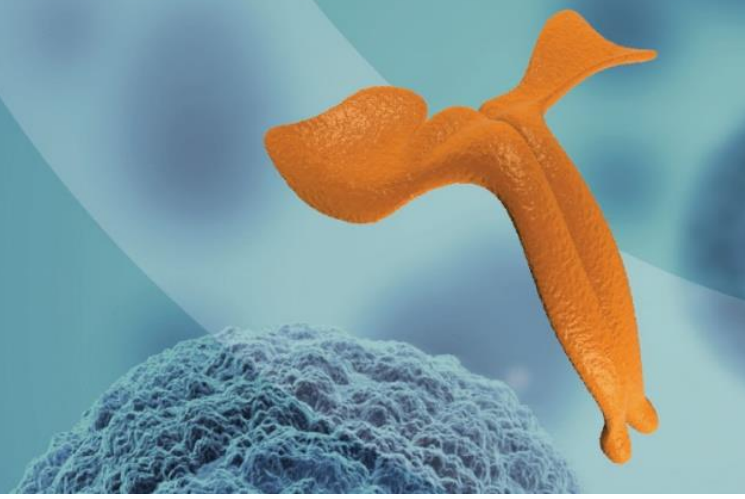
INTERIM REPORT

January - March 2022



Creating value in collaboration with PanCAN

FIRST QUARTER

- Net sales: SEK 0 M (0)
- Operating loss: SEK -121.6 M (-73.2)
- Loss after tax: SEK -117.5 M (-72.6)
- Loss per share: before and after dilution, SEK -1.17 (-0.72)
- Equity/assets ratio: 82 (94) per cent
- Cash and cash equivalents: SEK 205.7 M (176.4)
- Short-term investments: SEK 237.1 M (666.0)

Significant events in the first quarter

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

Significant events after the end of the period

- Cantargia announced that new clinical data for nadunolimab for PDAC and NSCLC patients in CANFOUR, and the first patients in CIRIFOUR, will be presented at ASCO in June
- Cantargia announced that positive preclinical efficacy data for CAN10 in a model for atherosclerosis will be presented at the European Atherosclerosis Society Congress

Comments on significant events

Cantargia announced that new clinical data for nadunolimab will be presented at ASCO, one of the world's largest cancer research conferences. Updated safety and efficacy data, as well as new biomarker data from the more than 70 PDAC patients and the more than 30 NSCLC patients treated with nadunolimab and chemotherapy in CANFOUR, will be presented during two separate poster sessions. Both posters will also be highlighted in poster discussions at the conference. New interim data showing a favorable safety profile for nadunolimab in combination with pembrolizumab from CIRIFOUR were reported at the beginning of the year. Updated safety data as well as new efficacy and biomarker data from CIRIFOUR will also be presented at ASCO.

Cantargia announced that clinical development of nadunolimab in PDAC would advance in PanCAN's clinical phase II/III trial, Precision Promise℠. In this pivotal trial, patients will be randomized to receive nadunolimab with chemotherapy, or standard of care chemotherapy alone. The plan is to submit a pre-IND application to the US Food and Drug Administration (FDA) in the second quarter of 2022 for inclusion of nadunolimab in the study. The next step in the clinical development of nadunolimab in NSCLC was also taken when the first patient with non-squamous NSCLC was treated in combination with platinum-based chemotherapy in a new arm of CANFOUR. Additionally, the first patient with triple-negative breast cancer in TRIFOUR was treated with nadunolimab and chemotherapy.

As nadunolimab is rapidly advancing towards start of late-stage clinical trials, the medical team was strengthened by the appointment of Dr. Roger Belusa as interim Chief Medical Officer (CMO). The former CMO, Dr. Ignacio Garcia-Ribas, was appointed a new position in Cantargia focusing on the ongoing early-stage clinical trials.

Positive results showing that CAN10 inhibits disease progression in preclinical models of systemic sclerosis and atherosclerosis were presented at the 7th Systemic Sclerosis World Congress and the European Atherosclerosis Society Congress. Cantargia also reported promising results from non-GLP toxicology and pharmacokinetic studies in which CAN10 was evaluated in both intravenous and subcutaneous formulations. Subsequent GLP toxicology studies are scheduled to start in the second quarter of 2022 and are expected to lead to the start of a phase I clinical trial with CAN10 in early 2023.

