EDISON

Cantargia

Financing update

Announcement of rights issue

Pharma and biotech

Cantargia has announced that it has resolved to carry out a rights issue of approximately SEK250m. The proceeds of the raise will be used to fund the clinical development of Cantargia's lead asset, the IL1RAP-targeting antibody, nadunolimab (CAN04), as well as progress its second antibody programme, CAN10. Encouraging clinical data was presented at ASCO and also at the company's recent R&D day, which highlighted positive results from the CANFOUR programme in non-small cell lung cancer (NSCLC, Phase IIa) and first-line pancreatic ductal adenocarcinoma (PDAC, Phase I/IIa). Resolution of the rights issue is subject to approval by shareholders at an extraordinary general meeting to be held on 21 July. At the time of writing, Cantargia's shares had decreased by c 30% on the news due to potential future dilution for existing shareholders.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (€)	P/E (x)	Yield (%)
12/20	0.0	(173.1)	(1.94)	0.0	N/A	N/A
12/21	0.0	(370.3)	(3.70)	0.0	N/A	N/A
12/22e	0.0	(368.5)	(3.68)	0.0	N/A	N/A
12/23e	0.0	(369.1)	(3.68)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

The CAN04 programme continues to maintain momentum with positive data readouts initially introduced at ASCO and, more recently, at Cantargia's R&D day. With all clinical data points now collated in the Phase I/IIa arm of the CANFOUR trial in PDAC, the company is preparing for the pivotal Phase II/III study in PDAC (in collaboration with PanCAN). The trial is currently going through the necessary regulatory approval process and is progressing according to plan. In the Phase IIa CANFOUR NSCLC trial additional patient data will be captured in 2022, the output of which will feed into the subsequent trial design with intended next steps being the initiation of a randomised study in 2023. Cantargia is also conducting investigations to broaden the CAN04 programme to target new indications and potential future growth opportunities. CAN10, which is being assessed for the treatment of autoimmune/inflammatory diseases, is planned to enter clinical development in early 2023.

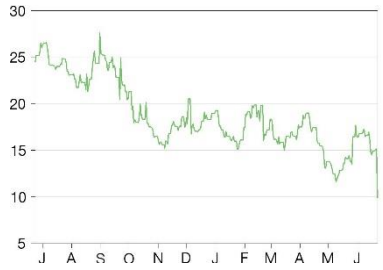
Full terms of the rights issue are expected to be announced on or around 18 July, which will include the subscription price, increase in share capital and the number of new shares. The rights issue is fully backed by subscription undertakings and intentions from existing shareholders equivalent to c 35% and underwriting guarantee commitments equivalent to c 65%. With cash and short-term investments of SEK443m at end Q122, we believe Cantargia is funded well into 2023. We expect the issue to be completed by early August 2022, at which point we will update our forecasts.

23 June 2022

Price	**SEK10.9**
Market cap	**SEK1.09bn**

Net cash and short-term investments (SEKm) at 31 March 2022	443
Shares in issue	100.2m
Free float	98%
Code	CANT
Primary exchange	Nasdaq Stockholm
Secondary exchange	N/A

Share price performance



Business description

Cantargia is a clinical-stage biotechnology company based in Sweden. It is developing two assets against IL1RAP, CAN04 and CAN10. CAN04 is being studied in several solid tumours with a main focus on NSCLC and PDAC. The most advanced trial is in Phase II.

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