EDISON

Cantargia

Clinical update

First patient treated under CIRIFOUR trial

Pharma and biotech

Cantargia announced the first patient treatment under the extension arm of its Phase Ib clinical trial CIRIFOUR, evaluating lead asset CAN04 (IL1RAP-binding antibody, nadunolimab) as first-line treatment for non-squamous non-small cell lung cancer (NSCLC) in combination with checkpoint inhibitor Keytruda (pembrolizumab) and platinum-based chemotherapy. The study will recruit up to 24 patients and is designed to incorporate a dose escalation phase and an optional evaluation phase using the optimal dose. Each phase will recruit 12 patients. The objectives will be to assess safety, efficacy and effect on biomarkers. We see this as a positive development towards progression of Cantargia's clinical programme. The study will be undertaken across five clinical sites in the United States, with the dose escalation phase expected to complete in 12 months.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	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	(393.8)	(2.95)	0.0	N/A	N/A
12/23e	0.0	(367.5)	(2.20)	0.0	N/A	N/A

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

The first stage of the CIRIFOUR clinical trial (nadunolimab + pembrolizumab in NSCLC) highlighted the potential to add another therapy to the existing combination. Therefore, under the second stage (Phase Ib), the impact of nadunolimab/pembrolizumab combination is being assessed along with carboplatin/pemetrexed, a platinum-based chemotherapy usually used with pembrolizumab for first-line treatment of non-squamous NSCLC. The study design (n=24) incorporates a dose escalation phase, followed by an optional evaluation phase for the optimal dose. Out of the total 24 non-squamous NSCLC patients, 12 will be treated with dose-escalated nadunolimab, with standard doses of pembrolizumab and carboplatin/pemetrexed. The optimal dose of nadunolimab may be evaluated in a further 12 patients. The optional study may be further conducted with an additional 12 patients during the second optional stage. The primary objective is safety with secondary objectives including assessment of antitumor activity and effects on biomarkers.

As a reminder, in June 2022, Cantargia reported interim results for its lead IL1RAP antibody, nadunolimab (CAN04) for Phase IIa trial in NSCLC (CANFOUR), Phase I/IIa trial in first-line pancreatic cancer (PDAC, CANFOUR) and Phase Ib trial in combination with pembrolizumab (CIRIFOUR) at the American Society of Clinical Oncology 2022 annual meeting (31 May 2022). For CIRIFOUR, the interim data indicated good tolerability of the combination and achievement of disease control for at least 30 weeks (up to 58 weeks) in six out of 15 patients. The study was expanded in August 2021 to include platinum-based chemotherapy in addition to the existing nadunolimab + pembrolizumab combination in NSCLC patients.

We see the current announcement as an encouraging development for the CIRIFOUR clinical trial and the company's development pipeline. Our valuation remains unchanged from the previous report.

22 September 2022

Price	**SEK3.54**
Market cap	**SEK591m**
	SEK/US$ 11.06
Pro-forma net cash (SEKm) at end-August 2022	575.2
Shares in issue	167.0m
Free float	99%
Code	CANT
Primary exchange	Nasdaq Nordic
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 pancreatic cancer. The most advanced trial is in Phase II.

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