An opposition initiated in 2019 against one of Cantargia's European patents for treatment of solid tumors, which was rejected in 2021 by the EPO, was appealed by the opponent at the start of the year.

CHIEF EXECUTIVE'S REVIEW

Creating value in collaboration with PanCAN

In 2021, Cantargia initiated several new activities in the form of clinical trials, and enduring 2022 we will take the next step in our clinical project. An important step was communicated already at the start of January, when we initiated a partnership with the US network PanCAN on their clinical trial Precision Promise℠, a potentially registrational trial in first-line treatment of pancreatic cancer where nadunolimab will be included. Based on our results and in collaboration with leading specialists, PanCAN selected nadunolimab to be included in this trial. This is a great opportunity for Cantargia - PanCAN will contribute financially to the trial and PanCAN's specialists will also be participating in further development stages. Collectively, this will ensure that nadunolimab and Cantargia will attract significant attention that will be valuable both during and after the trial.

Other important development stages relate to Cantargia's two longest-running clinical studies: CANFOUR and CIRIFOUR. In the CANFOUR study, more than 100 patients with pancreatic or lung cancer have received nadunolimab in combination with chemotherapy. Results from the early stages of CANFOUR are very interesting and have been presented previously, but we have now monitored the patients for a much longer period and have also recruited a larger number of patients. We are ready to compile and present new results based on these data, and it is with great pleasure that I can announce that these data have been selected for presentation and discussion at ASCO, a leading cancer research conference, in early June. Results from the smaller, although still important, CIRIFOUR study will also be presented at ASCO. This will be the first time that results are presented for nadunolimab in combination with the immunotherapy pembrolizumab, a drug which generated global sales of USD 17.2 billion in 2021. CIRIFOUR is primarily designed to document the safety profile of the combination, but our plan is to also present antitumor efficacy and effects on various biomarkers.

In addition to CANFOUR and CIRIFOUR, patients are also being recruited to three additional studies, CAPAFOUR, CESTAFOUR and TRIFOUR, all of which are designed to evaluate nadunolimab with further chemotherapy drugs, or in additional cancer types, compared to those assessed in the CANFOUR study. The aim is to gain a better understanding of which chemotherapy drugs and forms of cancer are best suited for treatment with nadunolimab. This process is important for the purpose of increasing the likelihood that nadunolimab will advance all the way to the market. At present, safety and initial efficacy are being documented in these three studies, but in the autumn we expect to have sufficient data to be able to decide which of these opportunities should be prioritized, in addition to engaging in future activities in pancreatic cancer and lung cancer.

Much of the attention surrounding Cantargia focuses precisely on the development of nadunolimab and the promising data we have presented. However, we are also making great progress in our second project, CAN10. In the first quarter, we presented efficacy data in models of systemic sclerosis, as well as new results from toxicology studies. Taken together, these results support the great potential of the CAN10 project as an effective treatment with few side effects, which may prove important in disease areas with very great medical needs. Systemic sclerosis and myocarditis are two such areas and we are looking forward to the final development stages prior to the launch of a clinical phase I trial early next year.

Overall, Cantargia is in a strong position with many upcoming milestones in our two main projects. With three presentations at the ASCO conference and the attention these presentations will generate, we have a very exciting time ahead of us.

