



Interim Report  
1 Jan 2015 – 31 Mar 2015

**Cantargia AB | 556791-6019**



*“The Company” or “Cantargia” refers to Cantargia AB, corporate ID number 556791-6019.*

## **Highlights**

### **First quarter (1 Jan 2015 – 31 Mar 2015)**

- Other operating revenue was SEK 0 (0) thousand.
- Earnings after financial items were SEK -3,627 (-1,868) thousand.
- Earnings per share were approximately SEK -0.27 (-10.15).
- The equity/assets ratio was approximately 95.5 (81.1) per cent.

### Definitions

- Earnings per share: Profit for the period divided by 13,394,874 shares as at 31 March 2015.
- Equity/assets ratio: Equity divided by total capital.
- Figures in parentheses refer to same period in the previous year.

## **Significant events in the first quarter of 2015**

In the beginning of the quarter, an extraordinary general meeting of shareholders was held, where it was decided on a public issue of units prior to a planned listing on Nasdaq First North Stockholm. The subscription period was initiated 27 January and ended 12 February 2015. Subscriptions for SEK 60 million were received, which means that the issue was 136 per cent subscribed, including subscription undertakings. Cantargia raised around SEK 44.1 million before costs through the issue and received about 700 new shareholders. Through the issue, in addition to the 5 800 00 shares, 4 350 000 options of series TO3 and 2 900 000 options of series TO4 were emitted. If fully utilized, Cantargia will receive approximately SEK 55.1 million in 2016.

In the Company Prospectus prior to the listing at Nasdaq First North Stockholm, it was announced that the co-founders Professor Thoas Fioretos and Dr Marcus Järås, due their long term engagement in the Company, intended to sell up to 20 per cent of their shareholdings in Cantargia. In March, the Cantargia announced that Fioretos and Järås had performed this transaction and that their respective ownership after the transaction is approximately 5.5 %. Fioretos and Järås has a long term view on remaining ownership which also include a 12 month lock-up agreement after first day of trading at Nasdaq First North Stockholm.

In March Cantargia was notified that the company had met the requirements for listing on Nasdaq First North Stockholm and that the marketplace had therefore issued its formal approval of the listing. The first day of trading in Cantargia shares and warrants of series TO 3 and TO 4 was 17 March 2015.

## **Significant events after the end of the period**

In April 2015 Cantargia announced that the Company had appointed Lars Thorsson as Vice President Clinical Development. Before joining Cantargia, Lars Thorsson worked at Novo Nordisk A/S, where he held a position of Senior Clinical Pharmacology Scientist with responsibility for preparation and implementation of clinical pharmacological studies in development projects. Lars Thorsson will take up his post on 1 June 2015.

In April Cantargia published a notice of the Company’s annual general meeting, which will be held at Medicion Village on 22 May 2015. On 30 April 2015 Cantargia published its annual report for the financial year 2014. The annual report is available for download at the Company’s website, [www.cantargia.com](http://www.cantargia.com).

## **Chief executive Göran Forsberg comments:**

With the first few months of 2015 and Cantargia's initial phase as a listed company behind us, the time has arrived to sum up the period that has passed.

The first quarter was an eventful time for Cantargia. Our public issue at the beginning of the year received subscriptions for around SEK 60 million, or 136 per cent of the offering. It is very good to see that Cantargia is attracting such strong interest. With the capital that we have raised we will be able to continue to operate as planned and initiate resource-intensive activities, including toxicological studies, process development and GMP production. With trading in Cantargia securities having commenced on 17 March 2015, the interest shown in our public offering was evident also during Cantargia's first few weeks as a listed company.

In April we announced that Lars Thorsson would be joining Cantargia as Vice President Clinical Development on 1 June 2015. Lars has more than 25 years' experience from the pharmaceutical industry, with responsibility for project management and clinical studies in most development phases in the AstraZeneca group. Before joining Cantargia Lars Thorsson worked as Senior Clinical Pharmacology Scientist at Novo Nordisk A/S, where he was responsible for the preparation and implementation of clinical pharmacological studies in development projects. This is a key recruitment and comes at a time when we are starting to plan for our coming clinical studies.

A strategically important issue that we are working on is how to prioritise among the different forms of cancer for which we have obtained promising results. In terms of documentation Cantargia has made most progress in various forms of leukaemia, but we are also starting to receive indicative results on solid tumours, including malignant melanoma, lung cancer, breast cancer and colorectal cancer. At present we are conducting tests to gain an understanding of the fraction of patients in the various forms of cancer expressing IL1RAP in their tumours and how potent the treatment effect is in different models. We still have room to conduct further studies before we decide definitively on a more detailed development strategy. Our final choice will be determined by several factors, including – in addition to our own data – medical need, competition and our ability to obtain early signs of clinical activity in cancer patients.

We are continuing to build Cantargia in a focused way, and look forward to delivering several key milestones for the Company and its shareholders.

