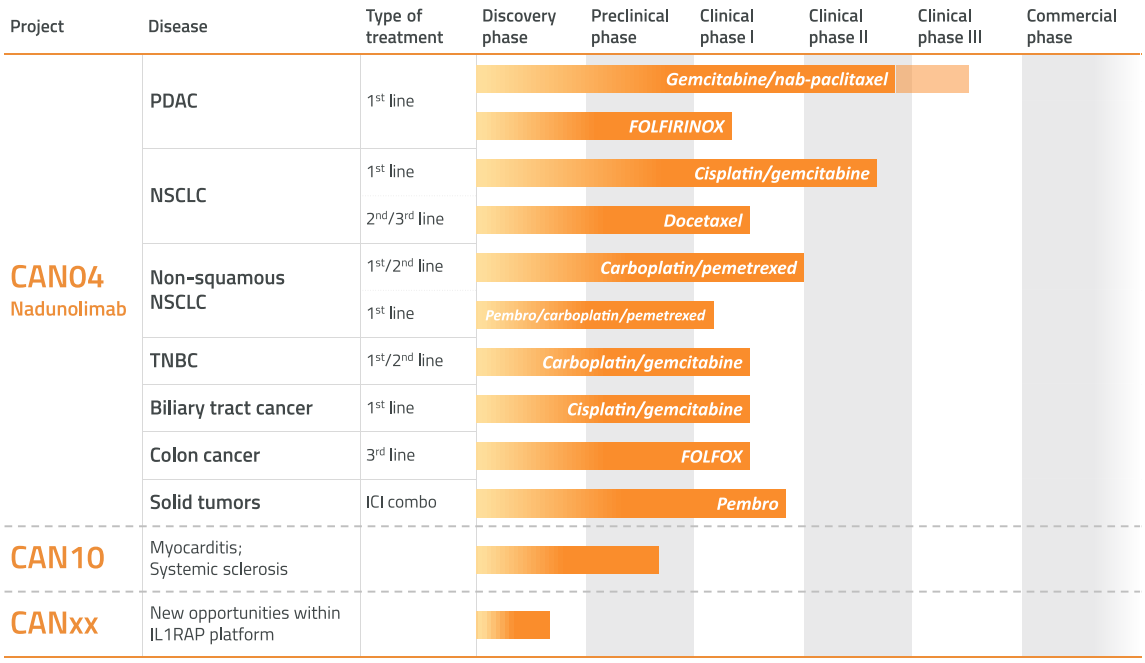
CAN10

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. 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 preclinical 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.



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

Nadunolimab – Cantargia's most advanced project

The IL1RAP molecule is present on tumor cells from several forms of cancer. Antibodies targeting IL1RAP, such as Cantargia's nadunolimab, can thus potentially be used in the treatment of several types of cancer. In 2017, the first cancer patients were treated with nadunolimab in the phase I/IIa clinical trial CANFOUR. Since then, additional clinical trials with nadunolimab have been initiated – CIRIFOUR, CAPAFOUR, CESTAFOUR and TRIFOUR.

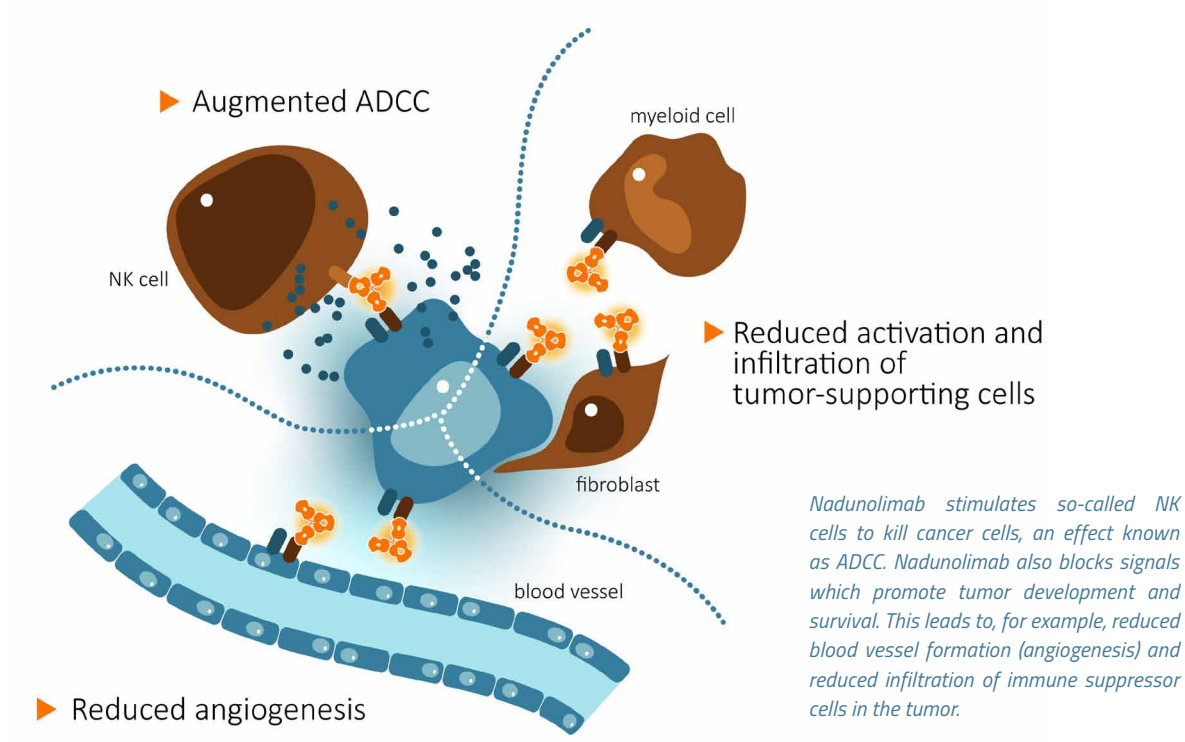
NADUNOLIMAB'S DUAL MECHANISM OF ACTION

Nadunolimab is unique in that it has a dual mechanism of action. Nadunolimab can effectively kill cancer cells and block signals that promote tumor development and growth.

In the human body, nadunolimab acts as a guided missile that seeks out and binds its target, IL1RAP, which is present to a high degree on cancer cells. By binding IL1RAP, nadunolimab stimulates the body's so-called Natural Killer cells to seek out and kill the cancer cells. During development, nadunolimab has also been optimized such that its ability to stimulate these killer cells is further improved.

IL1RAP is found not only on cancer cells within the tumor, but also on several cell types that support the tumor growth. In this context, IL1RAP is involved in transmitting signals from the interleukin-1 molecule that promote tumor development and survival. These signals can, for example, strengthen the tumor's defences against various types of immune cells that can attack and kill the tumor, but also stimulate blood vessel formation in the tumor. Nadunolimab blocks the signalling of the two forms of interleukin-1, alpha and beta, both of which create an environment that favors tumor development and growth.

Nadunolimab can also inhibit the development of metastases. This effect is also dependent on its dual mechanism of action: the ability of nadunolimab to activate killer cells to kill the metastatic cancer cells and block signals that promote the development and growth of metastases.



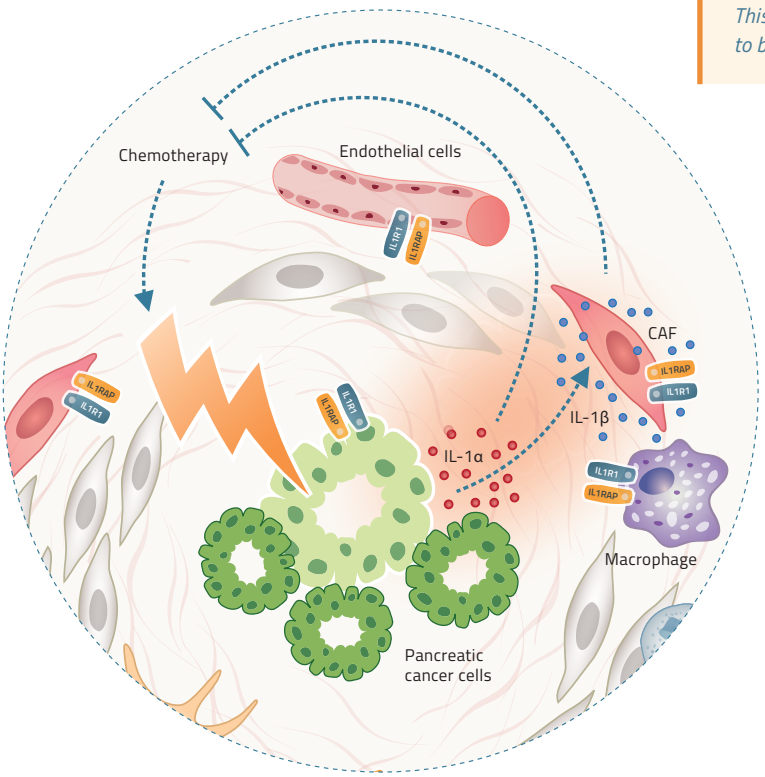
Nadunolimab stimulates so-called NK cells to kill cancer cells, an effect known as ADCC. Nadunolimab also blocks signals which promote tumor development and survival. This leads to, for example, reduced blood vessel formation (angiogenesis) and reduced infiltration of immune suppressor cells in the tumor.

NADUNOLIMAB SYNERGIZES WITH CHEMOTHERAPY

Another important function of nadunolimab is its ability to potentiate the effect of chemotherapy drugs, which are established standard treatments in a variety of cancer types.

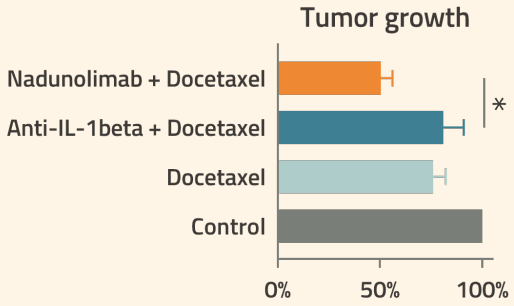
Cantargia has in preclinical studies been able to demonstrate that nadunolimab has a very good antitumor efficacy in combination with chemotherapy. When nadunolimab was combined with platinum-based chemotherapy, an antitumor effect was achieved that was much stronger than the effect of the individual therapies. Preliminary clinical data point to similar effects in cancer patients.

Previous research as well as Cantargia's own studies have shown that treating cancer cells with chemotherapy triggers the cancer cells to release interleukin-1 alpha. This in turn stimulates the release of interleukin-1 beta from surrounding cells in the tumor. The presence of both the alpha and beta forms of interleukin-1 in the tumor increases the tumor's ability to develop resistance to chemotherapy. As nadunolimab blocks the signalling of both forms of interleukin-1, it is very well-suited for combination with chemotherapy.



Chemotherapy triggers the release of interleukin-1 alpha in the tumor, which in turn stimulates the release of interleukin-1 beta. The presence of both forms of interleukin-1 contributes to the tumor's resistance to chemotherapy. Nadunolimab blocks signaling by both forms of interleukin-1 and can thus break the chemoresistance of the tumor.

In 2021, Cantargia presented further preclinical data supporting this function of nadunolimab. The data showed that the combination of nadunolimab and the chemotherapy docetaxel produces a stronger antitumor effect than docetaxel alone, or docetaxel combined with an antibody that blocks only interleukin-1 beta. This strengthens the hypothesis that a broader effect on the interleukin-1 system, which is achieved when nadunolimab binds to IL1RAP, is necessary to reduce the tumor's resistance to chemotherapy. Blocking only one form of interleukin-1 is thus not sufficient to achieve this effect.



Cantargia's experiments have shown a stronger antitumor effect of nadunolimab in combination with the chemotherapy docetaxel, compared to docetaxel in combination with an antibody which only blocks the beta form of interleukin-1. This highlights the advantage of nadunolimab's capability to block both forms of interleukin-1.

NADUNOLIMAB STANDS OUT AMONG OTHER STRATEGIES FOR BLOCKING THE INTERLEUKIN-1 SYSTEM

Various types of treatment based on blockade of the interleukin-1 system are currently being investigated in a number of clinical studies with different types of disease. These treatments are either designed to block signalling of only interleukin-1 alpha or interleukin-1 beta, or they lack the ability to stimulate killer cells to destroy cancer cells.

Cantargia's nadunolimab stands out compared to these treatments by being the only that is directed against the target IL1RAP. The major advantage of this is that nadunolimab thereby has a broader mechanism of action that likely contributes to a stronger antitumor effect and synergy with chemotherapy.

CANFOUR

Cantargia's first clinical trial, CANFOUR, is a phase I/IIa trial which primarily evaluated the safety and dosage of nadunolimab in the phase I stage. In the ongoing phase IIa stage, the focus is on combination therapy with standard treatments for non-small cell lung cancer and pancreatic cancer.

The phase I results were very encouraging and showed that nadunolimab has good safety up to 10 mg/kg and decreases the biomarkers IL-6 and CRP. The decrease in these biomarkers is important for two reasons, partly as there is a connection between elevated levels of these markers and rapid disease progression, and partly as these are classic markers of inflammation and the decrease is a sign that nadunolimab works as intended. The results from the phase I part of CANFOUR were published during the year in the peer-reviewed British Journal of Cancer.

Based on the positive results of the safety evaluation in phase I, phase IIa was initiated in early 2019. This part, which is still ongoing, has focused on combinations with standard treatments for the studied diseases. Nadunolimab is thus combined with the chemotherapy regimens cisplatin and gemcitabine in first-line treatment of non-small cell lung cancer, or with gemcitabine and nab-paclitaxel in first-line treatment of pancreatic cancer.

Positive interim results from the phase IIa part show clear signals of efficacy for both these combination treatments as stronger effects have been observed compared to what would be expected for chemotherapy alone. Patients with non-small cell lung cancer showed a response of 48 per cent, resulting in a median progression-free survival of 7.2 months, which is an improvement compared to historical control data. Moreover, an even higher response was achieved in a group of patients with non-squamous non-small cell lung cancer. In patients with pancreatic cancer, long-term responses or pseudoprogression have been observed, resulting in a median progression-free survival of 7.2 months and a median total survival of over 12.7 months.

To date, over one hundred patients have been treated in the phase IIa part of CANFOUR. For pancreatic cancer, patient recruitment to an extension part has recently been completed. The results from these patients will provide a more robust picture of the relationship between dose, efficacy and safety and will be presented at the ASCO Annual Meeting in the second quarter of 2022. Additional patients with non-squamous non-small cell lung cancer are currently being recruited in the CANFOUR trial, where they will be treated with a combination of nadunolimab and the chemotherapy drugs carboplatin and pemetrexed in the first line of treatment. This is a first step in a focused clinical development strategy for late-stage non-small cell lung cancer and these patients are prioritized as they are most likely to achieve the strongest benefit from treatment with nadunolimab and chemotherapy.

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℠	PDAC	Gemcitabine/nab-paclitaxel	175	Recruitment not yet started	NCT04229004

NSCLC – non-small cell lung cancer; PDAC – pancreatic cancer; HNSCC – head andneck cancer; TNBC – triple-negativebreast cancer;Pembro – pembrolizumab

CIRIFOUR

In 2020, Cantargia initiated a second clinical trial, the phase Ib trial CIRIFOUR, in which nadunolimab is combined with the checkpoint inhibitor Keytruda® (pembrolizumab), an immunotherapy established as standard of care for several cancer forms assessed in the trial: non-small cell lung cancer, head and neck cancer, malignant melanoma and bladder cancer. There is a considerable body of research indicating that treatment with nadunolimab and immunotherapy may be synergistic.

CIRIFOUR is conducted at three clinical centers in the United States with University of Pennsylvania being the lead center. In the first stage of CIRIFOUR, patients treated with immunotherapy, but no longer responding to the treatment, received nadunolimab as an add-on.

The patient recruitment to the first stage of CIRIFOUR has been finalized and a total of 15 patients have started treatment. The primary objective of this study is to assess the safety of nadunolimab in combination with pembrolizumab and to establish a recommended dose of nadunolimab in this combination. Preliminary results show that the combination has a very favorable safety profile. Efficacy and biomarker data will also be presented at the ASCO Annual Meeting in the second quarter of 2022.

Pembrolizumab is frequently utilized for first-line combination with the platinum-based chemotherapy drugs carboplatin and pemetrexed for treatment of non-squamous non-small cell lung cancer. In the second stage, the CIRIFOUR trial will therefore be expanded to include an additional arm to study safety, biomarkers and efficacy of the combination of nadunolimab, pembrolizumab, carboplatin and pemetrexed in first-line non-squamous non-small cell lung cancer patients.

CAPAFOUR, CESTAFOUR AND TRIFOUR

During 2021, three new clinical trials were started with the aim to broaden the clinical program for nadunolimab to include additional forms of cancer or combination therapies.

One of these three studies is the phase Ib trial CAPAFOUR where nadunolimab is evaluated in combination with the chemotherapy regimen FOLFIRINOX for first-line treatment of metastatic pancreatic cancer. In the initial part of this trial, a safety evaluation will be performed in approximately 15 patients. The trial will then be expanded at a suitable dose level in approximately 15 additional patients. The primary endpoint is safety and important secondary endpoints include effects on biomarkers and antitumor activity.

The phase I/II trial CESTAFOUR and the phase Ib/II trial TRIFOUR were also started. In CESTAFOUR, nadunolimab is investigated in combination with chemotherapy frequently used for treatment of three forms of cancer: non-small cell lung cancer, biliary tract cancer and colorectal cancer. In the initial dose escalation phase, performed in approximately 15 patients for each indication/combination, the primary objective is to assess the safety of nadunolimab in combination with each of the three chemotherapy regimens. In the phase II part, the primary objective is to assess antitumor efficacy. The phase II part will include approximately 40 patients for each of the three indications.

In TRIFOUR, the focus is on triple-negative breast cancer, where nadunolimab is also evaluated in combination with the chemotherapy drugs carboplatin and gemcitabine. TRIFOUR will be performed in Spain in collaboration with the Spanish Breast Cancer Group, GEICAM, and will include over one hundred patients. If prespecified milestones are reached in the initial open-label phase I part, the trial will be expanded into a randomized phase II part to investigate the antitumor activity of the nadunolimab combination, compared to a control group receiving the chemotherapy alone.

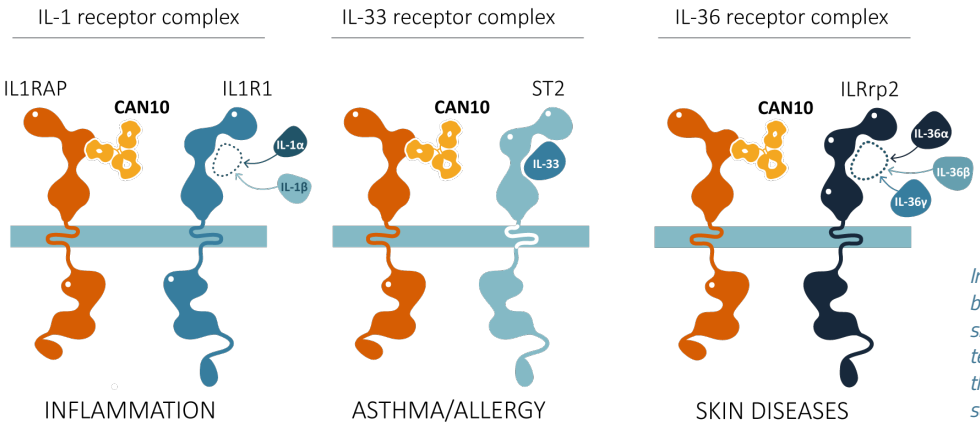
The patient treatment in these trials was started during the second half of 2021 or at the start of 2022. The initial safety studies are expected to be completed during the second half of 2022 at which point a first evaluation will be performed to determine which patient groups or combinations that show the most promising results.

CAN10 – Cantargia's project in autoimmunity and inflammation

The CAN10 project was started in 2019 with the goal of developing an IL1RAP-targeting antibody for the treatment of autoimmune or inflammatory disorders. CAN10 is thus being developed for a disease segment that complements nadunolimab and will broaden Cantargia's activities and diversify the risks in the company's project portfolio.

IL1RAP plays an important role in inflammatory processes and is necessary for transferring signals from the interleukin-1 molecule as well as the interleukin-33 and interleukin-36 molecules. These molecules can trigger inflammation and play a central role in several severe autoimmune and inflammatory disorders. Cantargia has developed the CAN10 antibody which, by binding to IL1RAP, can block all these signalling pathways simultaneously. This function provides CAN10 with great potential for the treatment of several diseases where CAN10 could achieve a broader and stronger effect compared to treatments aimed at the individual signalling pathways.

CAN10 is in late-stage preclinical development and the goal is to start the first clinical trial with CAN10 in early 2023.

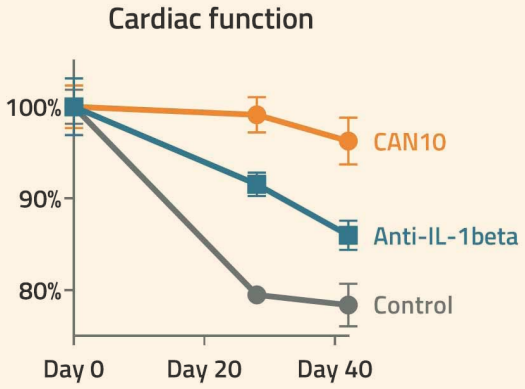


In the CAN10 project, an antibody blocking IL-1, IL-33 and IL-36 signaling is developed and is intended for treatment of the life-threatening disorders systemic sclerosis and myocarditis.

PROMISING PRECLINICAL DATA

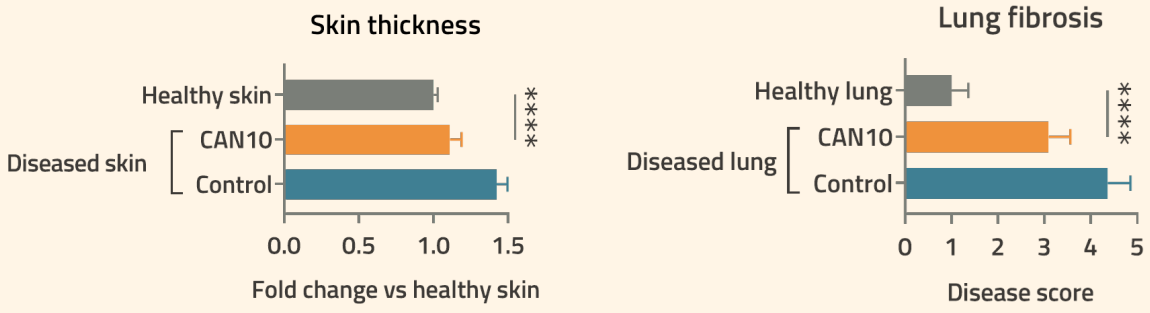
After an extensive review of a large number of disorders, Cantargia chose to initially focus CAN10 on systemic sclerosis and myocarditis. These diseases are severe and difficult to treat and there is a great medical need for new treatments. In the past year, Cantargia presented preclinical data that support the development of CAN10 for treating these disorders.