Göran Forsberg
CEO, Cantargia AB

ABOUT CANTARGIA

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

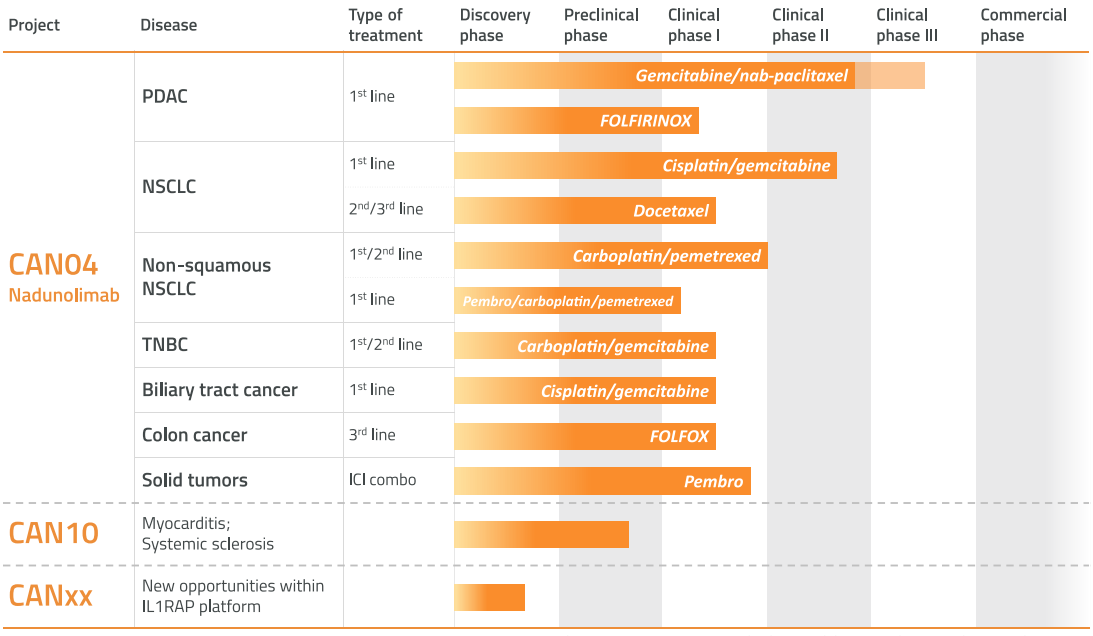
Nadunolimab (CAN04)
The development of Cantargia's first drug candidate, the IL1RAP-binding antibody nadunolimab, has progressed quickly and has demonstrated promising clinical and pre-clinical data in the treatment of cancer. In addition to targeting cancer cells and stimulating our natural immune system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

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. Promising interim data have been presented from patients receiving nadunolimab in combination with chemotherapy and 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℠. 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.

Cantargia's project portfolio



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

Cantargia's clinical studies

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

Moreover, positive interim results from the phase IIa part show clear signals on the efficacy of combination therapy as stronger effects are observed in both lung cancer and pancreatic cancer patients compared to what would be expected from chemotherapy alone. Patients with non-small cell lung cancer showed a response of 48 per cent, resulting in median progression-free survival of 7.2 months, an improvement over historical control data. An even higher response is achieved in patients with the non-squamous subtype of non-small cell lung cancer. In patients with pancreatic cancer, durable responses or pseudoprogression are observed, resulting in median progression-free survival of 7.2 months and median overall survival of over 12.7 months.

For pancreatic cancer, patient recruitment to an extension cohort of CANFOUR 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 ASCO in the second quarter of 2022. In CANFOUR, additional patients with non-squamous non-small cell lung cancer are being recruited. This is a first step in a focused strategy for late-stage clinical development and these patients are being prioritized as they are most likely to benefit from treatment with nadunolimab and chemotherapy.

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

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

Ongoing clinical studies for nadunolimab

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

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

CANTARGIA OPERATES IN A GROWING MARKET

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

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

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

The market for lung cancer treatment

In 2020, around 2.3 million cases of lung cancer were diagnosed globally and more than 1.8 million people died as a result of the disease[1]. Around 85 per cent of all lung cancers are non-small cell lung cancer[2], which is subdivided into the squamous and non-squamous subgroups, where the latter is the largest and corresponds to 70-80 per cent of all cases[3]. In the United States, the number of people diagnosed with lung cancer has declined by approximately 27 per cent over the past 20 years, while the number of people diagnosed with this disease is increasing in countries such as China and India, and in European countries such as Hungary, Denmark and Serbia.