*Göran Forsberg*  
*CEO, Cantargia AB*

## **Cantargia AB**

Cantargia was founded in 2009/2010 by Lund University Bioscience AB, Professor Thoas Fioretos, Dr Marcus Järås and Innovagen AB. Cantargia is developing an antibody-based cancer treatment which attacks mature cancer cells as well as cancer stem cells – the root of the disease. The Company has selected and applied for a patent for a product candidate (named CAN04), targeted at IL1RAP, which has a specific and strong bind to leukaemia stem cells and mature cancer cells. In preclinical studies the antibody has been shown to have two potential mechanisms of action which complement each other: it helps the immune system's killer cells to identify and attack the source of the disease, and it blocks the signals from the target molecule, preventing the cancer cells from spreading. In 2015 Cantargia will be conducting further studies and developing a production method in preparation for the start of clinical studies in 2016.

### **Business model**

Cantargia's business model is based on seeking partnerships (such as licensing) for CAN04 after proof of concept in clinical studies (phase I/IIa) that are designed to document both safety and initial signals of antitumour effect. Partnerships with established players in the pharmaceutical industry, which have the resources for and experience of major clinical studies, will promote effective and professional development and the launch of pharmaceutical drugs. Cantargia's intention is thus to conduct all development activities, including clinical studies, in-house until the end of 2017, when the clinical phase I/IIa study is expected to be concluded. The Board is open to doing this in collaboration with a potential partner, provided that this is deemed to add value.

## **Share information**

Cantargia's shares were listed on Nasdaq First North Stockholm on 17 March 2015, under the ticker "CANTA". At 31 March 2015 the number of shares of Cantargia was 13,394,874 (171,430). At the beginning of the period, 1 January 2015, the number of shares of Cantargia was 183,930 (171,430). The average number of shares of Cantargia during the period 1 January 2015 to 31 March 2015 was 6,789,402 (171,430).

## **Warrants of series TO 1 and TO 2**

In October 2014 the Company completed a SEK 6 million debt-for-equity swap. The debt-for-equity swap, which was subject to the same terms as the initial public offering in 2015, involved the issue of 197,366 new units, representing 789,464 shares, 592,098 warrants of series TO 1 and 394,732 warrants of series TO 2. The warrants were issued free of charge. One warrant entitles the holder to subscribe for one new share. The exercise price for warrants of series TO 1 and TO 2 is SEK 7.60 per warrant. Warrants of series TO 1 for the subscription of shares will be exercisable during the period 23 March – 13 April 2016. Warrants of series TO 2 for the subscription of shares will be exercisable during the period 27 September – 18 October 2016. Warrants of series TO 1 and series TO 2 are not traded on Nasdaq First North Stockholm.

## **Warrants of series TO 3 and TO 4**

In connection with the IPO the Company issued (in addition to 5,800,000 shares) 4,350,000 warrants of series TO 3 and 2,900,000 warrants of series TO 4. One warrant entitles the holder to subscribe for one new share. The exercise price for warrants of series TO 3 and TO 4 is SEK 7.60 per warrant. Warrants of series TO 3 for the subscription of shares will be exercisable during the period 23 March – 13 April 2016. The last day of trading in warrants of series TO 3 is expected to be 11 April 2016. Warrants of series TO 4 for the subscription of shares will be exercisable during the period 27 September – 18 October 2016. The last day of trading in warrants of series TO 4 is expected to be 14 October 2016. Warrants of series TO 3 and series TO 4 are traded on Nasdaq First North Stockholm.

## **Principles for preparation of the interim report**

The financial statements contained in Cantargia's interim report have been prepared in accordance with the same principles as the last annual report, i.e. in accordance with the Swedish Annual Accounts Act and General Recommendation BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) of the Swedish Accounting Standards Board.

## **Examination by auditors**

The interim report has not been examined by the Company's auditor.

## **Future financial reports**

Future financial reports are scheduled for release as follows:

- Half-year report 25 Aug 2015
- Q3 interim report 17 Nov 2015
- Year-end report for 2015 1 Mar 2016

## **Employees**

The average number of employees of Cantargia for the period January to March 2015 was 2 (0), including 1 (0) woman.

## **Submission of interim report**

Lund, 19 May 2015

Cantargia AB

*The Board of Directors*

## **For further information, please contact:**

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## Condensed income statement

(SEK)	1 Jan 2015 -31 Mar 2015 3 mths	1 Jan 2014 -31 Mar 2014 3 mths	1 Jan 2014 -31 Dec 2014 12 mths
<b>Operating expenses</b>			
Project development	-1,239,340	-936,328	-3,494,993
Other external expenses	-1,156,453	-932,214	-3,207,760
Staff costs	-1,119,064	0	-1,412,804
<b>Operating loss</b>	<b>-3,514,857</b>	<b>-1,868,542</b>	<b>-8,115,557</b>
<b>Profit/loss from financial items</b>			
Interest income and similar items	3,185	2,102	14,476
Interest expense and similar items	-115,390	-1,329	-269,108
<b>Loss after net financial expense</b>	<b>-3,627,062</b>	<b>-1,867,769</b>	<b>-8,370,189</b>
<b>Loss before tax</b>	<b>-3,627,062</b>	<b>-1,867,769</b>	<b>-8,370,189</b>
<b>Loss for the period</b>	<b>-3,627,062</b>	<b>-1,867,769</b>	<b>-8,370,189</b>

