Cantargia: New Nadunolimab Data

Cantargia **Research Note** 2024-09-09 13:00

Redeye comments on new data from PANFOUR in lung cancer and CIRIFOUR in combination with pembrolizumab.

Richard Ramanius

New data from 40 patients enrolled in CANFOUR were published today. The ORR in all 40 patients was 55%, practically the same number as in the previous readout from 30 patients (ORR = 53%). However, a new analysis shows the difference between the first- and second-line patients was significant. Paradoxically, it was in favour of the second line with an ORR of 72% versus 41%, a progression-free survival of 7.6 versus 6.7 and an overall survival of 15.7 versus 11.5. Almost all second-line patients hade previously been treated with a checkpoint inhibitor. This must have changed the tumour's micro-environment and made it more susceptible to nadunolimab and chemotherapy. Analysis of biopsies show that second-line patients had more IL1RAP positive immune-cells, CD163+ macrophages, CD56+ NK cells and CD8+ T cells. The likely mode of action of nadunolimab is silencing and removing immune-suppressive cells, some of which might have been activated through previous treatment with checkpoint inhibitors. We think this result is further evidence of nadunolimab's efficacy. It suggests using nadunolimab in second-line lung cancer, especially in non-squamous patients where the ORR was 92% (n=12). One might also consider adding nadunolimab to a checkpoint inhibitor in the first line, perhaps some cycles into the treatment when patients do not respond or stop responding.

In CIRIFOUR, the ORR was 7% (1/15) and the disease control rate was 60% (9/15). Patients were a mix of head and neck cancer (9), lung cancer (5) and melanoma (1). The median overall survival was 19.7 months. The primary objective of this phase Ib study was safety. The combination of nadunolimab and pembrolizumab (Keytruda) was well tolerated with only one dose-limiting toxicity: grade 3 febrile neutropenia. These results support further development of nadunolimab in combination with pembrolizumab.

Second-line non-squamous non-small cell lung cancer looks attractive for further development. However, Cantargia has limited funds and will focus on pancreatic cancer which is even more promising due to less competition, so it would probably be up to a partner to further explore lung cancer or combination treatments with checkpoint inhibitors. We do not make any changes to our base case (SEK14) based on the new data.

REDEYE

REDEYE QUALITY RATING

3	3	0
People	Business	Financials

FAIR VALUE RANGE

Price 4.16

Bear 6.00 | Base 14.0 | Bull 28.0

TIMELINESS

4

KEY STATS

Market Cap	**764.1 MSEK**
Entprs. Value (EV)	**561.2 MSEK**
Net Debt (2024e)	**-202.8 MSEK**
30 Day Avg Vol	**209 K**
Shares Outstanding	**183.7M**
Price / Earnings	**N/A**
PEG	**0.1x**
Dividend Yield	**N/A**

Data from 2024-09-09 13:01

IMPORTANT INFORMATION

All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

Redeye, Mäster Samuelsgatan 42, 10tr, Box 7141, 103 87 Stockholm. Tel. +46 8-545 013 30
E-post: info@redeye.se

Disclaimer

Important information

Redeye AB ("Redeye" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within Corporate Broking, Corporate Finance, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se. Redeye was founded in 1999 and since 2007 has been subject to the supervision of the Swedish Financial Supervisory Authority.
Redeye is licensed to; receive and transmit orders in financial instruments, provide investment advice to clients regarding financial instruments, prepare and disseminate financial analyses/recommendations for trading in financial instruments, execute orders in financial instruments on behalf of clients, place financial instruments without position taking, provide corporate advice and services within mergers and acquisition, provide services in conjunction with the provision of guarantees regarding financial instruments and to operate as a Certified Advisory business (ancillary authorization).

Limitation of liability

This document was prepared for information purposes for general distribution and is not intended to be advisory. The information contained in this analysis is based on sources deemed reliable by Redeye. However, Redeye cannot guarantee the accuracy of the information. The forward-looking information in the analysis is based on subjective assessments about the future, which constitutes a factor of uncertainty. Redeye cannot guarantee that forecasts and forward-looking statements will materialize. Investors shall conduct all investment decisions independently. This analysis is intended to be one of a number of tools that can be used in making an investment decision. All investors are therefore encouraged to supplement this information with additional relevant data and to consult a financial advisor prior to an investment decision. Accordingly, Redeye accepts no liability for any loss or damage resulting from the use of this analysis.

Potential conflict of interest

Redeye's research department is regulated by operational and administrative rules established to avoid conflicts of interest and to ensure the independence of its analysts. The following applies:

- For companies that are the subject of Redeye's research, the applicable rules include those established by the Swedish Financial Supervisory Authority pertaining to investment recommendations and the handling of conflicts of interest. Furthermore, Redeye employees are not allowed to trade in financial instruments of the company in question, from the date research is initiated until it is published.
- An analyst may not engage in corporate finance transactions without the explicit approval of management and may not receive a remuneration directly linked to such transactions.
- Readers of these reports should assume that Redeye may have received or will receive remuneration from the company/companies cited in the report for the performance of financial advisory services. Such remuneration is of a predetermined amount and is not dependent on the content of the research.

Redeye’s research coverage

Redeye’s research analyses consist of case-based analyses, which imply that the frequency of the analytical reports may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

Recommendation structure

Redeye does not issue any investment recommendations for fundamental analysis. However, Redeye has developed a proprietary analysis and rating model, Redeye Rating, in which each company is analyzed and evaluated. This analysis aims to provide an independent assessment of the company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

Duplication and distribution

This document may not be duplicated, reproduced or copied for purposes other than personal use. The document may not be distributed to physical or legal entities that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

CONFLICT OF INTERESTS

Richard Ramanius owns shares in the company : No.
Redeye performs/has performed services for Cantargia and receives/has received compensation from these Companies in connection with this.