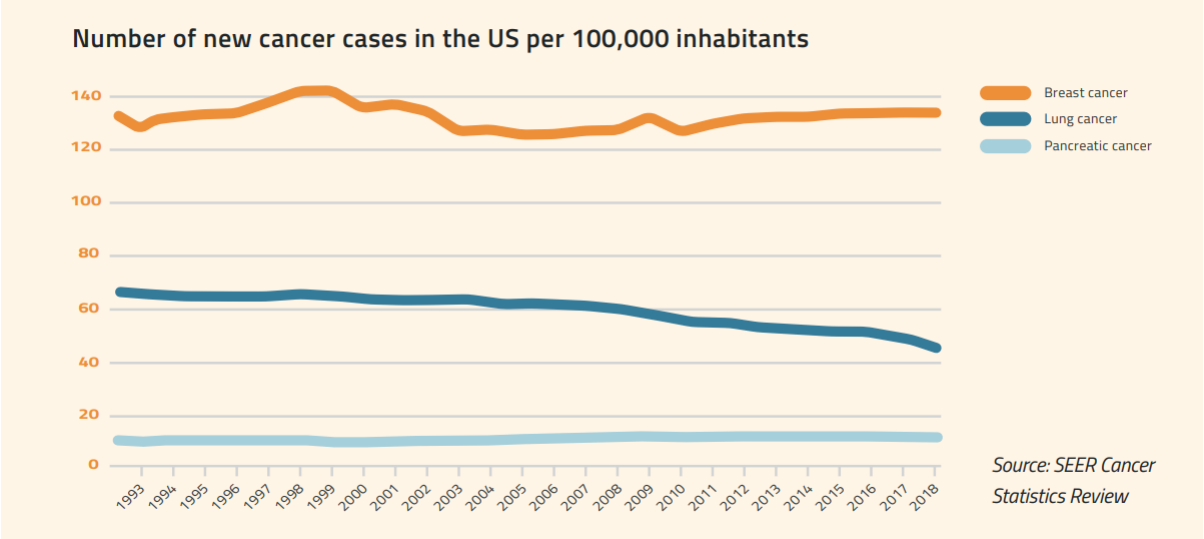
Sales of drugs for non-small cell lung cancer totalled USD 20 billion in 2020 and are projected to increase to USD 45 billion by 2027[4]. Sales are driven mainly by increasing use of various antibody-based immunotherapies. Another important factor driving the growth of the global market is the increasing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

The market for pancreatic cancer treatment

Globally, approximately 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease[2]. In the United States, the number of people diagnosed with the disease has increased by nearly 13 per cent over the past 20 years and pancreatic cancer is today the third most common cause of cancer-related deaths in the United States[5]. Pancreatic cancer is difficult to diagnose, and for this reason, it is also difficult to treat as it is often well advanced by the time it is discovered.

Pancreatic cancer treatment was valued at approximately USD 2.4 billion in the eight largest markets in 2021 and is expected to grow to approximately USD 4.2 billion by 2026[6]. This corresponds to an annual growth rate of just over 8 per cent during these years. The growth in this market is mainly caused by an increasing number of cancer cases. The number of people diagnosed with pancreatic cancer is estimated to increase by 70 per cent by 2040[2]. 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.

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



The market for breast cancer

Breast cancer is currently the most common form of cancer. In 2020, approximately 2.3 million new cases were reported, and approximately 685,000 women died from the disease[2]. 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[7]. According to a study conducted on American women, increases in BMI and the fact that women on average give birth to fewer children, are likely to contribute to the increase in cases in the United States between 1980 and 2018[8].

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

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

The market for systemic sclerosis and myocarditis

In Cantargia's second project, CAN10, the objective is to develop a novel IL1RAP-binding antibody primarily for the treatment of systemic sclerosis and myocarditis. Systemic sclerosis is a chronic autoimmune disease that is mainly characterized by inflammation and fibrosis of the skin and subcutaneous tissue, as well as blood vessels and internal organs such as the lungs, heart, and kidneys. Systemic sclerosis is a complex, heterogeneous disease that can occur with a variety of clinical manifestations ranging from minor to life-threatening.

The estimated annual incidence of systemic sclerosis is approximately 1.4 per 100,000 according to a new systematic review[11]. The main cause of death in patients with systemic sclerosis is interstitial lung disease and the medical need is particularly high in these patients. The worth of the pharmaceutical market for systemic sclerosis was estimated to approximately USD 500 million in 2020 and is expected to grow to USD 1.8 billion by 2030 in the seven major markets[12]. This corresponds to an average annual growth rate of 14 per cent.