The disease progression in myocarditis is driven by inflammation and subsequent fibrosis of the heart muscle, which leads to impaired heart function. In a model of myocarditis, a surrogate CAN10 antibody reduced both inflammation and fibrosis and counteracted the deterioration in cardiac function due to the disease. This effect was stronger compared to other anti-inflammatory treatments, such as an antibody targeting interleukin-1 beta only.



In a disease model of myocarditis, CAN10 was shown to counteract the deterioration in cardiac function. This effect was stronger compared to an antibody which only blocks the beta form of interleukin-1.

Systemic sclerosis is a severe disorder that leads to fibrosis of the skin and internal organs. CAN10 has also shown strong effects in a model of systemic sclerosis that clearly mimics the disease symptoms, where the surrogate CAN10 antibody reduced both skin and lung fibrosis. Further analyses of the skin also showed that CAN10 normalized the levels of several disease-related biomarkers that are altered in skin biopsies from patients with systemic sclerosis. This indicates that blocking IL1RAP with CAN10 may lead to similar effects in the treatment of patients suffering from this disease.



In a disease model of systemic sclerosis, CAN10 was shown to reduce skin thickening as well as the uncontrolled scar tissue formation, so-called fibrosis, in the lungs. These are both typical symptoms for this disease.

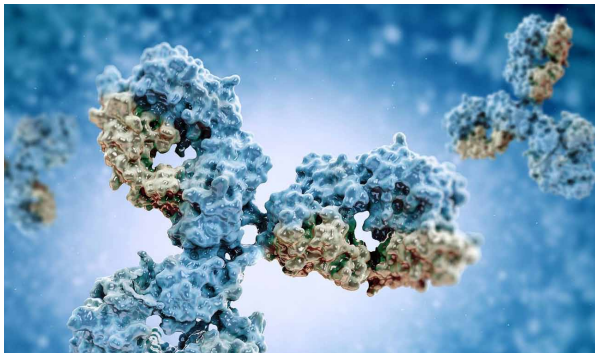
PREPARATION OF CAN10 FOR CLINICAL TRIALS

In the next step in the development of CAN10, Cantargia will perform GLP toxicology studies, which are a key element in the process leading to the start of clinical trials. Initial non-GLP toxicology and pharmacokinetics studies have not shown any toxicologically relevant changes for either intravenous or subcutaneous dosing of CAN10. The favorable safety profile of CAN10 has been confirmed also for repeated intravenous dosing. Moreover, subcutaneously dosed CAN10 has high bioavailability and a desirable pharmacological half-life. Cantargia's plan is to start the first clinical trial with CAN10 in early 2023.

CANxx – Cantargia's IL1RAP-based platform

CANxx is a technology platform that harnesses Cantargia's extensive knowledge of IL1RAP as a drug target. Within CANxx, a large antibody library has been built which can be used for development of new drugs or for diagnostic purposes or other analyses. CANxx is a source of new antibodies and consolidates Cantargia's strong position for the future.

Cantargia was the first company to develop drugs targeting IL1RAP and has built up a knowledge and technology platform in the area. Within CANxx, Cantargia has developed over one hundred unique antibodies that bind IL1RAP and have different properties. CANxx enables Cantargia to quickly develop novel antibodies with unique properties that can be used for the treatment of different diseases. The development of novel drugs also depends on analyses and diagnostics, and CANxx is a valuable source of antibodies also for these purposes.



Summary of the clinical progress in 2021

The development of nadunolimab reached several important milestones in 2021 in the form of new results and the start of new clinical trials. The most advanced stages have been reached in pancreatic cancer and non-small cell lung cancer, where the focus is on combination treatments.

For pancreatic cancer, Cantargia presented new results during the year for the 33 patients treated in the first part of the CANFOUR trial. Patients received a combination of nadunolimab and the chemotherapy drugs gemcitabine and nab-paclitaxel. The results are promising, in particular the median survival of 12.7 months, which is approximately three months longer than would be expected with chemotherapy alone. In 2021, an additional 40 patients were included in the trial. The recruitment of these patients was quickly completed despite the ongoing pandemic, indicating that there is great interest in participating in the trial. Based on the results presented so far, Cantargia established contact with PanCAN, an organization that supports the development of novel drugs for pancreatic cancer in collaboration with leading hospitals in the United States. As a result of these contacts, nadunolimab will be included in PanCAN's phase II/III clinical trial Precision Promise[SM] and patient treatment will be initiated as soon as the ongoing administrative and regulatory activities have been completed.

Alongside new data in pancreatic cancer, Cantargia also presented new clinical results in the treatment of lung cancer with nadunolimab in combination with the chemotherapy drugs gemcitabine and cisplatin. Although the results are not yet as mature as for pancreatic cancer, they show positive signs, for example a response rate of 48 per cent, which is higher than would be expected for chemotherapy alone. Further patients are currently being recruited to the CANFOUR trial, which in 2021 was focused towards non-squamous non-small cell lung cancer, where the most pronounced effects had been observed.

In other clinical studies, important milestones were reached in the form of study start or patient recruitment. These milestones were reached largely in accordance with the timelines defined at the beginning of the year. The first part of the CIRIFOUR trial, which evaluates nadunolimab in combination with the immunotherapy pembrolizumab, was fully recruited and preliminary results show a very good safety profile for the combination. The next part of CIRIFOUR will therefore assess the addition of chemotherapy to this combination. The new trials CAPAFOUR, CESTAFOUR and TRIFOUR received approval to start and the first patients were enrolled in 2021, and in early 2022 in the case of TRIFOUR.

In the next step, updated results will be presented for both the pancreatic cancer and non-small cell lung cancer patients in the CANFOUR trial, as well as for the patients in the first stage of the CIRIFOUR trial. This update will take place at ASCO, one of the world's largest cancer research conferences, in the second quarter of 2022.

Effects of nadunolimab and chemotherapy in CANFOUR

48%
Response rate of patients with **non-small cell lung cancer**

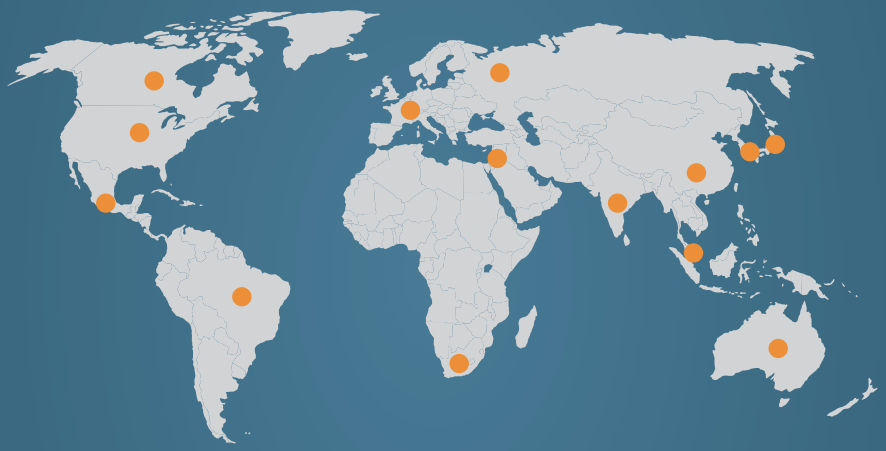
12.7 months
Median survival of patients with **pancreatic cancer**

Clinical strategy

In addition to the launch of Precision Promise℠ together with PanCAN, Cantargia intends to initiate a randomized study in non-small cell lung cancer in early 2023. The design of this study will be based on the results obtained from the CANFOUR trial for this patient group. The goal for Cantargia is thus to advance its development activities in both disease areas to later stages of the drug development process.

The objective of the studies that are still in earlier stages is to obtain initial results in additional cancers such as triple-negative breast cancer, biliary tract cancer, colorectal cancer and head and neck cancer, as well as with additional combination therapies. The purpose is to detect signals that identify cancer types and combination therapies where the potential for nadunolimab to achieve a strong synergistic effect is most likely. Cantargia will then be able to prioritize among its various activities and focus on areas with the highest probability of obtaining marketing authorization.

Patent protection



PATENT FAMILY	PATENT APPLICATION	APPROVED PATENTS	VALIDITY
Leukemias (Treatment)	Europe, US	Europe (France, Germany, UK), US	2029
Hematological cancers (Treatment/Diagnosis)	Australia, Canada, China, Europe, Israel, Japan, Mexico, South Africa, US	Australia, Canada, China, Europe (France, Germany, Great Britain, Italy, Netherlands, Spain, Switzerland), Israel, Japan, Mexico, South Africa, US	2030
Solid tumors (Treatment/Diagnosis)	Australia, Brazil, Canada, China, Europe, Japan, Mexico, Russia, South Korea, US	Australia, Canada, China, Europe (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, Netherlands, Norway, Poland, Spain, Sweden, Switzerland), Japan, Mexico, Russia, South Korea, US	2032
CAN04 (Product)	Australia, Brazil, Canada, China, Europe, India, Israel, Japan, Mexico, Russia, Singapore, South Africa, South Korea, US	Australia, China, Europe (Austria, Belgium, Czech Republic, Denmark, Estonia, France, Germany, Great Britain, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, Turkey), Israel, Japan, Mexico, Russia, Singapore, South Africa, US	2035
CAN03 (Product)	China, Europe, Japan, US	China, Japan, US	2035
Anti-IL1RAP antibodies (Product)	Australia, Canada, China, Europe, India, Japan, US	Japan, US	2037
Biepitopic antibody (Product)	China, Europe, Japan, US		2039
CAN10 (Product)	PCT, US		2041

TWO LAYERS OF PROTECTION

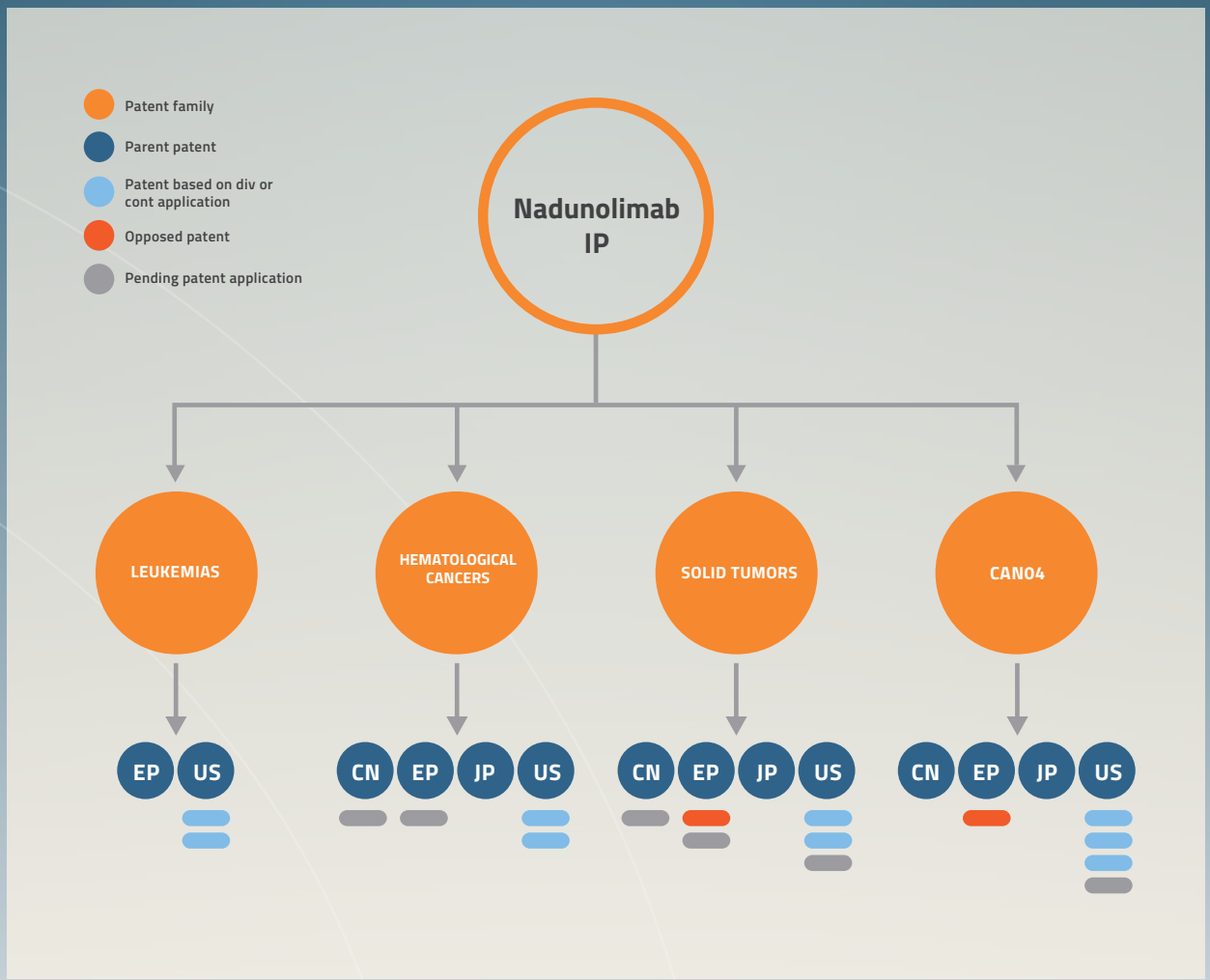
Cantargia's patent protection can be divided into two layers. The first layer consists of patents whose primary purpose is to protect Cantargia's drug candidates, nadunolimab and CAN10. The second layer consists of patents which mainly serve to extend Cantargia's protection to anti-IL1RAP antibodies with broader functional or structural properties, or for the treatment or diagnosis of a particular type of disease. One purpose of this second layer of protection is to limit the ability of potential competitors to develop drug candidates targeting IL1RAP.

Oppositions against two patents included in the second protective layer have been filed by several competitors.

OPPOSITIONS AGAINST TWO OF CANTARGIA'S PATENTS

In 2019, a third party, MAB Discovery, filed an opposition against one of Cantargia's European patents that grants Cantargia broad protection for anti-IL1RAP antibodies for the treatment of solid tumors. In September, oral proceedings were held at the European Patent Office, where the Opposition Division confirmed the validity of this patent and rejected the opposition. This means that Cantargia's patent remained completely unchanged. In early 2022, MAB Discovery filed an appeal against this decision and will in the next step submit grounds for its appeal.

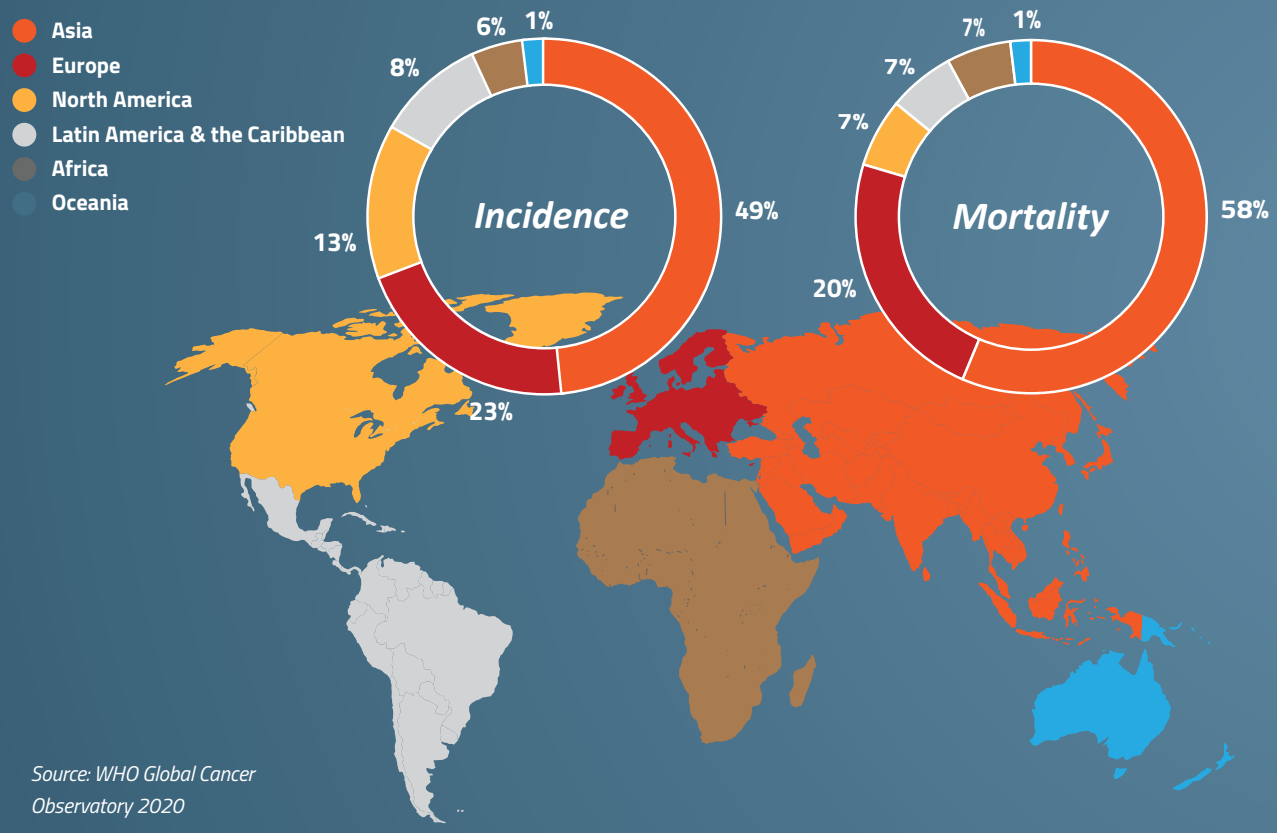
In November 2021, oppositions from three different competitors were filed against another European patent owned by Cantargia. This patent grants Cantargia broad protection for anti-IL1RAP antibodies with similar functional properties as nadunolimab. However, the product patent for nadunolimab is not affected. This opposition process is expected to be completed within one to two years.



Part of Cantargia's patent portfolio.

MARKET OVERVIEW

Cancer – A global challenge



Source: WHO Global Cancer Observatory 2020

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 lose their lives due to cancer-related diseases[1]. Despite significant advances in treatment and diagnosis, there is a great need for new treatment methods.

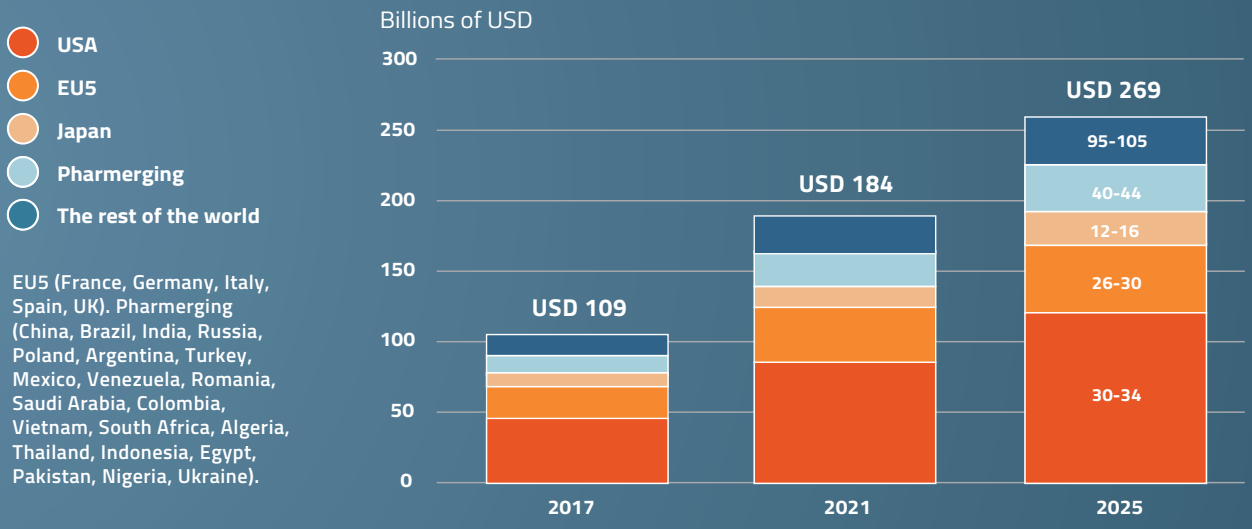
There are around 200 known types of cancer, all of which have in common that cells, somewhere in the human body, start to divide and grow uncontrollably. Research indicates that two independent events are required for a cancer to develop: normal cells are damaged, which results in rapid and uncontrolled cell growth; and cells are located in an inflammatory microenvironment, which acts as a breeding ground and provides protection from attacks from the body's own immune system. The chart above shows the distribution of cancer incidence and cancer mortality in the world by type of cancer and major region in 2020.

The number of cancer cases is set to increase continuously, and the forecast by WHO is that, by 2040, over 27.5 million new cases will be diagnosed annually[2]. Another significant factor behind the growing incidence of cancer is the aging of the population. By 2040, people over 65 are expected to account for more than 75 per cent of all people diagnosed with cancer[3]. A further contributing factor is our Western lifestyle as smoking, alcohol consumption, unhealthy diets, low physical activity, overweight, obesity and unhealthy sun habits become more widespread.

