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Press release

Cantargia AB  
556791-6019  
16 December 2020

## Cantargia has completed a directed share issue of approximately SEK 564 million

**16 December 2020 – The board of directors of Cantargia AB (publ) (“Cantargia” or the “Company”) (Nasdaq Stockholm: CANTA) has, as indicated in the Company’s press release 15 December 2020, resolved to issue not more than 9,100,548 shares (the “Directed Share Issue”), based on the authorization granted by Cantargia’s annual general meeting on 27 May 2020. The subscription price in the Directed Share Issue is SEK 62 per share and has been determined through an accelerated book building procedure. Through the Directed Share Issue, Cantargia will receive proceeds amounting to approximately SEK 564 million before transaction related costs. Investors in the Directed Share Issue are a wide range of Swedish and international investors, including AFA Försäkring, Swedbank Robur, Invus Public Equities LP, Point72 Asset Management, Handelsbanken Fonder and Granite Point Capital.**

The net proceeds from the Directed Share Issue are intended to be used to (i) advance the Company’s lead drug candidate, CAN04, which includes a broader program with clinical studies in new indications such as triple negative breast cancer. The broadening is based on the recent encouraging results with CAN04 in combination with chemotherapy, (ii) advance the development of CAN04 in non-small cell lung cancer and pancreatic cancer including additional preparations towards phase III, (iii) CAN10 clinical development planned to start early 2022 and continued activities in the platform project CANxx and (iv) for general corporate purposes and financial flexibility.

*“We are truly excited about the recent positive results in the CAN04 project and the subsequent interest from investors in bringing Cantargia’s pipeline forward. Thereby, we can continue with high speed towards our goal of new treatment alternatives for patients with life threatening diseases”, says Göran Forsberg, CEO of Cantargia. “We would like to thank existing and new investors for this valuable support”.*

The reasons for the deviation from the shareholders’ pre-emptive rights are to raise capital in a timely and cost-efficient manner and to diversify the shareholder base. The board of directors’ assessment is that the subscription price in the Directed Share Issue was set in accordance at market conditions, since it was determined through an accelerated book building procedure.

The Directed Share Issue will entail a dilution of approximately 9 percent of the number of outstanding shares and votes in the Company based on the number of shares and votes after the Directed Share Issue. Calculated prior to the Directed Share Issue the dilution will amount to approximately 10 percent. Through the Directed Share Issue, the number of outstanding shares and votes will increase by 9,100,548 from 91,092,189 to 100,192,737. The share capital will increase by SEK 728,043.84 from SEK 7,287,375.12 to SEK 8,015,418.96.

In connection with the Directed Share Issue, the Company has undertaken, subject to customary exceptions, not to issue additional shares for a period of 180 calendar days after the settlement date. In addition, the Company’s CEO and CFO as well as the members of the board of directors of Cantargia who own shares, have agreed not to sell any shares in the Company for a period of 90 calendar days, subject to customary exceptions.

### Advisers

Carnegie Investment Bank AB (publ), Van Lanschot Kempen Wealth Management N.V. (“Kempen & Co”) and Oppenheimer & Co. Inc. have acted as Joint Bookrunners (jointly referred to as the “**Joint Bookrunners**”) in connection with the Directed Share Issue. Advokatfirman Vinge acted as legal counsel to the Company, and Baker McKenzie acted as legal counsel to the Joint Bookrunners.

**For further information, please contact:**

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*This is information that Cantargia AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person above, on 16 December 2020 at 01:00 (CET).*

**About Cantargia**

Cantargia AB (publ), reg. no. 556791-6019, is a biotechnology company that develops antibody-based treatments for life-threatening diseases. The basis for this is the protein IL1RAP that is involved in a number of diseases and where Cantargia has established a platform. The main project, the antibody CAN04, is being studied clinically as combination therapy with chemotherapy or immune therapy with a primary focus on non-small cell lung cancer and pancreatic cancer. Positive interim data from the combination with chemotherapy show a higher response rate than would be expected from chemotherapy alone. Cantargia's second project, the antibody CAN10, addresses treatment of serious autoimmune/inflammatory diseases, with initial focus on systemic sclerosis and myocarditis.

Cantargia is listed on Nasdaq Stockholm (ticker: CANTA). More information about Cantargia is available at [www.cantargia.com](http://www.cantargia.com).

**About CAN04**

The antibody CAN04 binds strongly to the target IL1RAP and functions both through ADCC as well as blocking IL-1 $\alpha$  and IL-1 $\beta$  signaling. Thereby, CAN04 can counteract the contribution of the IL-1 system to the immune suppressive tumor microenvironment and development of resistance to chemotherapy. CAN04 is investigated in two clinical trials. In the first phase I/IIa-study, CANFOUR, first line combination therapy is investigated using two different standard chemotherapies in 31 patients with NSCLC (gemcitabine/cisplatin) and 31 patients with PDAC (gemcitabine/nab-paclitaxel), as well as monotherapy in late stage patients (<https://clinicaltrials.gov/ct2/show/NCT03267316>). Phase I monotherapy data from 22 patients were presented at ASCO 2019 and showed good safety with infusion related reaction being the most common side effect. In addition, the biomarkers IL6 and CRP decreased during treatment. Positive interim data from the combination arms was presented during H2 2020 and showed a higher response rate than expected from chemotherapy alone. A phase I study investigating CAN04 in combination with an immune checkpoint inhibitor started H2 2020 (<https://clinicaltrials.gov/ct2/show/NCT04452214>). Additional clinical combination studies are planned to start during 2021.

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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Cantargia has not authorised any offer to the public of shares or other securities in the United Kingdom or any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" within the meaning of the Prospectus Regulation who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this press release and should not act or rely on it.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners.

The Joint Bookrunners are acting only for the Company in connection with the Directed Share Issue and no one else. They will not regard any other person as their respective clients in relation to the Directed Share Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Directed Share Issue, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

#### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Cantargia have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Cantargia may decline and investors could lose all or part of their investment; the shares in Cantargia offer no guaranteed income and no capital protection; and an investment in the shares in Cantargia is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Cantargia.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Cantargia and determining appropriate distribution channels.

This is a translation of the Swedish version of the press release. In case of discrepancies, the Swedish wording shall prevail.