Myocarditis is characterized by inflammation of the muscular tissues of the heart (myocardium) arising from, for example, various types of infections. Regardless of its etiology, myocarditis is characterized by initial acute inflammation that can progress to subacute and chronic stages, resulting in tissue remodelling, fibrosis, and loss of myocardium architecture and contractile function. The estimated incidence of myocarditis is about 22 per 100,000 (1.7 million)[13], and globally the disease accounts for about 0.6 deaths per 100,000 (46,400) annually[14]. The medical need is high for subgroups of patients with fulminant myocarditis (acute disease) and dilated cardiomyopathy (chronic disease), where mortality is very high in certain immune subtypes. For these patients, heart transplantation is currently the only definitive treatment.

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[1]Globocan 2020

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

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

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

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

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

[7]American Cancer Society

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

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

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

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

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

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

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

FINANCIAL INFORMATION

Revenue

The company's revenue amounted to SEK 0.0 M (0.0).

Operating expenses/operating loss

Research and development costs totalled SEK 116.5 M (69.0) in the first quarter. The change compared to the previous year is primarily related to Cantargia's main project, CAN04, and the expansion of the clinical programme with the CIRIFOUR, CAPAFOUR, CESTAFOUR, TRIFOUR, and Precision Promise^{SM}. studies. Investments in production development (CMC) and preclinical studies for CAN10 also increased.

Administrative expenses amounted to SEK 4.1 M (3.4).

Other operating expenses, which mainly comprise foreign exchange differences on trade payables, were SEK 1.0 M (0.8). Other operating expenses are mainly related to changes in the value of the Swedish krona against EUR.

The operating loss was SEK -121.6 M (-73.2).

Net financial income/expense

Net financial income/expense consists substantially of foreign exchange differences on the company's currency accounts and interest earned on short-term investments in fixed-rate accounts. Net financial income was SEK 4.1 M (0.6).

Earnings

Cantargia's loss before tax, which is the same as the loss for the period, was SEK -117.5 M (-72.6).

Cash flow and investments

Cash flow from operating activities was SEK -120.7 M (-61.2). As part of cash flow from operating activities, changes in working capital were SEK -1.9 M (10.5).

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

Cash flow from financing activities was SEK 0.0 M (0.0).

The total change in cash and cash equivalents was SEK -45.7 M (517.2).

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 205.7 M (176.4) at the balance sheet date. In addition to cash and cash equivalents, the company had short-term investments with banks and in fixed income funds of SEK 237.1 M (666.0). Total available funds, bank deposits and short-term investments amounted to SEK 442.8 M (842.4).

Cantargia's equity/assets ratio at 31 March 2022 was 82 (94) per cent and equity was SEK 417.2 M (821.4).

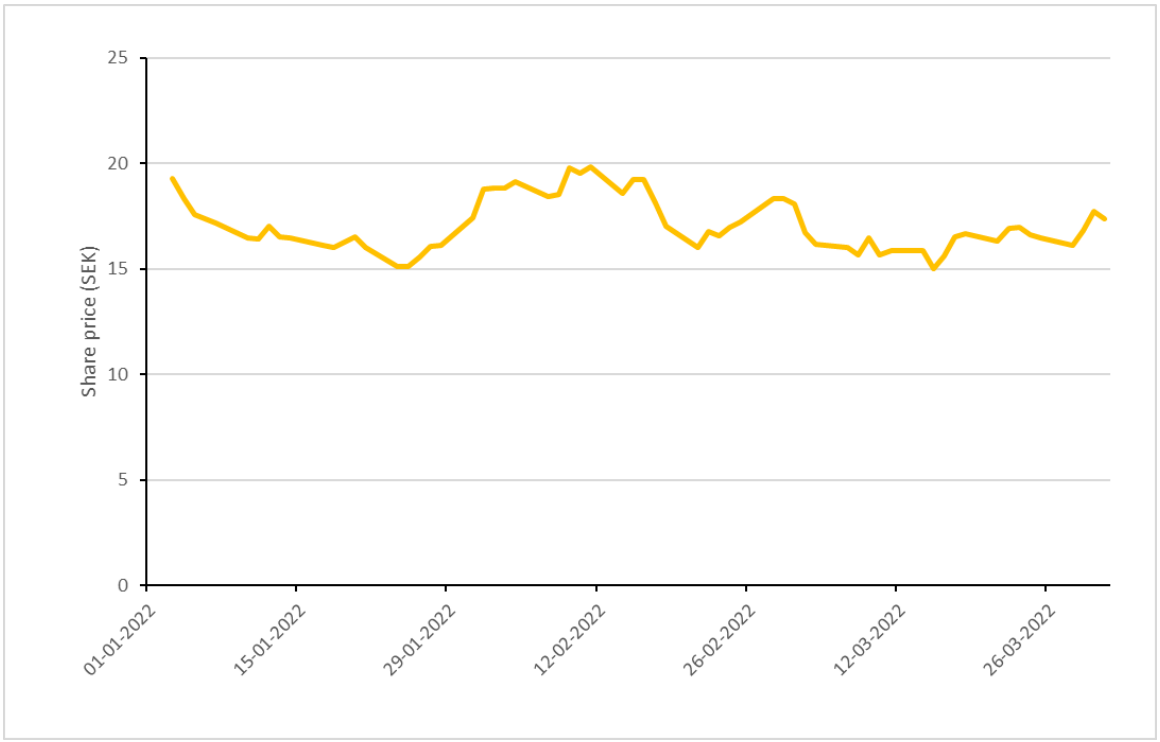
At the end of the period, total assets amounted to SEK 509.5 M (876.2).