# Condensed balance sheet

(SEK)	31 Mar 2015	31 Dec 2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Concessions, patents, licenses, trade marks and similar rights	2,738,262	2,446,718
<i>Financial assets</i>		
Other securities held as non-current assets	633,972	394,312
<b>Total non-current assets</b>	<b>3,372,234</b>	<b>2,841,030</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Tax assets	-	-
Other receivables	1,329,605	431,981
Prepaid expenses and accrued income	259,344	196,570
<b>Total current receivables</b>	<b>1,588,949</b>	<b>628,551</b>
Cash and bank balances	38,985,567	16,659,521
<b>Total current assets</b>	<b>40,574,516</b>	<b>17,295,341</b>
<b>TOTAL ASSETS</b>	<b>43,946,750</b>	<b>20,129,102</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	1,071,589	183,930
Share capital not yet registered	-	63,157
<b>Total restricted equity</b>	<b>1,071,589</b>	<b>247,087</b>
<i>Non-restricted equity</i>		
Shareholder contributions received*	3,416,000	3,416,000
Share premium account	64,240,630	24,490,217
Retained earnings	-24,055,878	-15,685,689
Profit for the period	-3,627,062	-8,370,189
<b>Total non-restricted equity</b>	<b>39,973,690</b>	<b>3,850,339</b>
<b>Total equity</b>	<b>41,045,279</b>	<b>4,097,426</b>
<b>Non-current liabilities</b>		
Provisions	42,504	-
<b>Total non-current liabilities</b>	<b>42,504</b>	-
<b>Current liabilities</b>		
Trade payables	1,520,715	1,407,225
Short-term loans	-	13,659,594
Tax liabilities	-	-
Other liabilities	110,498	110,717
Accrued expenses and deferred income	1,227,754	854,140
<b>Total current liabilities</b>	<b>2,858,967</b>	<b>16,031,676</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,946,750</b>	<b>20,129,102</b>
Pledged assets	None	None
Contingent liabilities	None	None

## Condensed statement of changes in equity

**1 JAN 2015 – 31 MAR  
2015**

	<b>Share capital</b>	<b>Paid-up not regd share cap</b>	<b>Other non- restricted equity</b>	<b>Profit/loss for the period</b>	<b>Total non- restricted equity</b>
Amount at beginning of year	183,930	63,157	12,220,528	-8,370,189	3,850,339
Issue of new shares	887,659		43,255,498		43,255,498
Shareholder contributions received					
Appropriation of ret. earnings under resolution of AGM			-8,370,189	8,370,189	0
Non-registered issue of new shares		-63,157			0
Capital acquisition cost			-3,505,086		-3,505,086
Loss for the period				-3,627,062	-3,627,062
Amount at end of year	1,071,589	0	43,600,751	-3,627,062	39,973,689

**1 JAN 2014 – 31 DEC  
2014**

	<b>Share capital</b>	<b>Paid-up not regd share cap</b>	<b>Other non- restricted equity</b>	<b>Profit for the year</b>	<b>Total non- restricted equity</b>
Amount at beginning of year	171,430	0	7,490,196	-7,945,937	-455,741
Issue of new shares	12,500		3,323,500		3,323,500
Shareholder contributions received			3,416,000		3,416,000
Appropriation of ret. earnings under resolution of AGM			-7,945,937	7,945,937	0
Non-registered issue of new shares		63,157	5,936,769		5,999,926
Net loss for the year				-8,370,189	-8,370,189
Amount at end of year	183,930	63,157	12,220,528	-8,370,189	3,850,339

## Condensed cash flow statement

(SEK)	1 Jan 2015 -31 Mar 2015 3 mths	1 Jan 2014 -31 Mar 2014 3 mths	1 Jan 2014 -31 Dec 2014 12 mths
Cash flow from operating activities before changes in working capital	-3,627,062	-1,867,769	-8,370,189
Changes in working capital	-14,133,106	647,747	15,268,066
<b>Cash flow from operating activities</b>	<b>-17,760,168</b>	<b>-1,220,022</b>	<b>6,897,877</b>
Cash flow from investing activities	-291,545	-154,070	-676,305
Cash flow from financing activities	40,377,759	3,500,000	8,941,615
Total cash flow for the period	22,326,046	2,125,908	15,163,187
Cash and cash equivalents at beginning of period	16,659,521	1,496,334	1,496,334
<b>Cash and cash equivalents at end of period</b>	<b>38,985,567</b>	<b>3,622,242</b>	<b>16,659,521</b>
Change in cash and cash equivalents	22,326,046	2,125,908	15,163,187



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