[1] Globocan 2020
[2] Globocan 2020
[3] Macmillan Statistics Fact Sheet, Macmillan Cancer Support, 2019

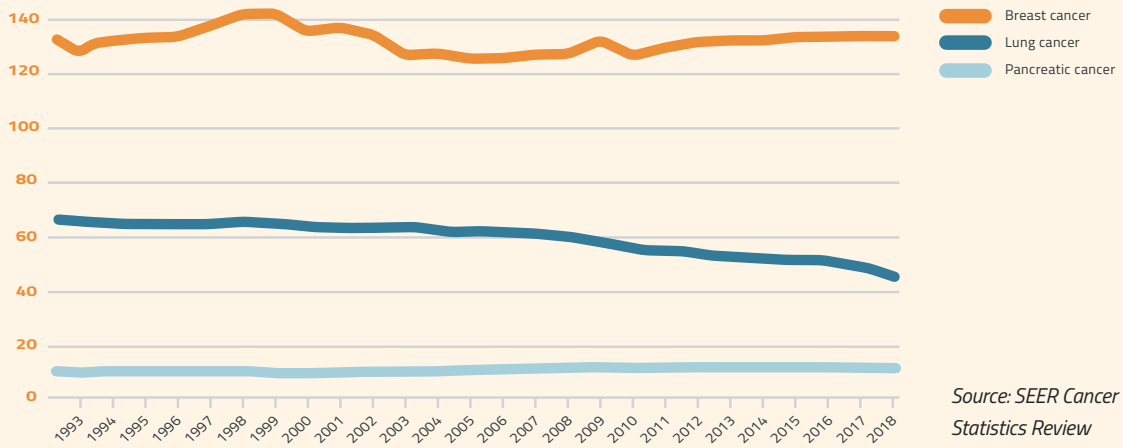
As more people are diagnosed with cancer and as additional new drugs are approved, the total spending on cancer drugs has risen sharply, reaching USD 184 billion by 2021[4]. An important factor behind the rising costs is that more innovative, and thus costly, treatments are becoming available in combination with more patients having access to these. In addition, there is a strong focus on early diagnosing and thus treating patients at earlier stages. Half of the ten best-selling drugs globally in 2021 were drugs for cancer treatment, accounting for about half of the total turnover for the ten best-selling pharmaceuticals[5].

The cost of cancer drugs 2017 - 2025



Source: Iqvia Institute, Global Oncology Trends 2021

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



Source: SEER Cancer Statistics Review

As the number of cancer cases is expected to increase sharply, the market is also forecast to grow rapidly. In addition to the increase in the number of cancer cases, the approval of additional immunotherapies also contributes to this growth. In the coming years, over one hundred new cancer drugs are expected to become approved[6]. It is also estimated that the development of focused precision drugs and biomarker-driven treatments will accelerate.

Globally, the cost of cancer drugs is expected to increase to approximately USD 270 billion by 2025, corresponding to an annual growth rate of approximately 10 percent[7]. This growth rate is assessed to be slightly lower than previously estimated as additional biosimilars, i.e., generics of biological drugs, will be approved.

[4] Iqvia Institute, Global Oncology Trends 2021, Outlook to 2025
[5] RTTNews, Top 10 Blockbuster Drugs In 2021
[6] Iqvia Institute, Global Oncology Trends 2021, Outlook to 2025
[7] Iqvia Institute, Global Oncology Trends 2021, Outlook to 2025

CANTARGIA'S MARKET FOCUS

Cantargia has 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 largest number of deaths and non-small cell lung cancer is the most common form of the disease. For the further clinical development of nadunolimab in non-small cell lung cancer, Cantargia will focus on the non-squamous subgroup, the largest subgroup of non-small cell lung cancer.

As IL1RAP, the target molecule of nadunolimab, is found on multiple different solid tumors, there is potential to utilize Cantargia's immuno-oncology platform for treatment of several additional forms of cancer. For this reason, the clinical program for nadunolimab has recently been broadened with studies in additional forms of cancer, and five clinical trials with nadunolimab are currently conducted in multiple indications.

The TRIFOUR study focuses on triple-negative breast cancer, a disease that is aggressive and difficult-to-treat. This type of breast cancer constitutes approximately 10-15 percent of all breast cancer cases, and the medical needs are high unless patients are diagnosed at an early stage of the disease development at which point cure may still be achieved by surgery[8].

In Cantargia's CIRIFOUR trial, which evaluates combination with a checkpoint inhibitor, the first part of the study assessed lung cancer, head and neck cancer, malignant melanoma, and bladder cancer. These cancers all express IL1RAP and immunotherapy is today part of the standard treatment for these diseases. Head and neck cancer is the sixth most common type of cancer globally and is increasing as a consequence of tobacco and alcohol use. For melanoma, the deadliest form of skin cancer, annual cases have increased by almost 50 percent over the past decade to about 325,000 cases by 2020[9]. Bladder cancer is the sixth most common form of cancer in men and increases by just over 2 percent annually.

The broadening to additional forms of cancer is also achieved with Cantargia's CESTAFOUR trial which evaluates treatment with nadunolimab also in patients with biliary tract cancer or colon cancer. Biliary tract cancer is a minor indication with few treatment options, while colon cancer is the third most common form of cancer globally and the second most deadly.

Cantargia and its founders have also studied leukemia and shown that IL1RAP is expressed both on leukemic stem cells and on mature cancer cells.

In parallel with nadunolimab, Cantargia is also developing the project CAN10 which is aimed at harnessing the full potential of IL1RAP as a molecular target. In CAN10, the ambition is to develop a novel antibody for the treatment of systemic sclerosis and myocarditis. The medical need is high for both disorders with few approved drugs currently available.

THE MARKET FOR PANCREATIC CANCER TREATMENT

Worldwide, approximately 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[10]. 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[11]. Considering that pancreatic cancer is difficult to diagnose, pancreatic cancer 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[12]. This corresponds to an annual growth rate of just over 8 percent 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 percent by 2040[13]. 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 are another factor that contributes to the expected market growth as these increase the likelihood of discovering pancreatic cancer at an earlier stage, thus enabling treatment. Pancreatic cancer treatment is mainly based on chemotherapy, often less costly generic drugs. The growth in the market for the treatment of pancreatic cancer will also be further driven by the approval of new drugs with novel mechanisms of action, in several treatment lines, to meet the great unmet medical need.

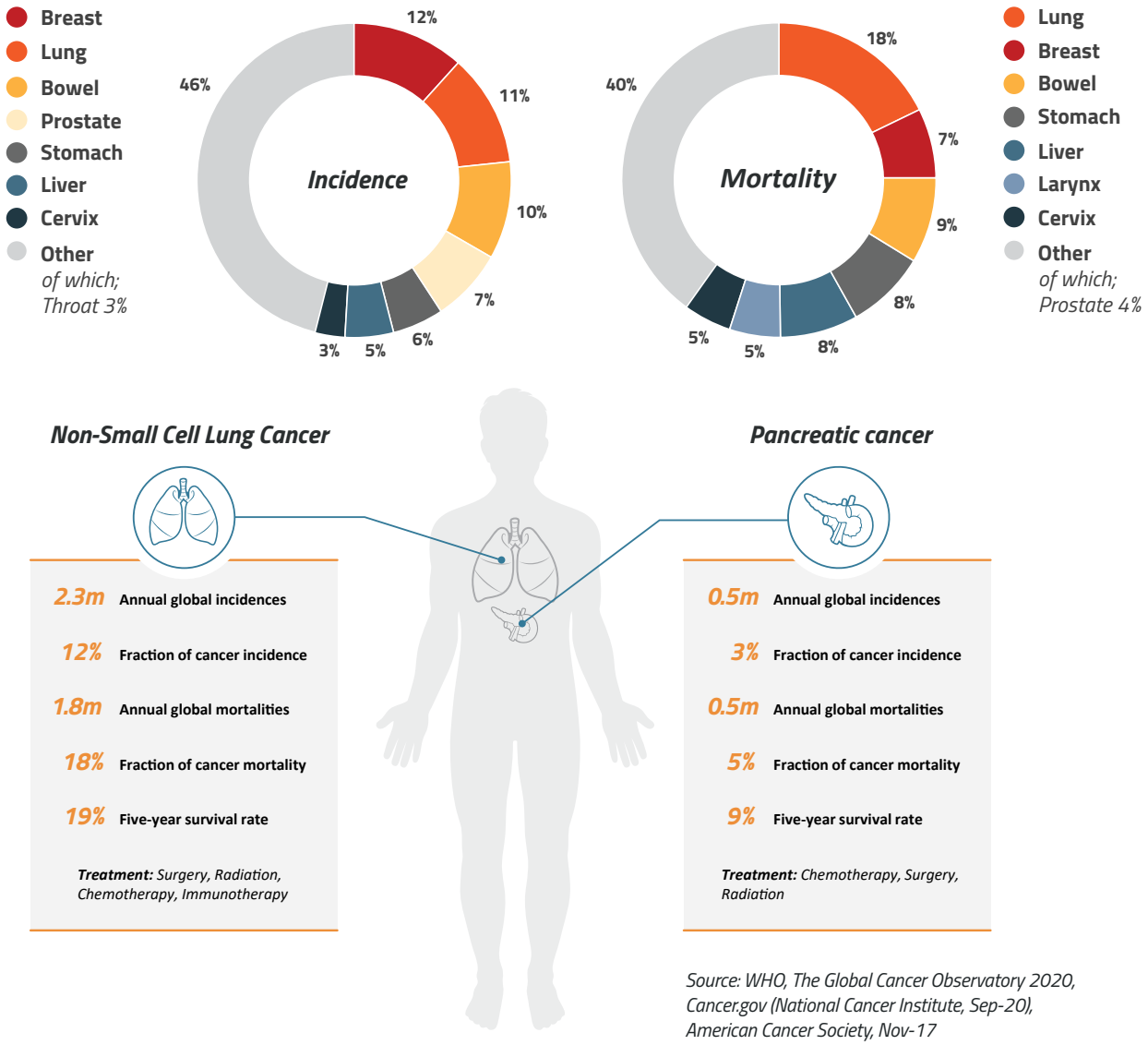
THE MARKET FOR LUNG CANCER TREATMENT

In 2020, around 2.3 million cases of lung cancer were diagnosed globally and more than 1.8 million people died as a result of the disease[14]. Around 85 per cent of all lung cancers

[8] American Cancer Society
[9] Globocan 2020
[10] Globocan 2020
[11] American Cancer Society, Cancer Facts & Figures 2021
[12] Reportlinker.com, Pancreatic Cancer Treatment Market Research Report - Global Forecast to 2026
[13] Globocan 2020
[14] Globocan 2020

are non-small cell lung cancer[15]. Non-small cell lung cancer is subdivided into the squamous and non-squamous subgroups, where the latter is the largest and corresponds to 70-80 percent of all cases[16]. In the United States, the number of people diagnosed with lung cancer has declined by approximately 27 percent 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. Non-squamous lung cancer consists of two main types; adenocarcinoma and large cell lung cancer (a diagnosis used when classification into any other specific subgroup is not possible). As lung cancer is increasing among women and decreasing among men, adenocarcinoma has become the most common subgroup in both men and women and accounts for about 40 percent of all cases of non-small cell lung cancer[17]. Adenocarcinoma occurs in cells called pneumocytes, which line the inside of the lungs. Adenocarcinoma is usually found in the outer parts of the lung, which increases the likelihood of detection before spreading of the cancer. The most common cause of adenocarcinoma is long-term smoking.

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[18]. Sales are being driven mainly by increasing use of various antibody-based immunotherapies. A common mechanism for these therapies is that they block the signals used by the tumor to escape the immune system, allowing the immune system to recognize the tumor and destroy it. Another important factor driving the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.



Source: WHO, The Global Cancer Observatory 2020, Cancer.gov (National Cancer Institute, Sep-20), American Cancer Society, Nov-17

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

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

[17] Heathline, An Overview of Large Cell Lung Carcinoma

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

THE MARKET FOR BREAST CANCER TREATMENT

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[19]. 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. 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[20]. 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[21].

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 percent[22]. 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. In breast cancer, Cantargia focuses on triple-negative breast cancer. The term triple-negative refers to cancer cells that do not have oestrogen or progesterone receptors or express the HER2 protein. This means that the growth of the cancer is not fuelled by the hormones oestrogen and progesterone or by the HER2 protein, and triple-negative breast cancer therefore does not respond to hormone therapy or drugs that target HER2 receptors. Triple-negative breast cancer tends to be more common in women under the age of 40, African-American women and women with a BRCA1 mutation. Approximately 10-15 per cent of breast cancer cases are 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 approximately 4.5 percent between 2020 and 2027[23].

THE MARKET FOR CANTARGIA'S OTHER INDICATION AREAS

In addition to studies on the indications described above, Cantargia is also conducting studies of nadunolimab in other indications. These are head and neck cancer, melanoma, bladder cancer, biliary tract cancer, colon cancer and acute myeloid leukemia. The incidence, mortality and estimated current and future market size of these indications are accounted for below.

Indication[24]	Incidence 2020	Incidence 2040	Mortality	Current market size (bn USD)	Future market size (bn USD)
Head and neck cancer	878,000	1,290,000	444,000	2.1 (2020)	5.2 (2030)
Melanoma	325,000	510,000	57,000	3.5 (2021)	7.2 (2027)
Bladder cancer	573,000	991,000	213,000	2.0 (2021)	4.5 (2026)
Biliary tract cancer	211,000*	-	175,000*	0.2 (2021)	0.4 (2028)
Colon cancer	1,932,000	3,158,000	935,173	8.2 (2020)	9.9 (2026)
Acute myeloid leukemia	190,000†	-	147,000†	0.5 (2020)	1.0 (2026)

* Refers to 2017

† Refers to 2015

CAN10 – TREATMENT OF SYSTEMIC SCLEROSIS AND MYOCARDITIS

In Cantargia's second project, CAN10, the objective is to develop a novel 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.

[19] Globocan 2020

[20] American Cancer Society

[21] 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

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

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

[24] ResearchAndMarkets, Global Head and Neck Squamous Cell Carcinoma Drug Market Analysis and Forecasts, 2021-2030; Market Data Forecast, Global Melanoma Therapeutics Market - Industry Forecast; Reportlinker, Bladder Cancer Drugs Global Market Report 2022; Coherent Market Insights, Bile Duct Cancer Market Size, Trends and Forecast to 2021 – 2028; Market Study Report, Report on Global Colorectal Cancer Drugs Market; ResearchAndMarkets, Acute Myeloid Leukemia (AML) Therapeutics - Global Market Trajectory & Analytics

The estimated annual incidence of systemic sclerosis is approximately 1.4 per 100,000 according to a new systematic review[25]. 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[26]. This corresponds to an average annual growth rate of 14 percent. 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 remodelling, fibrosis, and loss of myocardium architecture and contractile function. The estimated incidence of myocarditis is about 22 per 100,000 (1.7 million)[27], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[28]. 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.

THE POTENTIAL OF NADUNOLIMAB FOR COMBINATION WITH IMMUNOTHERAPY AND OTHER CANCER TREATMENTS

With increasing knowledge of the immune system, there is also a growing understanding of its ability to detect and kill certain tumors. In the mid-1990s, it was recognized that certain molecules could act as a brake, with capacity to inhibit activation of the immune system. Researchers established that if this brake was released, the immune system could be activated and subsequently attack the tumor. The discoveries related to this function led to the development of immunotherapies, in particular so-called checkpoint inhibitors. The first checkpoint inhibitor was approved by the US FDA in 2011 for the treatment of melanoma.

Today, immunotherapies are also used to treat lung cancer, kidney cancer, lymphoma, and skin cancer. Although immunotherapy has led to positive long-term effects in many patients, a large number of patients still do not respond to treatment. These therapies have also led to unexpected side effects and some major clinical failures. It is not yet known why the currently available immunotherapies only show efficacy in some patients. Thus, there is still considerable scope for increasing the effectiveness of existing immunotherapies.

Performing treatments with a single drug at a time usually results in the targeting of only one signalling pathway in the cancer cell, despite deregulation of several signalling pathways as a consequence of the disease. This allows the tumor to escape treatment, for example by activating and switching to alternative signalling pathways or by further mutations which render the tumor less sensitive to treatment. Combination therapies are thus regarded as an important strategy, allowing for targeting of more than one signalling pathway and resulting in durable treatment responses. The downside is unfortunately that some combinations cause serious side effects. Future combination therapies could, for example, include a combination of different immunotherapies, or of immunotherapies and more traditional treatment forms such as chemotherapy, targeted drugs, and radiotherapy.

By combination of various therapies, it is also possible to develop increasingly individualized treatment strategies based on various characteristics of the individual's immune system and tumor. For this reason, extensive resources are being devoted into research with the focus of increasing our understanding of the relationship between various biomarkers and the effect of treatments. This will contribute to a better understanding of the types of treatments that are suitable for each individual patient.

Cantargia operates in the borderland between immunotherapy and targeted treatments and is thus very much involved in the effort of developing more effective treatments that not only prolong the lives of patients but also have the potential to cure the disease. In Cantargia's studies, nadunolimab is combined with various established treatments to improve treatment outcomes.

Among the new therapies that act by stimulating the immune system to eliminate cancer cells, checkpoint inhibitors, primarily the PD-(L)1 inhibitors, have had the greatest impact on clinical use. The four immunotherapies that have achieved the highest sales are Yervoy® (Bristol-Myers Squibb), Opdivo® (BristolMyers Squibb), Keytruda® (Merck & Co) and Tecentriq® (Roche). Together, the checkpoint inhibitor market today is valued at approximately USD 25 billion. The largest PD-1 segments are non-small cell lung cancer followed by melanoma and kidney cancer. Some of the fastest growing indications for these drugs are small cell lung cancer and bladder cancer where these drugs are used in earlier treatment lines.

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

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

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

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

Drug development – From discovery to launch

PRECLINICAL PHASE

The preclinical phase is characterized by activities conducted by chemists, biologists and pharmacologists who study and develop various substances in laboratories. With the help of effective disease models, researchers can study how various pharmaceutical substances behave and interact. Individual substances are then selected for further studies in the laboratory and in animal models. Some questions that are commonly addressed include: "Does the substance have any treatment efficacy?", "What dose of the substance is appropriate?" and "Does the substance cause serious side effects?" The purpose of the preclinical phase is to select a candidate drug (CD) for which an application for clinical trials in humans is submitted.

Before a candidate drug is allowed for testing in humans, a large amount of work is required to ensure that the candidate drug is sufficiently safe and stable, and to establish how it behaves in and how it leaves the human body. An application to conduct clinical studies in humans is submitted to the relevant drug regulator, which in Sweden is the Medical Products Agency. In the United States, the clinical trial application is called Investigational New Drug (IND) Application and in the EU, Clinical Trial Application (CTA). Applications are filed in countries where the clinical trial will be conducted and are then evaluated by independent medical experts who assess whether the trial can be initiated or whether further documentation is required. Apart from obtaining permission from the drug regulators, the company must also apply for and receive permission from each country's local and/or national ethics committee. The approval of an application is followed by a long and complex process involving several years of clinical studies before the company can apply to have the product approved for general use.

CLINICAL PHASE

In the clinical phase, studies in humans are performed. These studies are normally conducted at hospitals or health centers and are formally divided into four phases – phase I, II, III and IV – although the differences between the phases are not always obvious in practice. To ensure that the studies can be interpreted objectively, endpoints for the evaluation of the studies are defined in advance. The design of the study program for a particular drug should be continually evaluated and regulatory approval is required for each sub-study.

Phase I

Phase I is the first stage where a new substance is administered to a human. The trial subjects are normally healthy volunteers and are subject to constant medical monitoring. In clinical studies in cancer, however, it is common for patients to be included already at this stage. Phase I studies normally involve 20-100 individuals. The purpose of the trial is to determine whether the trial subjects tolerate the drug and whether its behavior in the body is the same as indicated in the earlier animal studies and other research. The purpose is also to identify safe dose levels and any potential side effects. The initial dose is kept as low as possible but should be sufficiently high to provide answers to the questions that the trial is designed to answer. If the procedure progresses as planned, the dose can then gradually be increased to the clinical use level. Phase I studies normally take six months to a year to complete.

Phase II

Phase II is normally the first stage at which the new substance is administered to patients with the relevant disease. At this stage, the test group is also larger and normally consists of 100-500 subjects. The objective of this phase is to show 'proof of concept', i.e., that the drug actually achieves a treatment effect. Other objectives include studying how the drug affects the disease or its symptoms and determining the dose to be used in large-scale trials. Phase II studies can take between six months and two years to complete.

Phase III

Phase III is initiated only if the results from phase II are sufficiently encouraging to justify further studies. In this phase, the candidate drug is given to even larger groups, often 1,000-5,000 subjects. The new substance is tested against an ineffective placebo or against another already approved drug for the same disease condition. Patients are distributed randomly between treatment groups and neither the physician nor the patients are informed of which substance has been administered. This type of trial is known as a 'double-blind and randomized' trial and is considered to be the method that produces the best and most objective evaluation. Only once the trial has been completed is it revealed which patients received the new substance and which received the placebo. It is then possible to determine and evaluate what effect the new drug had compared to the placebo. The studies provide a statistical basis, which means that the difference between the two products must be statistically evident.

Phase III studies can take anywhere from one to four years to complete depending on the disease, the length of time during which the patients are studied, and the number of patients included.

Phase IV

In phase IV, the therapeutic use of the drug is studied. After the phase I-III studies have been completed and the drug has been approved by the drug regulator and received market authorization, further clinical studies are often conducted in the area of use for which the product has already been approved. These are known as phase IV studies and are aimed at studying and monitoring the dose and effect relation, the impact on additional simultaneous drug treatments, and any side effects which may occur after the market launch. The overall objective is to optimize the use of the drug.

REGISTRATION PHASE

If the drug appear to be promising and is well-tolerated by patients, further trials are conducted to verify the results. An application for approval is subsequently filed with the relevant drug control authorities, which in Europe is the European Medicines Agency (EMA). The application must include all documentation describing the quality, safety and effect of the drug and can span over thousands of pages. It takes on average one year to examine an application. The examination can result in the drug being approved or rejected, or the regulator may demand that further studies be conducted. An approval can also involve the regulator approving a more limited indication than was originally intended. Once regulatory approval has been obtained, the drug can be marketed.

Research and development costs for drug development are high, in the range of billions of Swedish krona, and mainly comprise costs for research, development, production and clinical studies of a drug. Of 10-15 products that are studied in phase I, on average, only one will normally advance to regulatory approval. Approximately 35 new medical products are introduced in the Swedish market every year.

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Cantargia AB (publ), corporate ID no. 556791-6019, hereby present the annual report for the financial year 1 January 2021–31 December 2021. The company has its registered office in Lund, Sweden. Amounts in the annual report are expressed in thousands of Swedish kronor (kSEK) unless otherwise indicated.

OPERATIONS

Cantargia is a biotechnology company that develops antibody-based treatments for life-threatening diseases and has established a platform based on the protein IL1RAP, involved in a number of cancer forms and inflammatory diseases. The lead project, the antibody nadunolimab (CAN04), is being studied clinically in combination with chemotherapy or immune therapy, with a primary focus on non-small cell lung cancer and pancreatic cancer. Positive interim data from the combination with chemotherapy indicate stronger efficacy than would be expected from chemotherapy alone. Cantargia's second project, the antibody CAN10, blocks signaling via IL1RAP in a different manner than nadunolimab and addresses treatment of serious autoimmune/inflammatory diseases, with initial focus on systemic sclerosis and myocarditis.