SHAREHOLDER INFORMATION

Share information

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA". On 31 March 2022, the number of shares was 100,192,737 (100,192,737).

Share price performance in 2022



Ownership distribution, 31 March 2022

Owner	Number of shares	Capital/Votes (%)
Fjärde AP-fonden	8 846 347	8,8%
Swedbank Robur Fonder	8 783 208	8,8%
Alecta Pensionsförsäkring, Ömsesidigt	7 406 296	7,4%
Six Sis AG	7 027 319	7,0%
Första AP-fonden	6 324 244	6,3%
Försäkringsaktiebolaget, Avanza Pension	5 633 903	5,6%
SEB AB, Luxemburg Branch	3 419 007	3,4%
Unionen	2 000 000	2,0%
Handelsbanken fonder	1 372 137	1,4%
Andra AP-fonden	1 321 268	1,3%
Other	48 059 008	48,0%
Total	**100 192 737**	**100,0%**

Ownership distribution by size class, 31 March 2022

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	6 587	968 075	1,0%	16 835
501 - 1 000	1 458	1 172 802	1,2%	20 395
1 001 - 5 000	2 360	5 686 636	5,7%	98 891
5 001 - 10 000	538	3 995 870	4,0%	69 488
10 001 - 15 000	206	2 610 402	2,6%	45 395
15 001 - 20 000	125	2 220 330	2,2%	38 612
20 001 -	337	83 538 622	83,4%	1 452 737
Total	**11 611**	**100 192 737**	**100,0%**	**1 742 353**

OTHER INFORMATION

Employees

The average number of employees during the period January to March 2022 was 28 (19), of whom 17 (12) were women. Cantargia operates to a large extent through external partners.

Financial calendar

- Interim report April-June, 18 August 2022
- Interim report July-September, 10 November 2022
- Year-end report 2022, 23 February 2023

Annual General Meeting 2022

The Annual General Meeting of Cantargia will be held at Ideon Gateway, Scheelevägen 27 in Lund on 23 May, 2022, at 4 p.m.

Review by auditors

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

Contact

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

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

Lund, 23 May 2022

Göran Forsberg
CEO

STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating income				
Net sales		-	-	-
Other operating income		-	-	-
Operating expenses	6			
Research and development costs	5	-116 449	-68 996	-352 709
Administrative costs		-4 126	-3 412	-15 309
Other operating expenses		-1 028	765	-2 249
		-121 602	**-73 173**	**-370 267**
Operating loss		**-121 602**	**-73 173**	**-370 267**
Financial income and expense				
Interest income and similar items		4 133	572	3 766
Interest expense and similar items		-	-	-3
		4 133	**572**	**3 763**
Loss before taxes		**-117 469**	**-72 601**	**-366 504**
Loss for the period *)		**-117 469**	**-72 601**	**-366 504**
Earnings per share before and after dilution (SEK) based on average number of shares		-1,17	-0,72	-3,66

