08 June 2022

Commissioned research: Cantargia – Supportive data presented at ASCO

Marketing material commissioned by Cantargia
Cantargia R&D Day on nadunolimab: combinational synergy in pancreatic cancer and non-small cell lung cancer: Thursday, June 16, 2022 at 9.00 AM EDT (3PM CET).
For registration:
https://lifesci.rampard.com/WebcastingAppv5/Events/Registration/registration.jsp?Y2lk=MTg5Mw==&Y2lk=MTg5Mw==

We attended the American Society of Clinical Oncology (ASCO) conference in Chicago on 3-7 June, at which Cantargia revealed positive interim data in several presentations. These were related to its lead candidate nadunolimab (CAN04) in the studies CANFOUR and CIRIFOUR. In our view, the highlight was the poster discussion about gastrointestinal cancers that covered the extended interim analysis in PDAC in which Cantargia showed encouraging interim results in a significantly larger sample group than in the last interim readout. While this data is positive for the outlook in this indication, we make no revisions to our estimates for its likelihood of approval. This is since we have already fine-tuned an uplift in our Q4 update as Cantargia signed the partnership with PanCAN in January to start the phase 2/3 trial Precision Promise. The interim CANFOUR data in NSCLC also point to more positive results to come, but we note that the presenter also underpinned the fact that cisplatin and gemcitabine is not a frequent first-line chemotherapy, which could limit the applicability of the data. In our view, both the CANFOUR data in NSCLC and CIRIFOUR data are yet too immature to draw any meaningful conclusions from. Overall, we believe the interim results from ASCO were a positive addition to Cantargia's data package, which will be favourable in negotiating any new partnerships ahead.

Interim results from CANFOUR in PDAC

The extended interim analysis of ph I/IIa CANFOUR study was presented at ASCO on 4 June. In this study, nadunolimab (CAN04) is being evaluated together with the standard chemotherapy cocktail gemcitabine and nab-paclitaxel for patients with first-line pancreatic ductal carcinoma (PDAC). The previous update for this study in December 2021 included only 33 patients, whereas the new results showed data from 73 patients.

- Median progression-free survival was 7.2 months versus the historical mPFS of 5.5 months, i.e.31% better,
- Overall survival was 12.7 months, versus 8.5 months historically (50% better), and;
- One-year survival was 57%.

The results versus the historical data were largely in line with the last update, which indicates that the positive data is significantly strengthened now, as it includes a larger patient group. While we view the data as promising, we also see the need for a randomised study to really demonstrate the

benefits from chemotherapy only – which will be done in collaboration with PanCAN. In the highly complex indication PDAC, we keep our expected likelihood of approval at ~20%.

Interim results from CANFOUR in NSCLC

On 6 June at ASCO, interim results from the ph IIa study CANFOUR in NSCLC were also presented. In this study, nadunolimab is being evaluated in combination with gemcitabine and cisplatin and showed the following interim results:

- The overall response rate was 53%, which is 22-28% above historical numbers with chemotherapy only,
- Disease control rate was 83%,
- Median progression-free survival (mPFS) was 6.8 months, and;
- Overall survival was 13.7 months.

This data is still immature and includes a limited group of 30 patients. While the presenter of the poster acknowledged that the data is promising, it was however noted that cisplatin and gemcitabine is not a frequent first-line chemotherapy choice in the US, which could limit the applicability of the data. We maintain our previous expectations on likelihood of approval and await more data before making any revisions.

Interim results from CIRIFOUR: Nadunolimab and Keytruda

Interim results were also presented for the CIRIFOUR study, which is evaluating nadunolimab as an add-on to the immunotherapy Keytruda in patients that are no longer responding to the PD-(L)1 therapy itself. While it is early days for this ph I study with a small group of patients with solid tumours, it shows a good safety profile.

SUMMARY TABLE - KEY FIGURES

SEKm	2019	2020	2021	2022E	2023E	2024E
Total revenue	0	0	0	0	0	220
EBITDA (adj)	-112	-174	-370	-406	-76	201
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EBIT (adj) margin	n.m.	n.m.	n.m.	n.m.	n.m.	91.2%
EPS (adj, SEK)	-1.52	-1.93	-3.66	-3.05	-0.57	1.58
EPS (adj) growth	-10.5%	-26.5%	-89.9%	16.6%	81.5%	379.2%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.m.	n.m.	n.m.	n.m.	n.m.	6.2
EV/EBIT (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	6.8
P/E (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	10.6
P/BV	10.3	7.2	3.5	7.6	10.2	5.2
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	-7.6%	-2.4%	-21.0%	-19.3%	-3.4%	9.4%
Net debt	-150	-903	-903	-210	-153	-312
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	-1.6
ROIC after tax	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Company data and Nordea estimates

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