FIVE-YEAR COMPARISON

Amounts in mSEK	2021	2020	2019	2018	2017
Net sales	-	-	-	-	-
Loss after net financial income/expense	-366.5	-173.1	-110.8	-91.2	-60.3
Cash and bank balances and liquid investments	247.3	693.4	39.9	76.5	149.8
Short-term investments	312.1	210.0	110.0	90.3	120.0
Equity	532.7	891.9	142.3	155.0	246.1
Total assets	600.2	925.5	166.1	171.4	274.5
Equity/assets ratio (%)	89%	96%	86%	90%	90%
Quick ratio (%)	887%	2,996%	669%	1,027%	958%
R&D costs	-352.7	-158.4	-97.5	-77.0	-52.4
Project costs[3]	-304.2	-121.9	-81.1	-66.2	-44.8
Total operating expenses	-370.3	-173.9	-111.6	-93.3	-60.0
R&D costs as a percentage of total operating expenses	95%	91%	87%	82%	87%
Project costs as a percentage of total operating expenses	82%	70%	73%	71%	75%
Number of outstanding shares at 31 Dec[1]	100,192,737	100,192,737	72,804,392	66,185,811	46,940,508
Number of outstanding warrants at 31 Dec[4]	-	-	85,000	85,000	85,000
Number of outstanding employee options at 31 Dec[4]	3,170,333	1,740,000	-	-	-
Earnings per share before and after dilution (SEK)[2]	-3.66	-1.94	-1.56	-1.36	-1.28
Equity per share (SEK)	5.32	8.90	1.95	2.34	5.24
Dividend (SEK)	-	-	-	-	-

[1] It should be noted that, as at 31 December 2017, 19,245,303 interim certificates had been issued, which were registered on 8 January 2018.

[2] Cantargia has and had potential ordinary shares in the form of warrants during the period. These do not have a dilutive effect, however, as a conversion of warrants into ordinary shares would result in a lower loss.

[3] See also Note 24

[4] See also Note 19

Definitions

Cash and bank balances and liquid investments - Cash and available deposits with banks and other credit institutions
Equity/assets ratio - Adjusted equity as a percentage of total assets
Quick ratio - Current assets as a percentage of current liabilities
R&D costs - Total project costs plus allocated portion of personnel expenses and other external expenses
Project costs - The sum of external costs in Preclinical, Clinical, CMC, Regulatory and Patents
Earnings per share - Profit for the year divided by number of outstanding shares at end of period
Equity per share - Equity divided by number of shares at end of period

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The following is a summary of events that took place in the company during the year.

RESEARCH ACTIVITIES

Nadunolimab

Cantargia has five ongoing clinical trials evaluating nadunolimab in combination with chemotherapy and/or immunotherapy:

CANFOUR

- In February, the first pancreatic cancer patient was treated in the phase IIa extension cohort of CANFOUR.
- In May, positive interim results were announced from the initial cohort of pancreatic cancer patients treated with nadunolimab and chemotherapy in the ongoing phase IIa part of CANFOUR.
- In September, the development of nadunolimab was expanded in non-squamous non-small cell lung cancer by recruitment of additional patients to CANFOUR with this form of cancer.
- In September, positive interim results were presented for the combination of nadunolimab with chemotherapy in pancreatic cancer or non-small cell lung cancer patients at the ESMO Congress.
- In September, patient recruitment to the phase IIa pancreatic cancer extension cohort in CANFOUR was completed.
- In December, Cantargia reported updated encouraging survival data from CANFOUR for the combination of nadunolimab with chemotherapy in pancreatic cancer patients. The results showed stronger efficacy than expected from chemotherapy only.

CIRIFOUR

- In August, patient recruitment to the combination arm with pembrolizumab was completed in the first stage of the phase Ib clinical trial CIRIFOUR, and CIRIFOUR was expanded to also evaluate this combination with chemotherapy in the subsequent stage.

CAPAFOUR

- In March, an application was submitted to start the phase Ib clinical trial CAPAFOUR for investigating nadunolimab and FOLFIRINOX in pancreatic cancer. A regulatory approval to start this trial was received in June and the first patient was treated in August.

CESTAFOUR

- In June, an application was submitted to start the phase I/II clinical trial CESTAFOUR for investigating nadunolimab and chemotherapy in three forms of cancer. A regulatory approval to start this trial was received in September and the first patient was treated in October.

TRIFOUR

- In July, an application was submitted to start the phase Ib/II clinical trial TRIFOUR for investigating nadunolimab and chemotherapy in triple-negative breast cancer. A regulatory approval to start the study was received in September.

OTHER

- In September, it was announced that the US Food and Drug Administration (FDA) had granted Orphan Drug Designation in the US to nadunolimab for the treatment of pancreatic cancer. In October, the corresponding approval was received in Europe from the European Medicines Agency (EMA).
- In December, two articles were published in peer-reviewed scientific journals. The first, published in British Journal of Cancer, focuses on results from the phase I part of the CANFOUR clinical trial. The second, published in Frontiers in Immunology, focuses on findings related to functional and structural analyses of the interactions between nadunolimab and its target IL 1RAP.

CAN10

- In March, positive preclinical safety and efficacy results were reported for CAN10, which showed good safety as intravenous treatment in initial toxicology studies.
- In April, it was announced that new preclinical data on CAN10 would be presented at a poster session at the AAI IMMUNOLOGY2021 conference. In May, these data were presented showing efficacy of CAN10 in multiple preclinical disease models, including a model of myocarditis.
- In November, progress in the manufacturing process development was reported, as well as an update on the preparations for the phase I clinical trial with CAN10 for which the start was adjusted to Q3 2022.
- In December, efficacy of CAN10 was also reported in a preclinical model of systemic sclerosis.

IP

- In September, it was announced that Cantargia's extensive patent protection for IL1RAP-targeting cancer therapy would remain in force after the conclusion of an opposition process, initiated by a third party in 2019.
- In December, it was reported that oppositions had been filed against another European patent owned by Cantargia which provides broad protection for IL1RAP-binding antibodies with similar properties as nadunolimab.

Organization

- At the annual general meeting, Magnus Nilsson and Damian Marron were elected as new board members of the company.
- In September, the management team was strengthened through the appointment of Nedjad Losic as VP Biometrics.

FINANCING

- No funding has been received in 2021.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- Clinical development of nadunolimab in pancreatic cancer was advanced by including nadunolimab in Pancreatic Cancer Action Network's (PanCAN) clinical phase II/III trial Precision Promise[SM].
- The first patient with non-squamous non-small cell lung cancer was treated in a new arm in CANFOUR, and the first triple-negative breast cancer patient in the TRIFOUR trial.
- Cantargia announced that new clinical data for nadunolimab from the CANFOUR and CIRIFOUR studies would be presented at ASCO in June.
- Positive safety data were reported from the CIRIFOUR trial with nadunolimab combined with pembrolizumab.
- New encouraging results from non-GLP-regulated toxicology studies were reported for CAN10 and start of the clinical phase I study was scheduled for early 2023.
- Positive preclinical efficacy data were presented for CAN10 in a model of systemic sclerosis at the 7th Systemic Sclerosis World Congress.
- A third party appealed the previous decision by the European Patent Office to reject the opposition of one of Cantargia's patents for treatment of solid tumors.
- The executive management was strengthened by the appointment of Dr. Roger Belusa as interim Chief Medical Officer.

REVENUES

Cantargia's net sales in 2021 were SEK 0 (0) million.

OPERATING EXPENSES AND OPERATING PROFIT OR LOSS

Research and development costs totaled SEK 352.7 (158.4) million. The increase compared with the previous year is primarily related to Cantargia's main project, CAN04, and the expansion of the clinical program with the studies CANFOUR, CIRIFOUR, CAPAFOUR, CESTAFOUR, and TRIFOUR as well as increased investments in production development (CMC). Significant investments were also made in 2021 in the preclinical stage for CAN10.

Administrative expenses totaled SEK 15.3 (14.9) million for the year. The increase compared with the previous year is mainly related to the expanded workforce and related expenses.

Other operating expenses, which comprise foreign exchange differences on trade payables, amounted to SEK -2.3 (0.6) million. The negative outcome for other operating expenses is mainly related to the change in the value of the Swedish krona against the euro.

The operating loss amounted to SEK -370.3 (-173.9) million for the year.

NET FINANCIAL INCOME/EXPENSE

Net financial income/expense consists substantially of foreign exchange differences on the company's EUR account and interest earned on short-term investments in fixed-rate accounts. Net financial income amounted to SEK 3.8 (0.9) million for the year.

EARNINGS

Cantargia's loss before tax, which is the same as the loss for the year, was SEK -366.5 (-173.1) million.

As discussed above, the increased loss is mainly attributable to an expansion of the company's R&D activities, especially in the company's main project CAN04 and its clinical programme.

FINANCIAL POSITION

Cantargia's equity/assets ratio at 31 December 2021 was 89 (96) percent and equity was SEK 532.7 (891.9) million.

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 247.3 (693.4) 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 of SEK 312.1 (210.0) million. The company's liquidity (including short-term investments) decreased by SEK -346.8 million in 2021. At the end of the period, total assets totaled SEK 600.2 (925.5) million.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the full year was SEK -346.5 (-156.4) million. As part of cash flow from operating activities, changes in working capital were SEK 14.4 (6.5) million.

Cash flow from investing activities totaled SEK -102.4 (-109.0) million. For the full year 2021 as well as for the previous year, changes in short-term investments accounted for the majority of cash flow from investing activities.

Cash flow from financing activities was SEK 0 (918.5) million. The outcome in 2020 was related to two directed share issues that were completed during the year.

The total change in cash and cash equivalents, including foreign exchange difference in cash and cash equivalents, was SEK -448.9 (653.1) million.

SHARE-BASED INCENTIVE SCHEMES

The purpose of share-based incentive schemes is to promote the company's long-term interests by motivating and rewarding the company's senior executives and other employees.

At the Ordinary General Meeting in May 2020, it was decided to introduce Employee Stock Option Scheme 2020/2023, which is one of the company's active share-based incentive scheme. At the Ordinary General Meeting in May 2021, it was decided to introduced another Employee Stock Option Scheme 2021/2024. For information on the schemes, see Note 19.

In 2021, 1,481,000 employee stock options were granted and 50,667 stock options were recalled. The options granted at 31 December 2021 represent rights to purchase 3,170,333 shares.

The cost of the share-based incentive schemes was SEK 5.1 (7.3) million, of which SEK -2.2 (3.1) million refers to provisions for social security contributions and SEK 7.3 (4.2) million to costs for share-based payments.

The cost has not affected cash flow. The company has issued warrants to enable it to deliver shares in a simple and cost-effective manner upon exercise of the issued employee stock options.

RISKS AND RISK MANAGEMENT

Several risk factors can have a negative impact on the operations of Cantargia. It is therefore important to take account of relevant risks in addition to assessing the company's growth prospects. A description of risk factors, not in order of importance and not exhaustive, is given below. For natural reasons it is not possible to assess all risk factors without making a general assessment of the company's operations and external factors. See also Note 3, Financial risk management.

Research and development and dependence on one candidate drug

The development of CAN04 is associated with significant risks of failure and/or that the results will be such that continued research and development will be required. These risks include that the company's drug will prove to be ineffective, dangerous, toxic or otherwise fail to meet the applicable requirements or that the candidate drug will prove to be difficult to develop into a commercially viable product that generates revenue for the company. There is also a risk that delays and unexpected difficulties in the development (for example, production or clinical studies) could incur additional costs for the company. In the event that the development of CAN04 fails, this would have a significant adverse impact on Cantargia's operations, financial position and results, and there is a risk that Cantargia would not be able to continue its operations in the current form.

Implementation of preclinical and clinical studies

Results from early clinical studies are not always consistent with the results of more comprehensive clinical studies. There is a risk that the planned studies will not indicate levels of safety and efficacy that are sufficient to obtain the required regulatory permits or to enable the company to license, establish partnerships for or sell its potential product.

Regulatory permits and registrations

To obtain the right to market and sell a drug, all candidate drugs under development need to go through a comprehensive registration process and be approved by the relevant regulator in an individual market.

There is also a risk that the rules which currently apply for registration, or interpretations of these rules, will be amended in a way that is to the disadvantage of Cantargia. In the event that Cantargia does not obtain the required product approvals or in the event that any future approvals are withdrawn or limited, this could have significant negative effects on Cantargia's operations, financial position and results.

Changes in economic activity and the pricing of drugs

The pricing and demand for pharmaceutical drugs could be adversely affected by a general economic decline in major pharmaceuticals markets. In certain countries, the pricing of drugs is determined at the regulatory level and, in case of the launch of drugs, the pricing could thus be regulated by authorities in several countries. A deterioration in general economic conditions and/or regulatory decisions could therefore result in a lower pricing of the drug projects than expected by Cantargia, which could have a significant negative impact on the company's operations, financial position, and results.

Partnerships, licensing and marketing

Cantargia is and will in future be dependent on partnerships in connection with the development of candidate drugs, preclinical and clinical studies, and licensing/partnerships for any future sale of drugs. In the event that these or future partnerships were to be terminated, there is a risk that the company would be unable, on short notice, to conclude contracts with suitable new business partners, which could have a significant negative impact on the company's operations, financial position and results.

In the future, Cantargia could also be dependent on external parties for marketing and sales. If the company is not successful in its attempts to conclude future or maintain existing partnership agreements for its product candidate, this could have a significant negative impact on Cantargia's operations, financial position, and results.

Financing and capital requirements

Since starting its operations, Cantargia has been reporting an operating loss and cash flow is expected to remain mainly negative until Cantargia succeeds in generating revenue from a launched product. Cantargia will also continue to need significant capital for research and development in order to conduct preclinical and clinical studies. If Cantargia, wholly or partly, were to fail to acquire sufficient capital, or succeed in

doing so only on unfavourable terms, this could have a significant negative impact on the company's operations, financial position and results.

Competition
If a competitor succeeds in developing and launching an effective cancer drug, this could have a negative impact on the company's ability to generate revenue. Furthermore, technology that is controlled by outside parties and that could be of use for the company's operations could be acquired or licensed by Cantargia's competitors, and thereby prevent Cantargia from obtaining such technology on commercially acceptable terms, or at all. Competitors with greater resources could also successfully market a similar or even an inferior drug and obtain wider recognition in healthcare in general for such a drug, which could have a negative impact on the company's operations, financial position, and results.

Dependence on key individuals and employees
Cantargia is dependent on a number of key individuals for the continued development of the company's operations and preclinical and clinical projects. There is, however, a risk that one or several of the company's employees will terminate their employment with the company or that the company will fail to recruit new individuals with relevant knowledge, which could delay the company's development and commercialisation of its candidate drug.

Patents and other intellectual property rights
There is a risk that it will not be possible to obtain patent protection for drugs and production methods developed by Cantargia, that Cantargia will be unable to register and complete all necessary or desirable patent applications at a reasonable cost or that a future patent portfolio and other intellectual property rights held by the company will not provide adequate commercial protection. There is also a risk that a patent will not create a competitive advantage for the company's drugs and/or methods or that competitors will succeed in circumventing the company's patents. If Cantargia is forced to defend its patent rights against a competitor, this could entail significant costs, especially in any disputes with competitors with significantly greater resources than Cantargia. If Cantargia in its own operations uses or is alleged to be using products or methods which are protected by patents or will be patented by another party, the holder of these patents could accuse Cantargia of patent infringement.

The failure to maintain its own, and/or any infringement of other parties', intellectual property rights could have a significant negative impact on Cantargia's operations, financial position and results.

Product liability
Cantargia's operations are subject to various liability risks that are common for companies engaged in drug research and development. This includes the risk of product liability that can arise in connection with production and clinical studies where the participating patients can experience side effects or fall ill during treatment. There is a risk that product liability claims could have a significant negative impact on Cantargia's operations, financial position, and results.

Insurance cover
Cantargia believes that the insurance cover for its current operations is appropriate. There is, however, a risk that such cover will prove insufficient for claims that could arise in relation to product liability and other damage. There is therefore a risk that insufficient or excessively expensive insurance cover could have a significant negative impact on the company's operations, financial position, and results.

Currency risk
Assets, liabilities, income and expenses in foreign currency give rise to currency exposures. A weakening of the Swedish krona (SEK) against other currencies increases the recognised amounts of Cantargia's assets, liabilities, income and earnings while a strengthening of the SEK against other currencies decreases these items. The company is exposed to such changes, as some the company's costs are paid in EUR, USD and other international currencies and because a part of the company's future sales revenue may be received in international currencies. A material change in such exchange rates could have a negative impact on the company's financial statements, which in turn could have negative effects on Cantargia's financial position and results. See also Note 3.

EMPLOYEES
One of Cantargia's key success factors is the company's employees. The average number of employees of the company during the year was 22 (15), of whom 13 (9) are women. The number of employees at year-end was 26 (18) fulltime equivalents, of whom 15 (11) are women. The level of education among the employees is generally high. Nearly all employees hold Ph.Ds in medicine or natural sciences or have higher university degrees.

In addition to its employees, Cantargia engages a number of consultants who are tied to the business on a continuous basis. The large network with which Cantargia works ensures access to top-level expertise, flexibility, and cost effectiveness.

RESEARCH AND DEVELOPMENT
The majority of the company's resources, 95 (91) percent, are used for research and development.

ENVIRONMENTAL IMPACT
Cantargia AB does not engage in activities requiring a per-

mit under the Swedish Environmental Code, as the company does not engage in the production of pharmaceuticals or pharmaceutical substances and does not handle solvents and chemicals.

GUIDELINES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR EXECUTIVES 2021

Under the Swedish Companies Act, guidelines for remuneration of the CEO and other senior executives must be adopted by the shareholders' meeting. A set of guidelines were adopted at the Annual General Meeting on 27 May 2020. No deviations from these guidelines have been made.

The Board has not proposed that any changes be made to the remuneration guidelines at the 2022 AGM and the guidelines will therefore continue to apply in accordance with the resolution of the 2021 AGM.

The guidelines do not cover remuneration or share-based incentive schemes adopted or approved by the shareholders' meeting.

The guidelines applying for 2022 are presented below. For remuneration in 2021, see Note 18.

How the guidelines promote Cantargia's business strategy, long-term interests and sustainability

Cantargia's business model and scientific strategy are based on partnerships, and Cantargia has concluded agreements with a number of companies, hospitals and academic groupings. A large number of international and local players are currently engaged in research and development related to Cantargia's CAN04 and CAN10 antibodies. The strategy is based on driving the development of product candidates until an indication of clinical activity has been obtained. For further information about Cantargia's business strategy, see www.cantargia.com.

To successfully implement its business strategy and safeguard its long-term interests, including its sustainability, it is essential that Cantargia be able to recruit and retain competent employees who work to achieve maximum shareholder and customer value. To do so, Cantargia must be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Long-term incentive schemes have been established in Cantargia. The schemes have been approved by the shareholders' meeting and are therefore not covered by these guidelines. For the same reason, the share-based incentive scheme and employee stock option scheme approved by the 2020 and 2021 AGMs are also not covered.

Forms of remuneration, etc.

The remuneration paid to senior executives shall be market-based and may consist of the following components: a fixed cash salary, variable cash remuneration, pension benefits and other benefits. The total remuneration paid to senior executives shall comprise a balanced mix of the above components. The Board shall annually evaluate whether long-term incentive schemes should be proposed to the shareholders' meeting.

The fixed cash salary shall be individual and based on the senior executive's areas of responsibility, role, competence and position.

For the CEO, the variable cash remuneration shall not exceed 30 percent of the fixed annual cash salary. For other senior executives, the corresponding remuneration shall not exceed 20 percent of the executive's fixed annual cash salary. Variable cash remuneration can be pensionable if this is provided for under mandatory provisions of a collective bargaining agreement.

Pension benefits shall be defined contribution benefits unless the executive is covered by a defined benefit plan under mandatory provisions of a collective bargaining agreement. Pension premiums for defined contribution pensions shall not exceed 35 percent of the fixed annual cash salary. Notwithstanding the above, the Board shall have the right to instead offer other solutions that are equivalent from a cost perspective for the company.

Other benefits may include benefits such as health insurance and occupational health care. Such benefits must be of limited value in relation to other remuneration and be consistent with normal market practice in each geographical market. The combined value of other benefits shall not exceed 10 percent of the fixed annual cash salary.

With regard to employment relationships that are subject to other rules than Swedish rules, appropriate adjustments may be made in respect of pension benefits and other benefits in order to comply with mandatory rules or established local practice, in which case the general purpose of these guidelines shall be adhered to as far as possible.

Termination of employment

If employment is terminated by Cantargia, the notice period shall not exceed six months. If employment is terminated by the executive, the notice period shall not exceed six months for the CEO and three months for other senior executives.

For the CEO, severance pay of up to twelve months' fixed cash salary and employment benefits may be paid, in addition to a fixed basic salary during the notice period. For other senior executives, the sum of the fixed basic salary during the notice period and severance pay shall not exceed the amount of the executive's annual fixed cash salary.

Criteria for payment of variable cash remuneration, etc.
Variable cash remuneration must be linked to predetermined and measurable criteria, which may be financial or non-financial and must be designed to promote the company's long-term value creation. The criteria must relate to development activities in the development projects in which the company is engaged and the partnerships the company enters into to accelerate the clinical development process and advance towards commercialisation as well as the remuneration resulting therefrom (e.g. one-time payments at the time of entering into agreements, milestone compensation or royalties). The criteria must also be designed to promote Cantargia's business strategy and long-term interests, including its sustainability.

Fulfilment of criteria for payment of variable cash remuneration shall be measured over a period of one year. When the measurement period for meeting the criteria for payment of variable cash remuneration has ended, it shall be determined to what extent the criteria have been met. The assessment regarding variable cash remuneration of senior executives shall be made by the Remuneration Committee. With regard to financial targets, the assessment shall be based on the company's most recently published financial information.

Salary and terms of employment for employees
In preparing these proposed remuneration guidelines, the Board has taken account of salaries and employment terms for the company's employees by including information on employees' total remuneration, the components of the remuneration and the increase and rate of increase of the remuneration over time in the decision basis used by the Board to assess the reasonableness of the guidelines and the limitations arising therefrom.

The decision-making process for determining, reviewing and implementing the guidelines
The Board has established a Remuneration Committee. The committee's duties include preparing the Board's resolution on the proposed guidelines for remuneration of senior executives. The Board shall prepare proposed new guidelines at least every fourth year and submit its proposal for adoption by the AGM. The guidelines shall apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for management, the application of guidelines for remuneration of senior executives, and applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and management. During the Board's deliberations and when resolutions on remuneration-related matters are made, the CEO or other members of management shall not be present, insofar as they are affected by the matters concerned.