*) 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	31-03-2022	2021-03-31	31-12-2021
ASSETS				
Fixed assets				
Intangible assets				
Patent		6 234	7 135	6 459
		6 234	**7 135**	**6 459**
Tangible assets				
Machinery and equipment		2 465	4 700	3 097
		2 465	**4 700**	**3 097**
Total fixed assets		**8 699**	**11 835**	**9 556**
Current assets				
Other receivables		9 924	5 179	4 588
Prepaid expenses and accrued income		48 105	16 765	26 713
		58 029	**21 944**	**31 301**
Short-term investments				
Other short-term investments		237 078	666 019	312 064
		237 078	**666 019**	**312 064**
Cash and bank balances				
Cash and bank balances		205 683	176 416	247 322
		205 683	**176 416**	**247 322**
Total current assets		**500 790**	**864 379**	**590 688**
TOTAL ASSETS		**509 489**	**876 214**	**600 244**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		8 015	8 015	8 015
		8 015	**8 015**	**8 015**
Non-restricted equity				
Share premium account		1 404 595	1 404 595	1 404 595
Retained earnings		-877 992	-518 602	-513 362
Loss for the period		-117 469	-72 601	-366 504
		409 134	**813 392**	**524 729**
Total equity		**417 149**	**821 407**	**532 745**
Long-term liabilities				
Provision for social security contributions, incentive progr	8	858	1 417	892
		858	**1 417**	**892**
Short-term liabilities				
Trade payables		27 298	32 520	34 512
Tax liabilities		343	358	570
Other liabilities		1 416	987	1 105
Accrued expenses and deferred income		62 425	19 524	30 420
		91 482	**53 390**	**66 607**
TOTAL EQUITY AND LIABILITIES		**509 489**	**876 214**	**600 244**

STATEMENT OF CHANGES IN EQUITY

(kSEK)		Restricted equity	Non-restricted equity		Total
1 January 2022 - 31 March 2022	Note	Share capital	Share premium account	Retained earnings incl. Loss for the period	Total equity
Opening balance 1 January 2022		**8 015**	**1 404 595**	**-879 866**	**532 745**
Loss for the period		-	-	-117 469	-117 469
Transactions with shareholders					
Employee stock option program	8	-	-	1 873	1 873
		-	-	1 873	1 873
Closing balance 31 March 2022		**8 015**	**1 404 595**	**-995 462**	**417 149**
1 January 2021 - 31 March 2021					
Opening balance 1 January 2021		**8 015**	**1 404 595**	**-520 676**	**891 934**
Loss for the period		-	-	-72 601	-72 601
Transactions with shareholders					
Employee stock option program	8	-		2 073	2 073
		-	-	2 073	2 073
Closing balance 31 March 2021		**8 015**	**1 404 596**	**-591 205**	**821 407**
1 January 2021 - 31 December 2021					
Opening balance 1 January 2021		**8 015**	**1 404 595**	**-520 676**	**891 935**
Loss for the period		-	-	-366 504	-366 504
Transactions with shareholders					
Employee stock option program	8	-	-	7 314	7 314
		-	-	7 314	7 314
Closing balance 31 December 2021		**8 015**	**1 404 595**	**-879 866**	**532 745**

STATEMENT OF CASH FLOW

SEK thousand	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Operating activities				
Operating loss		-121 602	-73 173	-370 267
Adjustments for non-cash items	7	2 713	1 237	8 541
Interest received etc.		48	290	927
Interest paid etc.		-	-	-3
Cash flow from operating activities before changes in working capital		**-118 842**	**-71 646**	**-360 802**
Changes in working capital				
Change in receivables		-26 728	-12 425	-21 782
Change in trade payables		-7 214	21 843	23 834
Changes in other current liabilities		32 089	1 078	12 304
		-1 853	**10 496**	**14 357**
Cash flow from operating activities		**-120 694**	**-61 150**	**-346 445**
Investing activities				
Acquisition of intangible assets		-	-	-
Acquisition of tangible assets		-17	-71	-383
Increase in other short-term investments		-13	-531 000	-177 046
Decrease in other short-term investments		75 000	75 000	75 000
Cash flow from investing activities		**74 970**	**-456 071**	**-102 429**
Cash flow from financing activities		**-**	**-**	**-**
Change in cash and cash equivalents		-45 723	-517 221	-448 873
Cash and cash equivalents at beginning of period		247 322	693 354	693 354
Exchange rate difference in cash equivalents		4 085	282	2 839
Cash and cash equivalents at end of period *)		**205 683**	**176 416**	**247 322**

