

Cantargia: Cash Runway Extended into 2025

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Redeye comments on the directed share issue of SEK59m to the main institutional investors, which sets the company up for readouts with CAN10 and TRIFOUR (breast cancer) in 2024.



Richard Ramanius

The rights issue of SEK59m was made with no discount, although you could argue that the current low share price is a discount from the fundamental value. Importantly, this means that a rights issue in the short term is unlikely. Cantargia is now funded past topline readouts of the phase I trial of CAN10 and the phase II trial of CAN04 (nadunolimab) in breast cancer (TRIFOUR) in 2024. Any new funding round would logically be made on the back of these readouts later in 2024; furthermore, one would hope that the biotech bear market improves next year, leading to a better sentiment.

In addition to general costs, the money raised will be used in the preparation of the phase IIb trial in pancreatic cancer. We believe the money needed to fund this study would be obtained either through a directed share issue to new specialist investors or potentially (and perhaps less likely) through a partner. If no such options are available, we believe Cantargia will wait for the market and the share price to improve before considering raising the funds needed, as the company already has two comparatively large trials ongoing with significant value drivers in 2024, so the pancreatic indication is not essential to drive shareholder value in the short term.

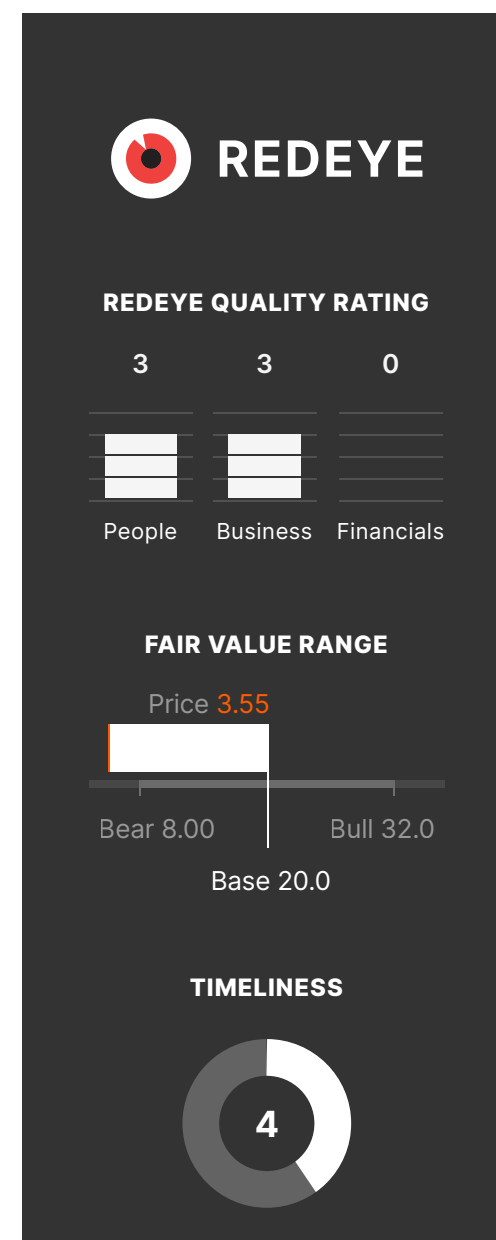
The rights issue will lead to some dilution affecting our base case, but we will await the Q3 report on 10 November before making any changes.

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KEY STATS

Market Cap	652.0 MSEK
Entprs. Value (EV)	498.5 MSEK
Net Debt (2023e)	-153.5 MSEK
30 Day Avg Vol	468 K
Shares Outstanding	183.7M
Price / Earnings	N/A
PEG	0.0
Dividend Yield	N/A

Data from 2023-10-31 13:01

IMPORTANT INFORMATION

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