Deviation from the guidelines
The Board may decide temporarily to deviate, wholly or partially, from the guidelines if in an individual case there are special reasons therefor and such deviation is necessary to safeguard Cantargia's long-term interests, including its sustainability, or to ensure Cantargia's financial viability. As stated above, it is part of the duties of the Remuneration Committee to prepare the Board's resolutions on remuneration matters, which includes resolutions on deviations from the guidelines.

OUTLOOK FOR 2022

Cantargia's goal is to develop drug candidates for treatment of life-threatening diseases with a focus on cancer as well as autoimmune and inflammatory diseases. The strategy is to advance the development of these drug candidates in-house until the stage where a development or commercialization agreement is reached with companies within Cantargia's business area.

Cantargia's ambition for 2022 is to advance nadunolimab towards late-stage clinical development in pancreatic cancer and non-small cell lung cancer. For pancreatic cancer, the plan is to complete the administrative and regulatory activities required to include nadunolimab in Precision Promise^{SM}, PanCAN's adaptive phase II/III trial. The intention is also to conduct ongoing trials in the earlier clinical stages to a point where an assessment can be made regarding which indications and combinations that appear to be the most promising for further development. In addition, the aim is to complete the final preparations for the start of the first clinical trial for CAN10.

APPROPRIATION OF RETAINED EARNINGS

Proposed appropriation of retained earnings (see also Note 21). The Annual General Meeting is asked to decide on the appropriation of the following:

Share premium account	1,404,594,653
Loss brought forward	-513,361, 585
Loss for the year	-366,503,514
	524,729,554

The Board of Directors proposes that: SEK 524,729,554 be carried forward.

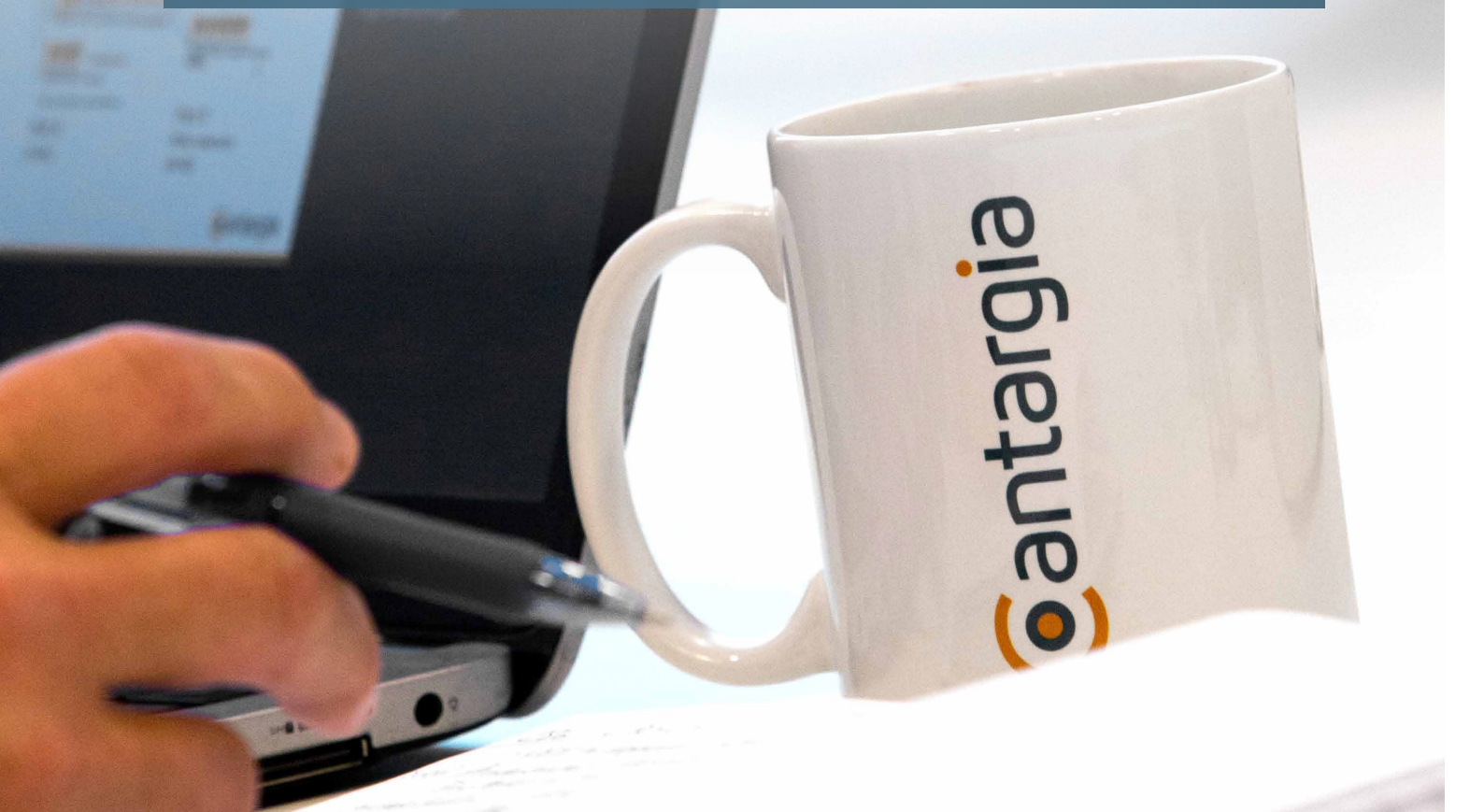
For more information on the company's results and financial position, see the following income statement and balance sheet and the additional disclosures.

SHAREHOLDER INFORMATION

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". At 31 December 2021, the number of shares was 100,192,737 (100,192,737). At the balance sheet date, the total outstanding option scheme comprised 4,836,333 employee stock options, entitling the holders to subscribe for 4,836,333 shares, which would have a dilutive effect of approximately 4.7 per cent and increase the share capital by SEK 386,907.

Share price performance in 2021



Ownership distribution

Owner	Number of shares	Capital/Votes (%)
Swedbank Robur Fonder	9,626,665	9.6%
Fjärde AP-fonden	8,846,347	8.8%
Alecta Pensionsförsäkring, Ömsesidigt	7,259,577	7.2%
Six Sis AG	6,997,319	7.0%
Första AP-fonden	6,324,244	6.3%
Försäkringsaktiebolaget, Avanza Pension	5,312,781	5.3%
SEB AB, Luxemburg Branch	3,492,124	3.5%
Unionen	2,000,000	2.0%
Andra AP-fonden	1,321,268	1.3%
KUDU VP AB	1,243,216	1.2%
Other	47,769,196	47.7%
Total	**100,192,737**	**100.0%**

Ownership Distribution size classes as of 31 December 2021

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	6,948	1,024,482	1.0%	18,912
501 - 1,000	1,553	1,250,505	1.2%	23,084
1,001 - 5,000	2,440	5,900,480	5.9%	108,923
5,001 - 10,000	563	4,170,239	4.2%	76,983
10,001 - 15,000	226	2,864,621	2.9%	52,881
15,001 - 20,000	128	2,288,571	2.3%	42,247
20,001 -	333	82,693,839	82.5%	1,526,528
Total	**12,191**	**100,192,737**	**100.0%**	**1,849,558**

Share capital history

Year	Event	Quotient value	Increase in no. of shares	Increase in share capital	Total no. of shares	Total share capital
2009	Incorporation	1.00	100,000	100,000.00	100,000	100,000.00
2010	Issue of new shares	1.00	10,870	10,870.00	110,870	110,870.00
2011	Issue of new shares	1.00	14,130	14,130.00	125,000	125,000,00
2012	Issue of new shares	1.00	3,571	3,571.00	128,571	128,571.00
2012	Issue of new shares	1.00	7,143	7,143.00	135,714	135,714.00
2012	Issue of new shares	1.00	7,143	7,143.00	142,857	142,857.00
2013	Issue of new shares	1.00	3,572	3,572.00	146,429	146,429.00
2013	Issue of new shares	1.00	25,001	25,001.00	171,430	171,430.00
2014	Issue of new shares	1.00	12,500	12,500.00	183,930	183,930.00
2014	Bonus issue	2.96	-	360,502.80	183,930	544,432.80
2014	37:1 share split	0.08	6,621,480	-	6,805,410	544,432.80
2014	Debt-for-equity swap	0.08	789,464	63,157.12	7,594,874	607,589.92
2015	Issue	0.08	5,800,000	464,000.00	13,394,874	1,071,589.92
2015	Issue of new shares TO 2010:1	0.08	111,000	8,880.00	13,505,874	1,080,469.92
2016	Issue of new shares TO1/TO3	0.08	4,127,260	330,180.80	17,633,134	1,410,650.72
2016	Issue of new shares 2011/2016	0.08	46,250	3,700.00	17,679,384	1,414,350.72
2016	Issue of new shares TO2/TO4	0.08	3,237,816	259,025.28	20,917,200	1,673,376.00
2017	Issue of new shares	0.08	11,158,308	892,664.64	32 075 508	2,566,040.64
2017	Issue of new shares	0.08	14,865,000	1,189,200.00	46,940,508	3,755,240.64
2018	Issue of new shares	0.08	19,245,303	1,539,624.24	66,185,811	5,294,864.88
2019	Issue of new shares	0.08	6,618,581	529,486.48	72,804,392	5,824,351.36
2020	Issue of new shares	0.08	18,201,097	1,456,087.76	91,005,489	7,280,439.12
2020	Issue of new shares TO 2017/2020	0.08	86,700	6,936.00	91,092,189	7,287,375.12
2020	Issue of new shares	0.08	9,100,548	728,043.84	100,192,737	8,015,418.96

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	1 Jan 2021 -31 Dec 2021	1 Jan 2020 -31 Dec 2020
Operating income			
Net sales		-	-
Other operating income		-	-
Operating expenses	8, 24		
Research and development costs	7, 18	-352,709	-158,396
Administrative costs	6, 7, 18	-15,309	-14,919
Other operating expenses	9	-2,249	-630
		-370,267	**-173,945**
Operating profit		**-370,267**	**-173,945**
Financial income and expense			
Interest income and similar items	10, 12	3,766	860
Interest expense and similar items	10, 12	-3	-1
		3,763	**859**
Profit before taxes		**-366,504**	**-173,085**
Tax for the period	11	0	0
Loss for the period *)		**-366,504**	**-173,085**
Earnings per share before and after dilution (SEK) based on average number of shares		-3.66	-1.94

*) 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 Dec 2021	31 Dec 2020
ASSETS			
Fixed assets			
Intangible assets			
Patent		6,459	7,360
	27	**6,459**	**7,360**
Tangible assets			
Machinery and equipment		3,097	5,262
	26	**3,097**	**5,262**
Total fixed assets		**9,556**	**12,622**
Current assets			
Other receivables		4,588	2,673
Prepaid expenses and accrued income		26,713	6,846
		31,301	**9,519**
Short-term investments			
Other short-term investments	14	312,064	210,019
		312,064	**210,019**
Cash and bank balances			
Cash and bank balances	15	247,322	693,354
		247,322	**693,354**
Total current assets		**590,688**	**912,892**
TOTAL ASSETS		**600,244**	**925,514**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	16	8,015	8,015
		8,015	**8,015**
Non-restricted equity			
Share premium account		1,404,595	1,404,595
Retained earnings		-513,362	-347,590
Loss for the year		-366,504	-173,085
	21	**524,729**	**883,919**
Total equity		**532,745**	**891,935**
Long-term liabilities			
Provision for social security contributions, incentive program	13	892	3,111
		892	**3,111**
Short-term liabilities			
Trade payables		34,512	10,678
Tax liabilities		570	349
Other liabilities		1,105	859
Accrued expenses and deferred income	17	30,420	18,583
		66,607	**30,469**
TOTAL EQUITY AND LIABILITIES		**600,244**	**925,514**

STATEMENT OF CHANGES IN EQUITY

SEK thousand		Restricted equity		Non-restricted equity		Total
1 Jan 2021 - 31 Dec 2021	Note	Share capital	Paid-up not regd share capital	Share premium account	Ret earnings incl profit/loss for year	Total equity
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	19	-	-	-	7,314	7,314
		-	-	-	7,314	7,314
Closing balance, 31 December 2021		**8,015**	**-**	**1,404,595**	**-879,866**	**532,745**
1 Jan 2020 - 31 Dec 2020						
Opening balance, 1 January 2020		**5,824**	**-**	**488,272**	**-351,823**	**142,273**
Loss for the period		-	-	-	-173,085	-173,085
Transactions with shareholders						
Issue of new shares for the year		2,184	-	971,575	-	973,759
Capital acquisition cost		-	-	-56,214	-	-56,214
Warrant program, TO 2017/2020	19	7	-	962	-	969
Employee stock option program	19	-	-	-	4,233	4,233
		2,191	-	916,323	4,233	922,747
Closing balance, 31 December 2020		**8,015**	**-**	**1,404,595**	**-520,676**	**891,935**

STATEMENT OF CASH FLOWS

SEK thousand	Note	1 Jan 2021 -31 Dec 2021	1 Jan 2020 -31 Dec 2020
Cash flow from operating activities			
Operating loss		-370,267	-173,945
Adjustments for non-cash items	23	8,541	10,592
Interest received etc.	10	927	501
Interest paid etc.	10	-3	-1
Cash flow from operating activities before changes in working capital		**-360,802**	**-162,853**
Changes in working capital			
Change in receivables		-21,782	-219
Change in trade payables		23,834	-1,943
Changes in other current liabilities		12,304	8,627
		14,357	**6 466**
Cash flow from operating activities		**-346,445**	**-156,387**
Investing activities			
Acquisition of intangible assets	27	-	-8 111
Acquisition of tangible assets	26	-383	-890
Increase in other short-term investments	14	-177,046	-225,000
Decrease in other short-term investments	14	75,000	125,000
		-102,429	**-109,002**
Financing activities			
Issue of new shares for the year			973,759
Capital acquisition cost			-56,214
Warrant program, TO 2017/2020			969
		-	**918,514**
Change in cash and cash equivalents		-448,873	653,125
Cash and cash equivalents at beginning of period		693,354	39,870
Exchange rate difference in cash equivalents	10	2 839	359
Cash and cash equivalents at end of period *)	15	**247,322**	**693,354**

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

Notes

NOTE 1

General information

Cantargia AB (publ), reg. no. 556791-6019, is a biotechnology company that develops antibody-based treatments for life-threatening diseases and has established a platform based on the protein IL1RAP, involved in a number of cancer forms and inflammatory diseases. The lead project, the antibody nadunolimab (CAN04), is being studied clinically in combination with chemotherapy or immune therapy in a series of clinical studies – CANFOUR, CIRIFOUR, CAPAFOUR, CESTAFOUR and TRIFOUR – with a primary focus on non-small cell lung cancer and pancreatic cancer. Positive interim data from the combination with chemotherapy indicate stronger efficacy than would be expected from chemotherapy alone. Cantargia's second project, the antibody CAN10, blocks signaling via IL1RAP in a different manner than nadunolimab and addresses treatment of serious autoimmune/inflammatory diseases, with initial focus on systemic sclerosis and myocarditis.

Cantargia consists of one legal entity, Cantargia AB, corporate ID number 556791-6019.

Cantargia is listed on Nasdaq Stockholm (ticker: CANTA) since September 2018.

NOTE 2

Accounting policies and valuation principles

Significant accounting policies applied in preparing this annual report are described in the following. Unless otherwise stated, these policies have been applied consistently for all the annual periods presented. This annual report was adopted by the Board of Directors on 29 April 2022.

2.1 Basis of preparation of financial statements

Cantargia AB has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board (RFR 2). RFR 2 states that a legal entity is required to apply the International Financial Reporting Standards (IFRS), as adopted by the EU, insofar as this is possible under the Swedish Annual Accounts Act and Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation. The recommendation specifies the exemptions from and the additional disclosures that are required in relation to IFRS. The preparation of financial statements in compliance with the applied regulations requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the company's accounting policies. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact are described in Note 4.

2.1.1 Changes to accounting policies and disclosures

Standards, amendments, and interpretations of existing standards that have entered into force during the financial year. No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on Cantargia.

2.1.2 Formats

The format prescribed in the Swedish Annual Accounts Act is used for the income statement and balance sheet. The statement of changes in equity is presented in the format prescribed in IAS 1 *Presentation of Financial Statements* but must contain the columns indicated in the Annual Accounts Act.

2.2 Segment reporting

Cantargia's chief operating decision maker is the company's Chief Executive Officer (CEO), as it is primarily he who is responsible for the allocation of resources and evaluation of results. The CEO receives reports containing financial information for Cantargia as a whole. Cantargia has not yet commercialized any part of the development projects in which it is engaged and therefore is not yet generating any income. All activities of Cantargia are considered to constitute a single operating segment.

2.3 Intangible assets

(i) Research and development costs

Cantargia is a research-based biotech company that is engaged in research and development of antibody-based therapy for severe diseases. All expenditure directly attributable to the development and testing of identifiable and unique products which are controlled by Cantargia is accounted for as an intangible asset when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use,
- Cantargia intends to complete the product for use or sale,
- there is reason to expect that the company will be able to use or sell the product,
- it can be shown that the product will generate probable future economic benefits,
- adequate technical, economic and other resources are available to complete the development of and use or sell the product, and
- the costs attributable to the product during its development can be reliably measured.

The overall risk in ongoing development projects is high. The risk includes safety and efficacy risks that can arise in clinical studies, regulatory risks related to applications and approval for clinical studies and marketing authorization, as well as IP risks related to approval of patent applications and the maintenance of patents. All development work is therefore deemed to be research, as the work does not meet the criteria listed below. As of 31 December 2021 no development costs had been recognized as intangible assets in the balance sheet, as it was not considered that all of the above criteria for capitalization had been met for any of the development projects in which the company is engaged.

Research expenditure is expensed as incurred.

Capitalized development costs are recognized as intangible assets and amortized from the date when the asset is ready for use.

(ii) Patents, licenses, and similar assets
Intangible assets also include patents, licenses, and other similar rights. Acquired such assets are reported at acquisition value and amortized on a straight-line basis over the expected period of utilization, which normally coincides with, for example, the patent's validity period. The estimated useful life for current patent is nine years.

2.4 Impairment of intangible assets

Intangible assets which are not ready for use (capitalized development costs) are not amortized but are tested annually for impairment. However, no capitalized development costs are currently recognized in Cantargia's balance sheet.

2.5 Leases

Cantargia has chosen not to apply IFRS 16 Leasing Agreement, and has instead chosen to apply RFR2 IFRS 16 Leasing Agreement p.2-12, which means that all leasing fees are reported as an expense on a straight-line basis over the leasing period.

2.6 Foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rates applying at the transaction date or the date when the items were restated. Foreign exchange gains and losses are recognized in the statement of comprehensive income in other operating expenses (foreign exchange differences trade payables) and in net financial income/expense (foreign exchange differences currency accounts).

2.7 Financial assets and liabilities

Recognition and derecognition in the balance sheet
A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual terms and conditions of the instrument. A financial asset is derecognized in the balance sheet when the contractual right to the cash flow from the asset expires or is settled. The same applies when the risks and benefits of ownership of the asset have essentially been transferred to another party and the company no longer has control over the financial asset. A financial liability is derecognized in the balance sheet when the contractual obligation is fulfilled or extinguished.

Measurement of financial instruments
Cantargia applies the exemption in RFR 2 under which IFRS 9 Financial Instruments is not applied. Instead, cost is applied in accordance with the Annual Accounts Act.

Financial assets are initially measured at cost including any transaction costs directly attributable to the acquisition of the asset. After initial recognition, current financial assets are measured at the lower of cost and net realizable value at the balance sheet date.

Trade receivables and other receivables classified as current assets are measured at acquisition value less expected credit losses.

Measurement of financial liabilities
Short-term trade payables are recognized at cost.

2.8 Employee benefits

Retirement benefit obligations
Cantargia has both defined contribution and defined benefit pension plans. Defined contribution pension plans are post-employment benefit plans under which the company pays fixed contributions into a separate legal entity. Cantargia has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognized as personnel expenses when they fall due.

Cantargia's defined benefit pension plans consist of the ITP 2 plan's defined benefit pension obligations. The ITP 2 plan's defined benefit pension obligations for retirement and family pensions are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of the ITP 2 Plan that is funded through an insurance policy with Alecta, this is a defined benefit plan covering several employers. For the financial year 2021, Cantargia has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets, and expenses. It has therefore not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore accounted for as a defined contribution plan. The contribution for defined benefit retirement and family pensions is calculated individually and depends on factors

such as salary, previously earned pension and expected remaining period of service.

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio should normally be permitted to vary within a range of 125 and 175 per cent. If Alecta's collective funding ratio were to fall below 125 per cent or exceed 175 per cent, it would be necessary to take measures that will enable the ratio return to the normal range. In case of a low funding ratio, one measure that can be taken is to raise the agreed price for new policies and the expansion of existing benefits. If the funding ratio is high, contributions can be reduced. At the end of the financial year 2021, Alecta's surplus, as defined by the collective funding ratio, was 172 per cent (2020: 148 per cent).

Short-term benefits

Short-term benefits are employee benefits which are payable within twelve months of the balance sheet date in the year in which the employee earned the benefit, with the exception of post-employment benefits and termination benefits.

Short-term benefits include

1. salaries, social security contributions and other payroll costs,
2. paid short-term leave such as paid holiday and paid sick leave,
3. bonuses, and
4. non-monetary benefits such as health care for current employees.

Accounting treatment – paid short-term leave

Short-term benefits for paid leave that can be saved should be accounted for as an expense and current liability when the employees have performed the services which entitle them to future paid leave. Short-term benefits for paid leave that are not saved should be recognized as an expense when the leave is taken.

Accounting treatment – bonus plans

The expected expense for profit sharing and bonuses should be recognized only if

1. the company has a legal or constructive obligation as a result of past events, and
2. the amount of the obligation can be reliably estimated.

Termination benefits

Termination benefits are paid when an employee's employment has been terminated by the company before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. Cantargia recognizes termination benefits at the earliest of the following: (a) when the company can no longer withdraw the offer of such benefits; and (b) when the company recognizes restructuring costs provided for under IAS 37 which involve the payment of severance pay. If the company has made an offer to encourage voluntary redundancy, termination benefits are calculated based on the number of employees that are expected to accept the offer. Benefits expiring more than 12 months after the end of the reporting period are discounted to present value.

2.9 Tax

The tax on the profit for the year in the income statement consists of current tax and deferred tax. Current tax is calculated on the taxable profit for the period at the applicable tax rate. The actual tax expense is calculated based on the tax rules that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. However, deferred tax attributable to untaxed reserves is accounted for separately, as untaxed reserves are recognized as a separate item in the balance sheet. Deferred tax liabilities are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax is calculated using tax rates (and laws) which have been adopted or announced at the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

As the company is not generating any profit, the deferred tax asset on tax losses arising from tax losses presented in Note 11 has not been assigned any value.