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

KEY FIGURES

SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	-	-	-
Operating loss	-121 602	-73 173	-370 267
Loss for the period	-117 469	-72 601	-366 504
Average number of shares	100 192 737	100 192 737	100 192 737
Earnings per share before and after dilution (SEK) based on average number of shares	-1,17	-0,72	-3,66
Change in cash and cash equivalents	-45 723	-517 221	-448 873
Cash and cash equivalents	205 683	176 416	247 322
Short-term investments	237 078	666 019	312 064
Total available funds	442 761	842 434	559 387
Equity end of period	417 149	821 407	532 745
Equity/assets ratio, %	82%	94%	89%
Average number of employees	28	19	22
Number of employees at end of period	28	19	26
R&D costs as a percentage of operating expenses	96%	94%	95%

Key performance indicators, definitions

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

NOTES

Note 1 General information

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

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

The interim report for the first quarter was approved for publication on 23 May 2022 in accordance with a resolution of the Board of Directors on 22 May 2022.

Note 2 Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and IAS 34 Interim Financial Reporting. The accounting policies applied in preparing this interim report are consistent with those used in preparing the annual report for 2021.

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

Note 3 Information on risks and uncertainties

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. External factors such as COVID-19 may also impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities. A more detailed description of the company's risk exposure and risk management can be found in the section "Risks and risk management" in the Directors' report on page 39 in the Annual Report for 2021.

Financial risk management

Cantargia's financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities. The company is primarily affected by foreign exchange risk since the main part of the development costs are paid in EUR and USD. In accordance with Cantargia's financial policy, the company exchanges cash into USD and EUR based on entered agreements in order to manage the currency exposure. For more information about the company's financial risk management see note 3 on page 55 in the Annual Report for 2021.

Note 4 Critical judgements and estimates

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

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

The critical judgements and estimates that are of the greatest importance for Cantargia are described in Note 4 on page 57 in the Annual Report for 2021.

Note 5 Related party transactions

Cantargia has a research agreement with Lund University since 2021, where Gunilla Westergren-Thorsson, Professor of Lung Biology, is engaged in research. Under the agreement, Gunilla Westergren-Thorsson, who is a related party of an insider at Cantargia, will conduct a project aimed at expanding knowledge about IL1RAP as part of her employment at Lund University. Under the agreement, Cantargia has the right to use and, if applicable, take over all research results from the projects free of charge. During the period January to March 2022, the company incurred a cost of SEK 650 thousand (-) under the agreement.

The Board considers that the above agreement has been concluded on commercial terms.

Note 6 Costs by nature of expense

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

SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Project costs	-101 660	-60 352	-304 229
Other external expenses	-6 311	-4 357	-22 378
Personnel expenses	-11 729	-6 841	-37 966
Other operating expenses	-1 028	-765	-2 249
Depreciation	-874	-858	-3 446
	-121 602	**-73 173**	**-370 267**

Note 7 Adjustments for non-cash items

SEK thousand	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Depreciation	-874	-858	-3 446
Employee stock option program	-1 839	-380	-5 095
	-2 713	**-1 237**	**-8 541**

Note 8 Share-based incentive programs

Employee stock option program

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

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

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

Below is a summary of the total number of shares that granted options may entitle to as of March 31, 2022. One warrant represents one potential ordinary share.

Full exercise of granted options as of March 31, 2022, corresponding to a total of 3,280,333 shares, would result in a dilution of shareholders by 3.2 per cent. If decided, but not allotted options, a further total of 1,556,000 are fully exercised, it would result in a total dilution of shareholders of 4.6 per cent.

Changes in existing incentive programs during 2022 (number of warrants)

Granted instruments	
Employee stock option program 2021/2024	110 000
Employee stock option program 2020/2023	-
Exercised instruments	-
Lapsed instruments	
Employee stock option program 2021/2024	-
Employee stock option program 2020/2023	-
Total change	**110 000**

Number of shares granted instruments may entitle to March 31, 2022

Employee stock option program 2021/2024	1 420 000
Employee stock option program 2020/2023	1 860 333
Number of shares granted instruments may entitle to	**3 280 333**

SUBMISSION OF INTERIM REPORT

This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the Chief Executive Officer on 23 May 2022, at 8:30 a.m.

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