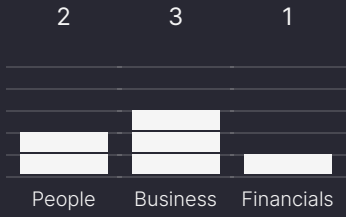




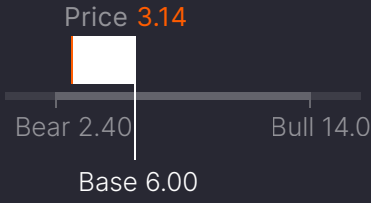
Cantargia

Research Note

QUALITY RATING



FAIR VALUE RANGE



MOMENTUM



Performance VS OMXS30

CANTA OMXS30



Share Information

Share Price SEK	3.14
Number of shares (M)	248.6
Marketplace	NASDAQ Stockholm
CEO	Damian Marron
Chairman	Magnus Persson

Key Stats

Market Cap	780.6m SEK
Entprs. Value (EV)	676.7m SEK
Net Debt (2025Q1)	-103.9m SEK
30 Day Avg Vol	933 K
Dividend Yield	N/A

Top Holders

Name	Ownership
Fjärde AP-fonden	9.98%
Första AP-fonden	6.63%
Avanza Pension	6.33%
Alecta Tjänstepension	4.92%
The Invus Group	3.81%
Henrick Schill	1.79%
Brushamn Invest AB	1.36%
Johan Bard	1.31%
Tibia Konsult AB	1.13%
Nordnet Pensionsförsäkring	1.08%

Redeye Equity Analysts



Richard Ramanius
richard.ramanius@redeye.se

More research on Cantargia



Scan the QR code to access all Redeye publications and research tools regarding Cantargia.

redeye.se/company/cantargia

Cantargia: Large License Deal

Redeye comments on Cantargia's license deal with Otsuka Pharmaceutical, which is transformative for the company since it means both CAN10 (the deal's target) and nadunolimab (the main candidate) are now funded.

Today, Cantargia announced Otsuka Pharmaceutical's acquisition of CAN10, an antibody in phase I and almost phase II-ready developed for inflammatory diseases, particularly the skin disease hidradenitis suppurativa. Cantargia will receive USD33m upfront and milestones (including commercial ones) of up to USD580m plus tiered double-digit royalties. This is essentially in line with our estimate in Q1 (USD20m upfront, USD680m in milestones and 13% royalty), but the upfront is higher. Otsuka is a reasonably large corporation with more than 5000 employees that can take CAN10 to the market by itself.

This deal comes at the right moment in time, as Cantargia only had cash until Q4 before raising some money from a loan one month ago to prolong the runway slightly. With a cash injection of USD33m (almost SEK320m), Cantargia will not have to worry about money for some time. With the current burn rate of SEK40-SEK45m per quarter, its cash (SEK104m as of Q1) will last more than two years now, although the burn rate will likely change depending on what trials Cantargia decides to fund in the future. Importantly, Cantargia will receive future milestone income if CAN10 progresses (which we believe it has a good probability of doing), which can fund Cantargia's future operations.

With CAN10 leaving phase I and scheduled to start phase II in Q4, and nadunolimab also needing to undergo a phase IIb/III study in an oncology indication, the deal means all programmes can be funded in the medium term. Without this deal, the programmes would have had to be paused. Otsuka takes all costs for CAN10, and the upfront should be enough to develop nadunolimab in an oncology indication, which could be pancreatic cancer in IL1-RAP high patients selected with an assay now in development.

We have updated our valuation of Cantargia by entering the actual deal conditions for CAN10 and raising the likelihood of approval to 19% (18%). With nadunolimab now funded for further development, we have also increased the likelihood of approval slightly across all indications. This results in a new base case of SEK9 (previously SEK6). We expect a readout from the phase IIb study TRIFOUR in triple-negative breast cancer at any time now. This is another major trigger. The share had a very positive reaction this morning, increasing over 150% and has passed SEK3 as of this writing. However, it was trading at a record low-level when the deal was announced and still only has caught up to the levels it traded at around a year ago, so we see potential for further increase.

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