2.10 Revenue

Interest income

Interest income is recognized using the effective interest method.

2.11 Cash and cash equivalents and statement of cash flows

The statement of cash flows is prepared using the indirect method. The reported cash flow only includes transactions involving incoming or outgoing payments. The company classifies cash, available deposits with banks and other credit institutions as cash and cash equivalents.

2.12 Share capital

Ordinary shares are classified as equity.

Transaction costs which are directly attributable to the issuance of new shares or options are recognized, net of tax, in equity less a deduction from the proceeds of the issue.

2.13 Earnings per share

(i) Earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- profit/loss for the year
- with a weighted average number of outstanding ordinary shares during the period

(ii) Earnings per share after dilution

To calculate earnings per share after dilution, the amounts used in calculating earnings per share before dilution are adjusted by taking into account:

- the weighted average of those additional ordinary shares that would have been outstanding on the conversion of all potential ordinary shares.

2.14 Tangible Assets

Tangible assets consist of furniture, work machinery and production equipment. These are reported at historical cost minus cumulative depreciation and any impairments. The historical cost includes the purchase price and any expenses directly attributable to the asset for putting it in place and making it fit for its intended purpose.

Depreciation of tangible assets is posted to expenses in such a way that the value of the asset minus its estimated residual value at the end of its service life is written down on a linear basis over its expected service life, estimated at:

- Machinery and other technical facilities, 3-5 years
- Fixtures, tools and installations, 3-5 years

Estimated service lives, residual values and depreciation methods are reviewed at least at the end of each accounting period, and the effects of any changes in estimates are reported in advance.

The reported value of a tangible asset is removed from the statement of financial position when it is scrapped or sold, or when no future economic benefits are expected from using or scrapping/disposing of the asset. The gain or loss made from scrapping or disposing of the asset is the difference between any net income from the disposal and its reported value, posted to the income statement in the period in which the asset is removed from the statement of financial position.

2.15 Employee stock option program

The emoloyee stock option program is classified as an equity-settled program. The fair value of the service entitling an employee to an allotment of options under Cantargia's employee stock option scheme is recognized as a personnel expense with a corresponding increase in equity. The total amount expensed is based on the fair value of the allocated options:

- including all market-related terms (e.g., target share price),
- excluding any effect of service and non-market vesting conditions (e.g., profitability and that the employee remain an employee of the company for a specified period),
- including the effect of non-vesting conditions (e.g., a requirement that the employee save or hold the shares for a specified period).

The total expense is recognized over the vesting period, which is the period during which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the company reviews its assessments of how many shares are expected to be vested based on the non-market vesting conditions and service vesting conditions. Any deviations from the original assessments resulting from the review are recognized in the income statement with corresponding adjustments in equity.

As a basis for provisions for social security contributions, the fair value of vested employee stock options is remeasured at the end of each reporting period. Social security contributions are accounted for as personnel expenses and a corresponding provision is made in non-current or current liabilities depending on the remaining term of each scheme.

NOTE 3

Financial risk management

Through its activities, Cantargia is exposed to a wide range of financial risks: market risk (mainly currency risk), credit risk and liquidity risk. Cantargia's overall risk management policy focuses on the unpredictability of financial markets and strives to minimize potential adverse effects on Cantargia's financial results.

(a) Market risk

(i) Currency risk

Cantargia is primarily exposed to EUR and USD currency risk. Currency risks arise when future business transactions or recognized assets or liabilities are expressed in a currency that is not the functional currency of the unit. In Cantargia, these transactions mainly comprise purchases and trade payables in EUR and USD. Cantargia's policy is to hedge 50% of the anticipated cash flow in EUR. At the end of the reporting period, Cantargia had an exposure to EUR of kEUR 396 (184) and kUSD 22 (28) in the form of outstanding trade payables.

In addition to trade payables in EUR and USD, the company has EUR and USD currency accounts, which at 31 December 2021 had a balance of kEUR 18,523 (182) and kUSD 1,244 (190). If the Swedish krona had weakened/strengthened by 10 percent against the EUR, the effect on profit/loss for the year and equity on 31 December 2021 would have been +/- 18.8 (0.2) MSEK. If the Swedish krona had weakened/strengthened by 10 percent against the USD, the effect on profit/loss for the year and equity on 31 December 2021 would have been +/- 1.07 (0.2) MSEK.

(ii) Cash flow interest rate risk and fair value
The interest rate risk is considered to be limited as there is no borrowing and the interest-bearing investments only include low-risk funds. kSEK 237,064 (60,019) refers to investments in fixed income funds, where the return is dependent on short-term interest rates.

(iii) Price risk
Cantargia is not exposed to any significant price risk.

(b) Credit risk
Credit risk in Cantargia arises through deposits and investments with banks and financial institutions. All bank deposits and investments are held with counterparties with low credit risk. Cantargia is not exposed to any significant credit risk, as all counterparties are large, well-known banks.

(c) Liquidity risk
Since starting its operations, Cantargia has been reporting an operating loss and cash flow is expected to remain mainly negative until Cantargia succeeds in generating revenue from a launched product. The company's planned preclinical and clinical studies will entail significant costs and the company's development of its product candidate could prove more time- and cost-consuming than planned. Cantargia will also continue to need significant capital for research and development in order to conduct preclinical and clinical studies with CAN04 and for its continued research into and development of CAN10, CANxx and IL1RAP. Access to and the terms and conditions for further financing are affected by several factors, such as the possibility of concluding partnership agreements and general access to risk capital. If Cantargia, wholly or partly, were to fail to acquire sufficient capital, or succeed in doing so only on unfavorable terms, this could have a significant negative impact on the company's operations, financial position and results.

Cantargia uses rolling forecasts to ensure that the company has sufficient cash assets to meet its operational requirements. This monitoring takes the form of reporting to the Board, whereby outcomes and forecasts are compared with the three-year business plan that is produced and approved by the Board each year.

Surplus liquidity in Cantargia, in excess of what is required to manage working capital requirements, is invested in interest-bearing current accounts. At the balance sheet date, Cantargia had short-term investments in three- and twelve month fixed-rate accounts of kSEK 0 and kSEK 75,000, respectively (kSEK 75,000 and kSEK 75,000, respectively), and kSEK 237,064 (kSEK 60,019) invested in a short-term fixed income fund. In addition to this, Cantargia had bank deposits of kSEK 247,322 (kSEK 693,354) at the balance sheet date.

The following table shows an analysis of Cantargia's financial liabilities by remaining maturity from the balance sheet date. The amounts indicated in the table are the contractual, undiscounted cash flows.

31 December 2021	Less than 2 months	More than 2 months	Total
Trade payables	34,512	-	34,512
Other liabilities	1,105	-	1,105
Total	35,617	-	35,617

31 December 2020	Less than 2 months	More than 2 months	Total
Trade payables	10,678	-	10,678
Other liabilities	859	-	859
Total	11,537	-	11,537

(d) Management of capital

To maintain or adjust its capital structure, Cantargia can choose to return capital to the shareholders, issue new shares or sell assets to reduce its liabilities.

In 2021, Cantargia's strategy, which remained unchanged from 2020, was to secure the company's ability to continue as a going concern by running the company's research projects in an optimal manner and thereby generate returns for its shareholders and benefits for other stakeholders. Cantargia also aims to maintain an optimal capital structure in order to keep its capital costs down with a low to minimal risk. Cantargia is mainly engaged in research and development. Prior to the listing of the company's shares on the main list of Nasdaq Stockholm on 25 September 2018, the company's activities were financed through a number of share offerings. Equity is therefore regarded as the company's capital.

NOTE 4

Critical accounting estimates and judgements

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management that 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.

Capitalization of development costs

The most critical judgement in Cantargia's financial reporting refers to the date of capitalization of development costs. Based on the accounting policies that are presented in Note 2, all development activities in which Cantargia is engaged are currently classified as research, for which costs should not be capitalized. The achievement of positive results in phase III clinical trials is the earliest point at which the criteria for capitalization can be considered to be met.

Tax losses

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 and historical and potential future capital acquisitions may limit the amount of tax losses that can be used in future.

Incentive program (employee stock option program)

The company has an incentive program in the form of an employee stock option program. The accounting principles for this are described in Note 2. The cost of remuneration reported in a period depends on the original valuation made at the time of the agreement with the option holder, the number of months the participant must serve to be entitled to his options (accrual over this time), the number of options expected to be earned by the participants according to the terms of the plans and a continuous revaluation of the value of the tax benefit for the participants in the plans (as a basis for allocation for social costs). The estimates that affect the cost in a period and the corresponding increase in equity are primarily input data in the valuations of the options. The models used for this purpose are the so-called Black & Scholes model and Monte Carlo simulation. Important assumptions in these valuations are set out in Note 19. In addition to the valuations, the cost is affected for a period by an estimate of the number of people who are expected to earn their options. Through mainly the history of staff turnover, the company management has a very good basis for estimating the number of participants who will complete the program.

COVID-19

In recent years, the COVID-19 pandemic has developed in a way that has put a heavy strain on society. The greatest risk for Cantargia is considered to concern clinical studies where the increased burden on healthcare may lead to delays in patient recruitment, or that patients are affected by travel- or visitor restrictions and therefore cannot attend the expected visits. However, given that COVID-19 has developed with variable aggressivity in different countries and that hospitals are adapting different strategies for conducting clinical studies, the risks for major delays or major quality problems are considered to be limited. Moreover, the high demand on COVID-19 vaccines and treatments has placed a high demand on the global capacity for drug development, which has led to a shortage of raw materials and consumables for the manufacture of substances for clinical use. Nevertheless, the proactive measures taken by Cantargia have limited the impact of the challenges posed by the pandemic. Cantargia continues to follow the infection spread and its consequences.

NOTE 5

Segment information

Cantargia's chief operating decision maker is the company's Chief Executive Officer (CEO), as it is primarily he who is responsible for the allocation of resources and the evaluation of results. The CEO receives reports containing financial information for Cantargia as a whole. Cantargia has not yet commercialised any part of the development projects in which it is engaged and therefore is not yet generating any income. All activities of Cantargia are considered to constitute a single operating segment. All fixed assets are located in Sweden.

NOTE 6

Auditors' fees and expenses

Expensed audit fees for the financial year and expensed fees for other services provided by the company's auditors are presented in the following.

	2021	2020
PwC		
Audit engagement*	339	269
Audit services in addition to audit engagement	-	107
Tax advisory services	167	257
Other services	58	15
Total	**564**	**648**

* Audit engagement refers to fees for the statutory audit, i.e. work that has been necessary to produce the auditor's report.

NOTE 7

Employee benefits, etc.

Salaries and other benefits and social security contributions (for employees)

	2021	2020
Salaries and other benefits *)	29,608	20,906
Social security contributions **)	2,531	6,661
Retirement benefit costs, defined contribution	5,554	3,895
Other personnel expenses	270	248
Total employee benefits	**37,964**	**31,711**

*) Whereof share-based incentives 7,314 (4,233)
**)Whereof share-based incentives -2,219 (3 111)

2021	Salaries and other benefits (of which bonuses)	Retirement benefit costs
Directors, CEO and other senior executives	21,225	3,774
Other employees	11,427	1,781
Total	**32,652**	**5,554**
	(2,641)	

2020	Salaries and other benefits (of which bonuses)	Retirement benefit costs
Directors, CEO and other senior executives	16,554	3,124
Other employees	6,254	771
Total	**22,808**	**3,895**
	(2,363)	

Average number of employees

	2021		2020	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	22	9	15	6
Total	**22**	**9**	**15**	**6**

Gender distribution for Directors and other senior executives

	2021		2020	
	Number at balance sheet day	Of which men	Number at balance sheet day	Of which men
Directors	8	5	7	4
CEO and other senior executives	9	7	8	6
Total	**17**	**12**	**15**	10

The contract between the company and CEO is subject to six months' notice by either party.
Disclosures on benefits for the CEO, Directors and other senior executives are presented in Note 18.

NOTE 8

Leases

	2021	2020
Lease payments expensed during the financial year	1,513	1,135

The distribution of the nominal value of future minimum lease payments under non-cancellable leases is as follows:

	2021	2020
Due within one year	2,039	1,281
Due after more than one year but within five years	6,563	2,296
Due after more than five years	-	-
Total	**8,602**	**3,577**

Lease expenses refer to rent for premises and office equipment.

NOTE 9

Other operating expenses

	2021	2020
Foreign exchange losses, trade payable	-2,249	-630
Total	**-2,249**	**-630**

NOTE 10

Financial income and expense

	2021	2020
Interest income and similar income		
Interest income	927	501
Gain/loss on sale of short-term investments	-	-
Profit on sale of other long-term securities holdings *)	-	-
Foreign exchange gains, currency accounts	2,839	359
Total	**3,766**	**860**

	2021	2020
Interest expense and similar charges		
Other interest expense	-3	-1
Total	**-3**	**-1**

*) See Note 13

NOTE 11

Income tax

	2021	2020
Current tax		
Current tax on profit for the year	-	-
Adjustments relating to prior years	-	-
Total current tax/income tax	-	**-**

The difference between the reported tax expense and the applicable tax rate is explained by the following table.

	2021	2020
Reconciliation of reported tax for the year		
Loss before tax	-366,504	-173,085
Reported tax for the year		
Tax at applicable tax rate 20,6 (2020: 21,4)%	75,500	37,040
Tax effect of non-deductible expenses	-154	-159
Tax effect of non-taxable income	-	-
Tax effect of deductible expenses recognised directly in equity	-	12,030
Tax losses for which no deferred tax asset has been recognised	-75,346	-48,912
Reported tax for the year	**0**	**0**

	2021	2020
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**982,734**	**616,978**
Potential tax benefit, 20,6% (2020: 20,6%)	**202,443**	**127,097**

There is no expiration date which limits the use of the tax losses. It is, however, uncertain at what point in time it will be possible to use these tax losses to offset taxable profits. The deferred tax asset arising from the tax loss has therefore not been assigned any value.

NOTE 12

Net foreign exchange difference

Foreign exchange differences have been recognised in the statement of comprehensive income as follows:

	2021	2020
Other operating expenses (Note 9)	-2,249	-630
Interest expense and similar charges (Note 10)	2,839	359
Total	**590**	**-271**

NOTE 13

Long-term liabilities

	31 Dec 2021	31 Dec 2020
Provision for social security contributions, incentive program	892	3,111
Total	**892**	**3,111**

NOTE 14

Short-term investments

	31 Dec 2021	31 Dec 2020
Fixed-rate account, Sparbanken Skåne	75,000	150,000
Liquidity funds, Sparbanken Skåne	237,064	60,019
Total	**312,064**	**210,019**

Fixed-rate account, Sparbanken Skåne, 31 Dec 2021, 75 MSEK fixed 12 months, 0.30% interest.
Fixed-rate account, Sparbanken Skåne, 31 Dec 2020, 75 MSEK fixed 3 months, 0.20% interest and 75 MSEK fixed 12 month, 0.20% interest.
Liquidity funds, Sparbanken Skåne, low risk category 2

NOTE 15

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include the following:	31 Dec 2021	31 Dec 2020
Available bank deposits		
SEK	45,149	689,852
EUR	189,477	1,950
USD	11,254	1,552
GBP	571	-
CHF	458	-
NOK	413	-
Total	**247,322**	**693,354**

NOTE 16

Share capital

Ordinary shares	Number of shares (thousands)	Share capital
1 January 2020	72,804	5,824
Issue of new shares	27,388	2,191
31 December 2020	**100,193**	**8,015**
1 January 2021	100,193	8,015
Issue of new shares	-	-
31 December 2020	**100,193**	**8,015**

At 31 December 2021, the share capital consisted of 100,192,737 shares with a quotient value of SEK 0.08 per share. Each share carries one vote. At 31 December 2020, the share capital consisted of 100,192,737 shares with a quotient value of SEK 0.08 per share. Each share carries one vote. All shares issued by the parent company are fully paid up.

NOTE 17

Accrued expenses and deferred income

	31 Dec 2021	31 Dec 2020
Accrued salaries and social security contributions	1,926	1,322
Capital acquisition cost	0	1,264
Project expenses *)	23,358	10,708
Other accrued expenses	5,135	5,289
Total	**30,420**	**18,583**

NOTE 18

Related party disclosures

Related parties comprise senior executives of the company, i.e. the Board of Directors and management team and their family members.

Cantargia has a a research agreement with Lund University, 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.

The company considers that the above agreements have been concluded on market terms.

The following transactions have been made with related parties:

(a) Sale of services	**2021**	**2020**
Lunds Universitet (Thoas Fioretos)	0	463
Lunds Universitet (Gunilla Westergren-Thorsson)	650	500
Total	**650**	**963**

Remuneration of senior executives

	2021	2020
Salaries and other short-term benefits *)	18,180	14,652
Post-employment benefits	3,428	3,124
Other long-term benefits	-	-
Termination benefits	-	-
Total	**21,608**	**17,776**

*) Whereof share-based incentives 4,562 (3,175)

Guidelines for executive remuneration

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the Annual General Meeting. A separate fee is paid for committee work. In essence, the guidelines for remuneration and other terms of employment for management, which are adopted by the shareholders' meeting, stipulate that the company shall offer its senior executives a normal market remuneration, that resolutions on remuneration shall be prepared by a special Remuneration Committee of the Board and that the applicable criteria shall comprise the senior executive's responsibilities, role, expertise and position. Decisions on remuneration of senior executives are made by the Board excluding any Directors who are in a dependent position in relation to the company and management. The guidelines must be applied to new contracts, or to changes to existing contracts that are entered into with senior executives after the adoption of the guidelines and until new or revised guidelines are adopted. Complete guidelines for 2021 and the ones proposed for 2022 are described in the Director's report.

Salaries and remuneration for the year

Salaries, remuneration, social security contributions and retirement benefit costs have been paid in the following amounts. Please note that under the heading "Variable remuneration" are in addition to variable remuneration, incentive programs decided by the Annual General Meeting also included (see Note 19). The outcome for AGM-decided incentive programs regarding the CEO and senior executives for the year 2021 amounted to SEK 925 (707) thousand.

2021	Fee	Basic salary	Variable remuneration	Retirement benefit cost	Other benefits	Share-based incentives	Social sec contribu-tions	Total
Magnus Persson, Chairman	620					-	195	**815**
Thoas Fioretos, Director	270	-	-	-	-	-	85	**355**
Karin Leandersson, Director	290	-	-	-	-	-	91	**381**
Patricia Delaite, Director	340	-	-	-	-	-	47	**387**
Anders Martin-Löf, Director	345	-	-	-	-	-	108	**453**
Flavia Borellini, Director	520	-	-	-	-	-	-	**520**
Damian Marron, Director	330	-	-	-	-	-	-	**330**
Magnus Nilsson, Director	330	-	-	-	-	-	-	**330**
Göran Forsberg, CEO	-	2,236	737	927	38	1,219	-102	**5,056**
Total, Board and CEO	**3,045**	**2,236**	**737**	**927**	**38**	**1,219**	**424**	**8,627**
Other senior executives (8 persons)	-	8,946	1,699	2,846	81	3,343	373	**17,288**
Total	**3,045**	**11,182**	**2,436**	**3,774**	**119**	**4,562**	**797**	**25,915**

*) Social security contributions for the CEO and other senior executives has been affected positivly in 2021 as the reserve for social secutiry contribution related to the employee option program has decreasd under 2021, due to a falling share price. The positive effect amounts to SEK 453 thousand for the CEO and SEK 1,228 thousand for other senior executives.

2020	Fee	Basic salary	Variable remuneration	Retirement benefit cost	Other benefits	Share-based incentives	Social sec contribu-tions	Total
Magnus Persson, Chairman	465	-	-	-	-	-	146	**611**
Claus Asbjorn Andersson, Director	230	-	-	-	-	-	-	**230**
Thoas Fioretos, Director	230	-	-	-	-	-	72	**302**
Karin Leandersson, Director	230	-	-	-	-	-	72	**302**
Patricia Delaite, Director	215	-	-	-	-	-	32	**247**
Anders Martin-Löf, Director	270	-	-	-	-	-	85	**355**
Flavia Borellini, Director	262					-	-	**262**
Göran Forsberg, CEO	-	2,197	688	843	25	855	1,271	**5,879**
Total, Board and CEO	**1,902**	**2,197**	**688**	**843**	**25**	**855**	**1,679**	**8,188**
Other senior executives (7 persons)	-	7,310	1,281	2,281	105	2,320	3,997	**17,295**
Total	**1,902**	**9,507**	**1,969**	**3,124**	**130**	**3,175**	**5,676**	**25,484**

Pensions

The retirement age for the CEO is 65 years.

The pension contribution for the CEO is 35 per cent of the pensionable salary. Pensionable salary refers to the fixed monthly salary multiplied by 12.2.

For other employed senior executives, the retirement age is currently 65 years, in accordance with the applicable ITP Agreement. The pension contribution is calculated in accordance with Section 2 of the ITP Agreement and its contribution tariffs, which are determined by Alecta.

Term of notice and severance pay

The term of notice in case of termination by Cantargia shall be no more than six months for the Chief Executive Officer and no more than six months for other senior executives. The term of notice in case of termination by the employee shall be at least six months for the CEO and at least three months for other senior executives. In addition to the term of notice, severance pay may be paid to the CEO up to a maximum of twelve months' salary and employment benefits.

Directors' fees

The Directors' fees approved at the Annual General Meeting on 26 May 2021 are SEK 550,000 to the Chairman of the Board and SEK 250,000 to each of the other Directors. For the Remuneration Committee, a fee of SEK 40,000 is paid to the committee chairman and SEK 20,000 to each of the other members, and for the Audit Committee SEK 95,000 is paid to the committee chairman and SEK 40,000 to each of the other members. It was also resolved that, for each physical Board meeting (up to a maximum of six meetings) that is held in Sweden and attended by the Director, a meeting fee of SEK 20,000 be paid to each Director living outside the Nordic region. The full amount of Directors' fees has been charged to earnings in 2021.

NOTE 19

Share-based incentive programs

Cantargia's incentive program aims to create a long-term commitment to the company, create opportunities to attract and retain expertise and deliver long-term shareholder value.

Incentive scheme
At the Annual General Meeting of the Company on 26 May 2021, the shareholders decided to introduce a variable share-based incentive scheme for 2021 to senior executives and key employees of the Company. The scheme is based on the incentive scheme adopted at the 2019 Annual General Meeting which has been designed to promote investment in and ownership of the Company's shares.

The scheme is designed as a variable long-term remuneration scheme under which participants commit to use distributed variable cash remuneration to acquire shares of the Company. The scheme is based on that or those annual bonus targets which are defined by the board for the Company and which refer to the Company's activities, financial key performance indicators and internal processes. Target achievement will be assessed by the Company's board of directors in connection with the adoption of the annual report for each year. When the target achievement has been determined by the Company's board of directors, the amount due to each participant in the scheme is distributed, whereupon acquisition of shares by the participants should be made as soon as possible.

Participants are required to use their whole remuneration under the scheme, net of tax, to acquire shares of Cantargia on the stock market.

The maximum payout to each participant in the scheme for 2021 is capped at 10 per cent of his or her fixed annual salary. The total size of the scheme for 2021 is capped at SEK 1 800,000, excluding social security contributions. In case of partial target achievement, a portion of the maximum payout will be distributed.

The outcome for incentive programs decided by the AGM regarding the CEO and senior executives for the year 2021 amounted to SEK 1,462 (707) thousand.

Warrant program , TO 2017/2020
At the Annual General Meeting on 30 May 2017, the shareholders approved a private placement of warrants of series 2017/2020, entitling the holders to subscribe for new shares of Cantargia. The offering, in which the pre-emption rights of existing shareholders were waived, comprised a maximum of 85,000 warrants of series 2017/2020. All warrants were subscribed by the Chairman of the Board, Magnus Persson. The warrants were issued at a price of SEK 0.85 per warrant, which represents the market value of the warrants (warrant premium), as calculated using the Black-Scholes model at 21 July 2017. The calculation of the issue price was made by an independent valuation expert. On 8 January 2018, Cantargia completed a rights issue, which resulted in a restatement of TO 2017/2020.

After restatement, each warrant entitles the holder to subscribe for 1.02 new shares of the company at an exercise price of SEK 11.18 per share. Subscription of shares with the support of the warrants could take place during the period from 23 June 2020 to 14 July 2020. In July 2020, Magnus Persson exercised his right to subscribe for shares in accordance with the program, increasing the number of shares by 86,700 shares. and the share capital increased by SEK 6,936. This corresponded to a dilution of approximately 0.1 percent of the shares and votes. TO 2017/2020 is thus completed.

	2021		2020	
	Average exercise price per warrant (SEK)	Number of warrants	Average exercise price per warrant (SEK)	Number of warrants
1 January	-	-	11.40	85,000
Allocated during the year	-	-	-	-
Exercised during the year	-	-	11.40	85,000
Unexercised warrants expired during the year	-	-	-	-
31 December	-	-	-	
Exercisable at 31 December	**-**	**-**	**-**	**-**

Employee Stock Option Scheme 2020/2023
At the Annual General Meeting on 27 May 2020, the shareholders approved the introduction of Employee Stock Option Scheme 2020/2023. The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period (1/3 per year) from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period. Each vested option gives the holder the right to purchase one share of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date.

Employee Stock Option Scheme 2021/2024
At the Annual General Meeting on 26 May 2021, the shareholders approved the introduction of Employee Stock Option Scheme 2021/2024. The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period. Each vested option gives the holder the right to purchase one share of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date.

Summary of total cost for incentive programs

	2021	2020
Share-based remuneration	-7,314	-4,233
Provision for social security contributions, incentive programs	2,219	-3,110
Total	**-5,095**	**-7,343**

Summary of provisions for social security contributions for share-based remuneration *)

Long-term liabilities	2021	2020
Amount at the start of the year	3,110	-
Provisions for the year	-2,219	3,110
Total long-term liabilities	**892**	**3,110**

*) All provisions have a term of more than 1 year, which is why all provisions are long-term.

Changes in existing incentive programs during 2020 (number of options)

	2021	2020
1 January	**1,740,000**	**86,700**
Granted instruments		
Employee stock option program 2021/2024	1,334,000	-
Employee stock option program 2020/2023	147,000	1,740,000
Exercised instruments		
Warrant program TO 2017/2020 *)		-86,700
Lapsed instruments		
Employee stock option program 2021/2024	-24,000	-
Employee stock option program 2020/2023	-26,667	-
Total change	**1,430,333**	**1,653,300**
31 December	**3,170,333**	**1,740,000**

Number of shares granted instruments may entitle to	**2021-12-31**	**2020-12-31**
Warrant program, TO 2017/2020 *)	-	-
Employee stock option program 2021/2024	1,310,000	-
Employee stock option program 2020/2023	1,860,333	1,740,000
Number of shares granted instruments may entitle to	**3,170,333**	**1,740,000**

*) The company's Chairman of the Board, Magnus Persson, exercised in July his right to subscribe for shares in accordance with the 2017/2020 warrant program.

Calculation of fair value of employee option programs

The fair value on the allotment date was calculated using the Black & Scholes valuation model, which takes into consideration the exercise price, the term of the options, share price on the allotment date, expected volatility in the share price, and risk-free interest[1] for the term of the options.

Employee option program	Allotment/ start date	Maturity date	Fair value upon issue of the option program, SEK	Exercise price, SEK[2]	Volatility[3]	Number of options[4]	Vested
2020/2023:1	2020-06-09	2025-06-09	7.15	31.71	50%	1,680,000	**77%**
2020/2023:2	2020-07-10	2025-07-10	7.44	33.15	50%	60,000	**74%**
2020/2023:3	2021-02-04	2026-02-04	16.55	87.55	50%	80,333	**61%**
2020/2023:4	2021-02-24	2026-02-24	15.57	85.00	50%	40,000	**52%**
2021/2024:1	2021-09-17	2026-09-17	7.28	36.66	53%	1,240,000	**9%**
2021/2024:2	2021-11-10	2026-11-10	5.48	24.48	55%	70,000	**5%**

[1] The risk-free interest rate is zero in the model.

[2] The weighted average exercis price for the options amounts to 35.20 SEK.

[3] The expected volatility in the share price is based on the historical volatility over a five-year period.

[4] Refers to the number of outstanding options net after deduction of revoked options.

NOTE 20

Earnings per share

Earnings per share are calculated by dividing the profit/loss for the year by a weighted average number of outstanding ordinary shares during the period.

To enable the Company to deliver shares to participants in Employee Stock Option Scheme 2020/2023 as well as 2021/2024 in a simple and cost-effective manner, the AGM resolved to approve a directed issue of 4,900,000 warrants to the Company. One warrant represents one potential ordinary share. The warrants do not have a dilutive effect for 2021 or 2020, as a conversion of warrants into ordinary shares would result in a lower loss per share.

	2021	2020
Profit/loss for the period attributable to parent company shareholders		
Total	**-366,504**	**-173,085**
Weighted average number of outstanding ordinary shares (thousands)	100,193	89,380
Earnings per ordinary share, SEK	-3.66	-1.94

NOTE 21

Appropriation of retained earnings

The Annual General Meeting is asked to decide on the appropriation of the following earnings (SEK).

Loss brought forward	-513,361,585
Share premium account	1,404,594,653
Loss for the year	-366,503,514
The Board of Directors proposes that the following sum be carried forward:	**524,729,554**

The Board of Directors proposes that no dividend be paid for the financial year 2021.

NOTE 22

Events after the end of the reporting period

- Clinical development of nadunolimab in pancreatic cancer was advanced by including nadunolimab in Pancreatic Cancer Action Network's (PanCAN) clinical phase II/III trial Precision Promise^{SM}.
- The first patient with non-squamous non-small cell lung cancer was treated in a new arm in CANFOUR, and the first triple-negative breast cancer patient in the TRIFOUR trial.
- Cantargia announced that new clinical data for nadunolimab from the CANFOUR and CIRIFOUR studies would be presented at ASCO in June.
- Positive safety data were reported from the CIRIFOUR trial with nadunolimab combined with pembrolizumab.
- New encouraging results from non-GLP-regulated toxicology studies were reported for CAN10 and start of the clinical phase I study was scheduled for early 2023.
- Positive preclinical efficacy data were presented for CAN10 in a model of systemic sclerosis at the 7th Systemic Sclerosis World Congress.
- A third party appealed the previous decision by the European Patent Office to reject the opposition of one of Cantargia's patents for treatment of solid tumors.
- The executive management was strengthened by the appointment of Dr. Roger Belusa as interim Chief Medical Officer.

NOTE 23

Adjustments for non-cash items

	2021	2020
Depreciation	-3,446	-3,248
Employee option program	-5,095	-7,344
Total	**-8,541**	**-10,592**

NOT 24

Costs by nature of expense

	2021	2020
Project costs	-304,229	-121,897
Other external expenses	-22,378	-15,985
Personnel expenses	-37,966	-32,185
Other operating expenses	-2,249	-630
Depreciation	-3,446	-3,248
Total	**-370,267**	**-173,945**

As of the year-end report 2018, operating expenses are presented based on a classification into the functions "Research and development costs", "Administrative expenses" and "Other operating expenses". On a "by nature" basis, the sum of expenses by function is distributed as follows.

NOT 25

Agreements for cooperation

Patheon Biologics B.V. (part of ThermoFischer Scientific)
In May 2019, Cantargia signed an agreement with Patheon Biologics B.V. ("Patheon") on future production of the antibody CAN04 (nadunolimab). This agreement complements the earlier agreement with Celonic AG (previous Glycotope Biotechnology Gmbh). This agreement secures Cantargia's additional production capacity for future clinical trials. Initially, CAN04 focused on the treatment of patients with non-small cell lung cancer or pancreatic cancer. However, during 2020 and 2021 the focus has been broadened to include additional cancer types. In preparation for later phases of clinical development, an increase in production capacity is part of the development plan. Patheon has manufacturing facilities in both Europe and the US, and during 2021 Patheon scaled up the process to 2,000 liters. Patheon is under the agreement entitled to compensation for ongoing work, but no part of future sales revenue for CAN04.

Specialized Medical Services-oncology BV
In May 2016, Cantargia entered into a framework agreement with Specialized Medical Services-oncology BV ("SMS Oncology") on the execution of clinical studies as a so-called CRO. The parties have subsequently agreed under the framework agreement that SMS-oncology should act as CRO for the company's first clinical phase I/IIa study with CAN04.

BioWa Inc.
Cantargia signed a licensing agreement with BioWa Inc. ("BioWa") in 2015. Under the agreement, Cantargia is granted a non-exclusive license to use the technology platform POTELLIGENT® for the manufacture of the drug candidate CAN04. For the license, Cantargia pays an annual fixed fee and step-by-step sales-based royalties. In addition, BioWa also has the right to so-called "milestone payments" when fulfilling certain clinical, regulatory, and commercial targets.

PanCAN
Cantargia has initiated a collaboration with Pancreatic Cancer Action Network (PanCAN) to include nadunolimab in combination with chemotherapy as first-line experimental therapy in metastatic pancreatic cancer (PDAC), in the clinical phase II/III study Precision Promise^{SM}. The trial utilizes a Bayesian platform designed by PanCAN in collaboration with the US Food and Drug Administration (FDA) to provide a basis for marketing approval of therapies in PDAC. The primary endpoint for the trial is overall survival. PanCAN's plan is to submit a pre-IND application to the FDA in Q2 2022 for including the nadunolimab treatment arm as an experimental arm in Precision Promise^{SM}. Trial results for the nadunolimab arm are expected to be available in 2027 or earlier.

NOTE 26
Tangible assets

Machinery and other technical facilities

	2021	2020
Ingoing accumulated acquisition value	7,070	6,379
Investments	-	691
Outgoing accumulated acquisition value	**7,070**	**7,070**
Ingoing accumulated depreciation	-2,357	-
Depreciation	-2,357	-2,357
Outgoing accumulated depreciation	**-4,714**	**-2,357**
Closing balance	**2,356**	**4,713**

Fixtures, tools and installations

	2021	2020
Ingoing accumulated acquisition value	701	501
Investments	383	200
Outgoing accumulated acquisition value	**1,084**	**701**
Ingoing accumulated depreciation	-152	-12
Depreciation	-190	-140
Outgoing accumulated depreciation	**-342**	**-152**
Closing balance	**742**	**548**

NOTE 27
Intangible assets

Patent

	2021	2020
Ingoing accumulated acquisition value	8,111	-
Investments	-	8,111
Outgoing accumulated acquisition value	**8,111**	**8,111**
Ingoing accumulated depreciation	-751	-
Depreciation	-901	-751
Outgoing accumulated depreciation	**-1,652**	**-751**
Closing balance	**6,459**	**7,360**

Signatures

The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a true and fair view of the company's financial position and results. The Directors' Report for the company gives a true and fair overview of the performance, financial position and earnings of the company, and describes significant risks and uncertainties faced by the company. The income statement and balance sheet will be presented for adoption at the Annual General Meeting on 23 May 2022.

Lund, 29 April 2022.

Magnus Persson
Chairman

Magnus Nilsson

Karin Leandersson

Thoas Fioretos

Patricia Delaite

Anders Martin-Löf

Flavia Borellini

Damian Marron

Göran Forsberg
Chief Executive Officer

We presented our auditor's report on 29 April 2022.
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Cantargia AB (publ), corporate identity number 556791-6019

Report on the annual accounts

Opinions

We have audited the annual accounts of Cantargia AB (publ) for the year 2021. The annual accounts of the company are included on pages 35-71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Cantargia AB (publ) as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and report on financial position for Cantargia AB (publ).

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	*How our audit considered the Key audit matter*
Research and development expenses- cut-off and completeness The expenses for the company´s research and development activities during the financial year 2021 totaled approximately SEK 353 million, which corresponds to approximately 95% of the company´s total. The expenses consist of mainly personnel related expenses and external expenses for the clinical work that is being conducted. In our audit we have focused on these expenses since they are material amounts and that there is a risk regarding the completeness, the cut-off and the accuracy in the expenses.	***Our audit of the expenses of research and development has included, but is not limited to, the following measures:*** • Obtained an understanding of the company´s routines, business monitoring and internal control. • Testing of internal controls for approval of payment of invoices and salaries. • Checked and performed detail testing against invoices and other supporting financial documentation. • Based on samples requested and received external confirmations from suppliers of the year´s purchases and size of outgoing accounts payable as per December 31, 2021. • Performed detailed testing of salaries. Analyzed costs based on our knowledge of the business and follow up of the company´s internal reports.

Other Information than the annual accounts

This document also contains information other than the annual report and can be found on page 1-34 and 76-88. The other information also includes the Remuneration Report which we received before the signing date of this Auditor's report. It is the Board of Directors and the President who are responsible for this other information.

Our statement regarding the annual report, it is our responsibility to read the information identified above and consider whether the information is to a significant extent incompatible with the annual report.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also consider our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work done on this information, we conclude that the other information contains a material misstatement, we are required to report it. We have nothing to report in that regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and

using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Director's and the Managing Director of Cantargia AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Cantargia AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Cantargia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Cantargia AB by the general meeting of the shareholders on 30 April 2021 and has been the company's auditor since 13 January 2010.

Stockholm 29 April 2022

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

CORPORATE GOVERNANCE

Corporate governance report

CANTARGIA AB (publ) ("**Cantargia**" or "**the Company**") is a Swedish public limited company listed on Nasdaq Stockholm. Cantargia's corporate governance is based on Swedish law, Nasdaq Stockholm's rules for issuers and internal rules and regulations. The Company also applies the Swedish Corporate Governance Code ("the Code"). The Code is available at www.bolagsstyrning.se

APPLICATION OF THE CODE

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Company is not required to comply with all rules in the Code, as the Code itself allows for deviations from the rules, provided that any such deviations, and the chosen solution, are described and the reasons for the deviation are explained in the corporate governance report (in accordance with the 'comply or explain' principle). The Company has currently not identified any deviations from the Code.

SHAREHOLDERS

Cantargia's shares have been listed for trading on Nasdaq Stockholm since 25 September 2018 (mid-cap as of 2021). At 31 December 2021, the total number of shares and voting rights in the Company was 100,192,737, represented by 12,191 shareholders. For further information on the Company's ownership structure and major shareholders, see page 45 of the annual report.

SHAREHOLDERS' MEETINGS

In accordance with the Swedish Companies Act, the shareholders' meeting is the Company's highest decision-making body. At a shareholders' meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, the appropriation of the Company's earnings, release from liability for the members of the Board and the Chief Executive Officer, the election of Directors and auditors, and remuneration of Directors and auditors' fees. Under Cantargia's Articles of Association, notice of a shareholders' meeting is given by advertisement in Post- och Inrikes Tidningar and through publication of the notice on the Company's website. When notice is given, this must be advertised simultaneously in Svenska Dagbladet.

Shareholders who wish to participate in the negotiations at a shareholders' meeting must be registered in the share register maintained by Euroclear Sweden AB six business days before the meeting and register to attend the shareholders' meeting with the Company by the date indicated in the notice of the meeting. Shareholders can attend the meeting personally or by proxy and can be assisted by up to two persons. A shareholder has the right to vote all shares held. Each share in Cantargia entitles the holder to one vote. Shareholders who wish to request that a particular issue be addressed at a shareholders' meeting must submit a written request to the Board of Directors.

NOMINATION COMMITTEE

Under a resolution of the Annual General Meeting of Cantargia on 26 May 2021, the Chairman of the Board is required, prior to the Annual General Meeting 2022, to convene, based on the ownership of Cantargia at 30 September 2021, a Nomination Committee consisting of one representative for each of the three largest shareholders of the Company as well as the Chairman of the Board. In accordance with these principles, the following Directors have been appointed:

- Marianne Nilsson, appointed by Swedbank Robur fonder
- Jannis Kitsakis, appointed by the Fourth Swedish National Pension Fund (AP4)
- Mikael Wiberg, appointed by Alecta Pensionsförsäkring Ömsesidigt
- Magnus Persson, Chairman of the Board

The Nomination Committee has appointed Marianne Nilsson as its chairman.

The Nomination Committee is required to perform the duties assigned to it under the Code and held 4 meetings prior to the Annual General Meeting 2022. The Nomination Committee's complete proposals for the 2022 AGM will be published in connection with the notice of AGM.

BOARD OF DIRECTORS

Under Cantargia's Articles of Association, the Board of Directors shall, insofar as it is elected by the shareholders' meeting, consist of not less than three and not more than eight Directors, with no deputies. Currently, the Company's Board of Directors consists of eight ordinary Directors, including the Chairman, who have been elected by the shareholders' meeting until the period of the end of the 2022 AGM. The composition of Cantargia's Board of Directors is considered to meet the requirements of the Code in respect of independence from the Company and from the Company's major shareholders. For a detailed presentation of the Directors, see page 84 of the annual report.

			Independence of		Attendance				Total Director´s fee 2021, TSEK
Name	Position	Member since	The Company and management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Drug development Committee meetings	
Magnus Persson	Chariman	2016	Yes	Yes	12/12	-	2/2	1/1	620
Patricia Delaite	Director	2017	Yes	Yes	11/12	-	1/1	1/1	340
Thoas Fioretos	Director	2010	Yes	Yes	12/12	3/3	1/1	-	270
Karin Leandersson	Director	2016	Yes	Yes	12/12	5/5	-	-	290
Anders Martin-Löf	Director	2018	Yes	Yes	12/12	5/5	-	-	345
Flavia Borellini	Director	2020	Yes	Yes	12/12	-	-	1/1	520
Damian Marron[1]	Director	2021	Yes	Yes	5/5	-	1/1	-	330
Magnus Nilsson[1]	Director	2021	Yes	Yes	5/5	2/2	-	-	330
Claus Asbjørn Andersson[2]	Director	2013	Yes	Yes	7/7	-	1/1	-	-

[1] Elected to the Board at the Annual General Meeting 26 May 2021.

[2] Board member until the Annual General Meeting 26 May 2021.

Responsibilities and work of the Board

Under the Companies Act, the Board of Directors is responsible for the Company's administration and organisation, which means that it is responsible for adopting goals and strategies, ensuring that procedures and systems for evaluating adopted goals are put in place, monitoring the Company's results and financial position, and evaluating its operational management. Under the Code, the Chairman of the Board shall be elected by the AGM and hold a special responsibility for leading the work of the Board and ensuring that the Board operates in an organised and effective manner.

The Board of Directors operates in accordance with written rules of procedure which are reviewed and adopted annually at the inaugural Board meeting. The rules of procedure regulate Board practices, functions, and the division of responsibilities between the Board and CEO, and between the Board and its committees. In connection with the inaugural Board meeting after each Annual General Meeting, the Board also adopts the terms of reference for the Chief Executive Officer, which include instructions for financial reporting. The Board convenes in accordance with a schedule that is defined annually. In addition to these Board meetings, further meetings can be convened to address issues which cannot be deferred to the next regular meeting.

In 2021, the Board convened on 12 occasions, including through 11 online meetings or meetings by correspondence. The Directors' attendance is shown in the table above. The activities of the Board in 2021 were dominated by discussions and strategic decisions on matters relating to the Company's product development, in particular its main project CAN04 and its successor, CAN10/CANxx. The Board also adopted resolutions regarding the business plan with financial targets, risk management, dividend policy and financial reports.

Board committees
The Board has established an Audit Committee, a Remuneration Committee, and a Drug Development committee. The members of the committees are appointed at the inaugural Board meeting and the committees' activities and authority are regulated in the committees' terms of reference. The matters addressed at the meetings of the committees are minuted and a report is presented at the following meeting of the Board.

Audit Committee
The Company's Audit Committee consists of three members: Anders Martin-Löf (Chairman), Magnus Nilsson, and Karin Leandersson. The Audit Committee shall, without prejudice to other responsibilities and duties of the Board, monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control, internal auditing and risk management, keep itself informed on the audit of the annual accounts and consolidated financial statements, and on the conclusions presented in the quality control report of the Swedish Inspectorate of Auditors, assess and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides other services than auditing to the Company, and assist in drafting proposed resolutions on the choice of auditors for adoption by the shareholders' meeting.

Remuneration Committee
The Company's Remuneration Committee consists of three members: Damian Marron (Chairman), Magnus Persson and Thoas Fioretos. The Remuneration Committee is tasked with preparing proposals for remuneration principles, and remuneration and other terms of employment for the CEO and other senior executives.

Drug development Committee
The Board has established a Drug Development Committee consisting of three members: Flavia Borellini (chairman), Magnus Persson and Patricia Delaite. The Drug Development Committee shall act as an advisor and discussion partner for the company management in scientific and strategic issues concerning the development of the company's project portfolio.

Remuneration
Fees and other remuneration of Directors, including the Chairman, are determined by the shareholders' meeting. At the Annual General Meeting on 26 May 2021, it was resolved that Directors' fees of SEK 550,000 to the Chairman of the Board and SEK 250,000 to each of the other ordinary Directors be paid for the period until the end of the Annual General Meeting 2022. It was also resolved that the Chairman of the Audit Committee should receive SEK 95,000 and the other members of the Audit Committee SEK 40,000 each, and that the Chairman of the Remuneration Committee receive SEK 40,000 and the other members of the Remuneration Committee SEK 20,000 each and that the Chairman of the Drug development Committee should receive SEK 230, 000 and the other members of the Drug development Committee SEK 50,000 each. It was further resolved that, for each physical Board meeting (up to a maximum of six meetings) that is held in Sweden and attended by the Director, a meeting fee of SEK 20,000 be paid to each Director living outside the Nordic region.

Evaluation
The Chairman of the Board ensures that an annual evaluation of the work of the Board is carried out in which the Directors are given an opportunity to present their views on Board practices, Board meeting materials, their own and other Directors' contributions as well as the scope of the duties. The results of the evaluation have been discussed by the Board and presented by the Chairman of the Board to the Nomination Committee. It is considered that the combined expertise of the Board is appropriate for the Company's activities and goals. The Board is considered to function very well, with all members making constructive contributions to discussions on strategy as well as the governance of the Company. The dialogue between the Board and management is also considered to be good. The Board continually evaluates the work of the Chief Executive Officer by monitoring the Company's progress towards the defined goals.

CHIEF EXECUTIVE OFFICER AND MANAGEMENT

The Chief Executive Officer reports to the Board of Directors and is responsible for the Company's day-to-day management and the operations of the group. The division of responsibilities between the Board and CEO is defined in the rules of procedure for the Board and the terms of reference for the CEO. Under the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and is therefore required to ensure that the Board receives sufficient information to enable it continuously to evaluate the Company's financial position.

The CEO shall keep the Board continuously informed about the development of the Company's business, its sales performance, earnings and financial position, its liquidity and credit situation, significant business events and any other event, and any other event, circumstance or relationship that may be of material importance to the Company's shareholders.

To assist him in his activities, the CEO has appointed a management team. For a more detailed presentation of the CEO and other members of the management team, see page 86.

Remuneration
At the Annual General Meeting on 27 May 2020, it was resolved to adopt guidelines for remuneration of the CEO and other senior executives in accordance with what is stated on page 41 of the annual report.

For information on the remuneration paid to the CEO and other senior executives in the financial year 2021, see Note 18 on page 62 of the annual report.

AUDITOR

The auditor is tasked with examining the Company's annual report and accounts as well as the Board of Directors' and CEO's management of the Company. Under the Company's Articles of Association, the Company may have up to two auditors with or without deputy auditors. The Company's auditors are Öhrlings PricewaterhouseCoopers AB with Ola Bjärehäll as auditor-in-charge.

For information on the remuneration paid to the auditor in the financial year 2021, see Note 6 on page 58 of the annual report.

AUTHORISATION TO ISSUE SHARES

At the Annual General Meeting of the Company on 26 May 2021, it was resolved to authorise the Board, during the period until the next AGM, on or one or several occasions and with or without pre-emption rights for existing shareholders, to decide to issue new shares, provided that such issuance not comprise more than ten per cent of the number of outstanding shares of the Company on the day of the AGM. It shall also be possible to stipulate that such new shares be issued for non-cash consideration or paid for by means of set-off or subject to other terms and conditions.

SHARE-BASED INCENTIVE SCHEMES

At the end of 2021, Cantargia had three incentive schemes for senior executives and key personnel of the Company. The incentive schemes have been introduced to provide longer-term incentives for the Company's management and employees and to promote investments in and ownership of the Company's shares.

Incentive scheme
At the Annual General Meeting of the Company on 26 maj 2021, it was decided to introduce a variable share-based incentive scheme for 2021, aimed at senior executives and key personnel of the Company, based on the incentive scheme adopted at the 2020 AGM.

The scheme is designed to offer the participants variable long-term remuneration in the form of a group bonus that must be used to acquire shares of the Company. The scheme is based on that or those annual bonus targets which are defined by the Board for the Company, and which refer to the Company's activities, financial key performance indicators and internal processes. Target achievement will be assessed by the Company's Board of Directors in connection with the adoption of the annual report for each year. When the target achievement has been determined by the Board of Directors, the amount due to each participant in the scheme will be paid out, and the participant will then be required to acquire shares as soon as possible. Participants must use the full amount of remuneration received under the scheme to acquire shares of the Company in the stock market. It is the intention of the Board that the scheme be a recurring annual scheme.

For further information about the scheme, see Note 19 on page 65 of the annual report.

Employee Stock Option Scheme 2020/2023
At the Annual General Meeting on 27 May 2020, it was resolved to introduce Employee Stock Option Scheme 2020/2023 for employees of the Company, comprising not more than 1,900,000 employee stock options. The purpose of the scheme is to enable the Company to retain skilled personnel through a long-term incentive scheme.

The employee stock options will be offered to employees of or consultants to the Company and will be granted to the participants free of charge. The employee stock options have a three-year vesting period (1/3 per year) calculated from the grant date, provided, with the usual exceptions, that the participant is still employed by or otherwise engaged in the Company and that the participant has not terminated his or her employment or engagement in the Company as at the vesting date. Once vested, the employee stock options can be exercised over a two-year period.

Each vested employee stock option entitles the holder the right to purchase one share of the Company at a predetermined price. The price per share is determined as 150 per cent of the weighted average price of the Company's shares traded on Nasdaq Stockholm during the ten trading days preceding the grant date.

For further information about the scheme, see Note 19 on page 65 of the annual report.

Employee Stock Option Scheme 2021/2024
At the Annual General Meeting on 26 May 2021, the shareholders approved the introduction of Employee Stock Option Scheme 2021/2024, compromising not more than 3,000,000 employee stock options. The purpose of the scheme is to enable the company to retain skilled personnel through a long-term incentive scheme.

The options will be offered to employees of or consultants to the company and will be allocated to the participants free of charge. The options have a three-year vesting period from the date of allocation, provided, with the usual exceptions, that the participant remains an employee of or continues to provide services to Cantargia. Once vested, the options can be exercised during a two-year period.

Each vested option gives the holder the right to purchase one share of the company at a pre-defined price. The price per share will be determined as 150 percent of the volume weighted average price of the company's shares traded on Nasdaq Stockholm during the ten trading days preceding the allocation date.

For further information about the scheme, see Note 19 on page 65 of the annual report.

Dilution
To enable the Company to deliver shares to participants in Employee Stock Option Scheme 2020/2023 as well as 2021/2024 in a simple and cost-effective manner, the AGM resolved to approve a directed issue of 4,900,000 warrants to the Company (i.e. Cantargia AB (publ)).

If fully exercised, the warrants would dilute the Company's share capital and voting rights by approximately 4.7 per cent.

INTERNAL CONTROL IN RESPECT OF FINANCIAL REPORTING

The Board of Directors is responsible for ensuring that Cantargia has good internal control and adequate, formalised procedures for ensuring compliance with adopted principles for financial reporting. The general purpose of the internal control system is to obtain reasonable assurance that the Company's operational strategies and goals are monitored and that the owners' investments are protected. The internal control system should also ensure with a reasonable degree of certainty that the Company's external financial reports are reliable and correct and have been prepared in accordance with generally accepted accounting policies, applicable laws, and regulations as well as other requirements applying to companies listed on Nasdaq Stockholm.

The Company monitors, follows and manages any risks in accordance with a risk management and corporate governance policy that is evaluated on an ongoing basis and adopted annually by the Board of Directors. Cantargia has decided to adopt the COSO[1] framework, which is the most widely accepted internal control framework for financial reporting. The framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment and risk assessment
The Board of Directors has adopted several policies, governing documents, and instructions with the aim of creating and maintaining a functioning control environment. This is achieved mainly through the rules of procedure for the Board of Directors, the terms of reference for the Chief Executive Officer, the rules of procedure for the Audit Committee, the instructions for financial reporting, the Company's accounting manual and the authorisation manual. The Company's policies and governing documents are evaluated on an ongoing basis and adopted annually by the Board of Directors. The Board has also established an Audit Committee, which, among other duties, is tasked with monitoring the Company's financial position and the effectiveness of the internal control as well as internal auditing and risk management. Responsibility for the day-to-day internal control activities in respect of financial reporting has been delegated to the Company's Chief Executive Officer.

Cantargia's Board of Directors is also required to carry out an annual risk assessment in respect of strategic, operational, legal, and financial risks to identify potential issues and assess the Company's risk exposure. The Audit Committee is responsible for evaluating the Company's risk situation on an ongoing basis and shall assist the Board by submitting proposals for the management of the Company's financial risk exposure and risk management.

Information and communication, and control activities
The Company's information and communication paths are aimed at ensuring the accuracy of financial reporting and enabling reporting and feedback from the business to the Board and management, for example be ensuring that governing documents in the form of internal policies, guidelines and instructions for financial reporting are made available to and are known by the employees concerned. With regard to external communications, guidelines have been prepared to ensure that the Company meets the relevant disclosure requirements. The CEO is responsible for external communications.

The Board is responsible for control and monitoring of the CEO's risk management activities. This is done through reviews and monitoring of the Company's governing documents related to risk management and, for example, through reviews and assessments by the Board of adopted decisions. The effectiveness of the control activities is evaluated annually, and the results of these evaluations are reported to the Board and Audit Committee.

Monitoring
The CEO ensures that the Board receives regular reports on the results of the risk assessment, identified financial risks and processes, and the development of the Company's business. The Board also follows up the assessment of the internal control system, partly through contacts with the Company's auditor.

[1] Committee of Sponsoring Organizations of the Threadway Commission.

The auditors' examination of the corporate governance report

To the general meeting of the shareholders of Cantargia AB (publ), org.nr 556791-6019

Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report for the year 2021 on pages 76-81 of the printed version of this document having been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, the second paragraph, points 2-6 of the Annual Accounts Act are consistent with the other parts of the annual accounts and are in accordance with the Annual Accounts Act.

Stockholm, April 29, 2022
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized public accountant
Auditor in charge

Board of directors, senior executives and auditors

BOARD OF DIRECTORS

Under Cantargia's Articles of Association, the Board of Directors shall consist of at least three and no more than eight Directors. At the Annual General Meeting on 26 May, 2021, it was resolved that the Board should consist of eight ordinary Directors with no deputies. The board members are elected for the period until the end of the 2022 Annual General Meeting.

Magnus Persson

Chairman of the Board since 2016, born 1960. Member of the Remuneration Committee and the Drug Development Committee. Number of shares: 131,676

Magnus Persson is MD and associate professor in physiology at the Karolinska Institute in Stockholm. Persson has extensive experience of financing within the fields of medicine, life sciences and biotech. Persson has previously led development teams in clinical phase II and phase III programmes in the pharmaceutical industry and has founded and led private as well as public biotech and medtech companies, either as Chairman or Member of the Board, in Europe and the US. Persson has also been involved in multiple IPOs.

Persson is Chairman of the Board of Attgeno AB, Initiator Pharma AS, Eir Ventures Partners AB and associated companies and Board Member of Avalo Inc.

Independent in relation to the Company and its management and the Company's major shareholders.

Karin Leandersson

Board Member since 2016, born 1972. Member of the Audit Committee. Number of shares: 1 500

Karin Leandersson is professor in Tumour Immunology at the Medical Faculty of Lund University. Leandersson has gained a wide range of cancer research experience in the fields of tumour immunology and tumour inflammation in solid tumours, mainly in breast cancer. Leandersson has also authored around 50 scientific publications in international journals.

Independent in relation to the Company and its management and the Company's major shareholders.

Thoas Fioretos

Board Member since 2010, born 1962. Member of the Remuneration Committee. Number of shares: 482 600

Thoas Fioretos is professor and physician at the Department of Clinical Genetics at Lund University. Fioretos' research focuses on molecular and functional studies of genetic changes in leukaemia and how such changes can be used for diagnostic and therapeutic purposes. Fioretos has authored over 130 scientific publications and is one of the founders of Cantargia AB and the bio-IT company Qlucore AB. Fioretos is Board Member in Qlucore AB and alternate Board Member in Neodos AB.

Independent in relation to the Company and its management and the Company's major shareholders.

Patricia Delaite

Board Member since 2017, born 1963. Member of the Drug Development Committee. Number of shares: 0

Patricia Delaite is MD and has an MBA from University of Geneva and Lausanne. Delaite is currently Chief Medical Officer at Nouscom in Basel, and has had leading positions at AMAL Therapeutics, Incytes International Biosciences, ARIAD Pharmaceuticals, Novartis, and Eli Lilly. Delaite also has 10 years of experience in clinical management from the University Hospital in Geneva.

Independent in relation to the Company and its management and the Company's major shareholders.

Anders Martin-Löf

Board Member since 2018, born 1971. Chairman of the Audit Committee. Number of shares: 24 000

Anders Martin-Löf has extensive experience as CFO for companies listed on the Stockholm stock exchange and has served as CFO for Oncopeptides AB, Wilson Therapeutics AB and RaySearch Laboratories AB. Martin-Löf has also held the position of Head of Investor Relations and different positions within business development at Swedish Orphan Biovitrum and is currently Board Member of Affibody Medical AB. Martin-Löf holds an MSc in Engineering Physics from the Royal Institute of Technology and a BSc in Business Administration and Economics from Stockholm University.

Independent in relation to the Company and its management and the Company's major shareholders.

Flavia Borellini

Board Member since 2020, born 1959. Chairman of the Drug Development Committee. Number of shares: 0

Flavia Borellini holds a PhD in Pharmaceutical Chemistry and Technology from the University of Modena in Italy.

Borellini has broad experience in oncology and other therapeutic areas and has held senior positions at Astra Zeneca (Global Franchise Head, Hematology and Vice President, Global Product and Portfolio Strategy), Acerta Pharma (CEO), ONYX Pharmaceuticals (Vice President, Program Leadership), and Roche/Genetech (Lifecycle Leader).

Borellini serves as a Member of the Board of Directors of Kartos Therapeutics, Revolution Medicines and Viracta.

Independent in relation to the Company and its management and the Company's major shareholders.

Magnus Nilsson

Board Member since 2021, born 1956. Member of the Audit Committee. Number of shares: 25 000

Magnus Nilsson is founder, previously President and CEO, and since 2020 Senior Advisor at XVIVO Perfusion. Nilsson has also been President and CEO of Vitrolife and held prior to that various positions as Project Manager for drug development projects at Pharmacia & Upjohn, Pharmacia, and Karo Bio. Nilsson serves as a Member of the Board of Directors of Corline Biomedical. Nilsson is Doctor of Medicine (Med Dr Sc) from Uppsala University and has published over twenty scientific articles.

Independent in relation to the Company and its management and the Company's major shareholders.

Damian Marron

Board Member since 2021, born 1962. Chairman of the Remuneration Committee. Number of shares: 0

Damian Marron has extensive experience as a Board Member and CEO within the life science industry, with a successful track record of leadership and value creation in public and private biotechnology companies. Marron has held positions as CEO and Executive Vice President in several biotech companies. He is currently Chairman of the Board of Targovax ASA, Imophoron Ltd, CytoseeK Ltd and Board Member of Bone Therapeutics and Resolys Bio, and Head of Biopharma at Treehill Partners.

Marron holds a BSc degree in Pharmacology from the University of Liverpool.

Independent in relation to the Company and its management and the Company's major shareholders.

MANAGEMENT

Göran Forsberg

CEO employed since 2014, born 1963. Holdings: 120,648 shares and 575,000 options

Göran Forsberg has a PhD in biochemistry and is an associate professor and the author of over 40 scientific publications. For more than 30 years he has had different positions in research and development, business development and investor relations at pharmaceutical and biotechnology companies, including KabiGen, Pharmacia, Active Biotech and the University of Adelaide, Australia. Forsberg has extensive experience in leading drug development and clinical trials, with a special focus on oncology. Forsberg is a board member of Guard Therapeutics International AB (publ).

Liselotte Larsson

COO employed since 2014, born 1963. Holdings: 31,600 shares and 205,000 options

Liselotte Larsson has a PhD in biotechnology and has more than 20 years of experience in various management positions in pharmaceutical and biotechnology companies including BioGaia Fermentation, Novozymes Biopharma and Camurus. Larsson's main fields of expertise are business development, marketing & sales/out licensing, ISO certification, good manufacturing practice (GMP) and overall project management.

Lars Thorsson

VP Clinical Development employed since 2015, born 1961. Holdings: 75,622 shares and 205,000 options

Lars Thorsson graduated with a Ph.D. in clinical pharmacology in 1998 and has extensive experience from the pharmaceutical industry, including leading roles in clinical studies and project management in a large number of development phases at AstraZeneca and Novo Nordisk A/S. Thorsson has been responsible for evaluation and documentation of new substances and has the experience of regulatory activities and interactions with health authorities.

David Liberg

VP Research employed since 2015, born 1969. Holdings: 11,200 shares and 205,000 options

David Liberg graduated with a Ph.D. in 2001 and has over twenty years of research experience within immunology and tumour biology. Liberg has worked within the pharmaceutical industry for the last fiftheen years, with responsibility for early research projects and activities in tumour immunology. He has extensive experience of pre-clinical phase cancer projects. His most recent position was at Active Biotech AB, where he worked as Project Manager Drug Development as well as Head of Cell Biology and Biochemistry. Liberg has also carried out research at Imperial College in the UK and at Lund University, Sweden.

Bengt Jöndell

CFO employed since 2017, born 1960. Holdings: 104,000 shares

Bengt Jöndell has a BSc in Business Administration and a MSc in Chemical engineering. Jöndell has extensive experience in various executive financial functions such as CFO and Chief Executive Officer at BTJ Group AB, Senior Financial Advisor for BoneSupport, CFO/Administrative manager at Inpac, Business Controller at Pharmacia & Upjohn Consumer Healthcare, Pharmacia, Pharmacia Consumer Pharma and Pharmacia Nicorette. Jöndell's most recent position was CFO for Enzymatica AB.

Peter Juul Madsen

VP CMC employed since 2020, born 1969. Holdings: 4,100 shares and 205,000 options

Peter Juul Madsen has a M.Sc. in Chemical Engineering from the Technical University of Denmark. He has more than 20 years of experience in managing CMC development including process & analytical development and manufacturing of biological products. Madsen was most recently CMC Project Director at Lundbeck and has extensive experience from outsourcing to contract manufacturing organizations from different CMC project managing positions in e.g. Lundbeck, Genmab and Zealand Pharma.

Susanne Lagerlund

VP Regulatory Affairs employed since 2020, born 1968. Holdings: 2,300 shares and 205,000 options

Susanne Lagerlund has a Master of Science in Chemical Engineering and has more than 25 years' experience from the pharmaceutical industry in leading positions at LEO Pharma and AstraZeneca, mainly within Regulatory Affairs. Her most recent role was as Director, Established Portfolio Management at LEO Pharma, where she had responsibility for strategic and tactical management of commercialized portfolios. Lagerlund has also during the last couple of years been responsible within LEO Pharma R&D for the integration of a number of acquired dermatology projects into the commercial portfolio.

Nedjad Losic

VP Biometrics employed since 2021, born 1969.Holdings: 0 shares and 100,000 options

Nedjad Losic holds an M.Sc. in Mathematics and a diploma in Management of medical product innovation (SIMI). He has more than 25 years' experience of providing biostatistics expertise in clinical drug development, mostly in antibody development and oncology. He has been directly involved in the planning and obtaining market approvals for several biological drugs when at Genmab and Y-mAbs. He has held managerial positions for Ferring, Spadille and Genmab and most recently, as Senior Project Biostatistician in Y-mAbs.

Roger Belusa

CMO employed since 2022, born 1966. Holdings: 1,870 shares

Roger Belusa has an MD (1996) and a PhD (2001) from Karolinska Institute with a focus on oncology and clinical pharmacology. Belusa has previously held the position as CMO and has also worked in the biotech/pharma industry during the last twenty years in different positions within pharmacovigilance, clinical operations, competitive intelligence, and medical affairs for companies such as BioSeeker, Avaris, Nanologica, Ipsen and Pfizer. Belusa serves as a member of the Board of Directors for Doctors of the World Sweden.

Other disclosures on Directors and senior executives

There are no family connections among any Directors or senior executives. There are no conflicts of interest or potential conflicts of interest between the Directors' and senior executives' undertakings to the Company and their private interests and/or other undertakings. As shown above, some Directors and senior executives have financial interests in the Company in the form of shareholdings. None of the Directors or senior executives has in the last five years participated or been involved in any bankruptcy, liquidation or administration proceedings in the capacity of Director or senior executive of a company. None of the Directors or senior executives has in the last five years been accused of and/or been subject to any sanction from a public authority, professional association or similar body, been disqualified from engaging in business activities or otherwise been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of or from acting in the management or conduct of the affairs any company. There exist no special agreements on post-employment benefits for the current Directors or senior executives. All Directors and senior executives can be contacted at the Company's address: Scheelevägen 27, SE-223 63 Lund, Sweden.

Auditors

At the Annual General Meeting on 26 May 2021, Öhrlings PricewaterhouseCoopers AB were re-appointed as auditors for the Company for the period until the end of the Annual General Meeting 2022. Ola Bjärehäll (born 1974) is auditor-in-charge. He is an Authorised Public Accountant and a member of FAR, the professional institute for accountants in Sweden. Ola Bjärehäll has been the Company's auditor-in-charge since the 2018 AGM.

ANNUAL GENERAL MEETING AND FINANCIAL CALENDAR

Cantargia's Annual General Meeting will be held on Monday 23 May 2022. Shareholders may exercise their voting rights at the AGM only by voting in advance, i.e. by postal vote in accordance with Section 22 of the Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198).

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB as of Friday 13 May 2022, and notify the company of their intention to participate in the meeting no later than Tuesday 17 May 2022, in writing to Cantargia AB, Scheelevägen 27, SE-223 63 Lund. Shareholders can also register by telephone on +46 (0)46-27 56 260 or by e-mail at info@ cantargia.com. Registration is effected by casting an early ballot using a special form that will be available at www.cantargia.com.

Shareholders whose shareholding is registered with a nominee must, to be entitled to participate in the AGM, ensure that their shareholding is temporarily re-registered in their own name with Euroclear Sweden AB so that the shareholder is registered in the share register as of 13 May 2022. Such registration may be temporary (registration of voting rights) and must be requested from the nominee in accordance with the nominee's procedures by the deadline specified by the nominee. Voting rights registered no later than the second business day after 13 May 2022 will be entered in the share register.

23 May 2022	Interim report 1
23 May 2022	Annual General Meeting
18 Aug 2022	Half-year report
10 Nov 2022	Interim report 3
22 Feb 2023	Year-end report for 2022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www.cantargia.com