INTERIM REPORT

January - March 2021

Heading for new milestones

FIRST QUARTER

- Net sales: SEK 0 (0) million
- Operating loss: SEK -73.2 (-39.9) million
- Loss after tax: SEK –72.6 (-40.0) million
- Loss per share: before and after dilution, SEK -0.72 (-0.49)
- Equity/assets ratio: 94 (95) per cent
- Cash and cash equivalents: SEK 176.4 (237.2) million
- Short-term investments: SEK 666.0 (259.6) million

Significant events in the first quarter

- The first patient with pancreatic cancer started treatment in the extension part of the CANFOUR study
- An application was submitted to start a new phase Ib clinical study on combination treatment with CAN04 and FOLFIRINOX in pancreatic cancer
- Positive preclinical safety and efficacy results were presented for the CAN10 antibody

Significant events after the end of the period

- Preclinical results for the CAN10 antibody were presented at the IMMUNOLOGY2021 conference
- A letter of intent was signed with GEICAM to conduct a clinical study with CAN04 in combination with carboplatin/gemcitabine in triple negative breast cancer
- Positive interim results were presented from the CANFOUR study showing an improved progression-free survival and overall survival for combination treatment with CAN04 and chemotherapy in pancreatic cancer, compared to historical control data

Comments on significant events

Alongside the evaluation of CAN04 and gemcitabine/nab-paclitaxel in pancreatic cancer in CANFOUR, treatment of the first patient in an extension part of this study was started. The aim is to obtain more information on the relationship between dose, safety and efficacy. The study protocol has been simplified to shorten the time for tests before the start of treatment. Around 20–40 patients are expected to be recruited over a 6-month period.

An application for a third clinical study with CAN04 was submitted to the relevant authorities in France and Spain to further investigate the potential of CAN04 in combination with chemotherapy in pancreatic cancer. The study will include up to 30 patients and will evaluate CAN04 combination treatment with FOLFIRINOX, a chemotherapy that is one of the two most common first-line treatments for this type of cancer.

The CAN10 project progressed during the period with positive preclinical results on both safety and efficacy. In the first toxicology study with CAN10, no toxicity was observed in single dose treatment up to 50 mg/kg and expected levels of CAN10 were measured in the blood. In a preclinical model of myocarditis, CAN10 reduced inflammation and fibrosis and also showed an ability to counteract the deterioration in cardiac function. Results from this and other preclinical models were presented at the annual conference of the American Association of Immunologists, IMMUNOLOGY2021.

Cantargia intends to broaden the development of CAN04 to cover additional cancer types. As part of this effort, a letter of intent was signed with the Spanish Breast Cancer Group (GEICAM) to conduct a clinical study in which CAN04 will be evaluated with carboplatin/gemcitabine in patients with triple negative breast cancer. After an initial safety phase, the second part of the study will be conducted against a control group.

Additional positive interim results were presented from the CANFOUR study, where treatment with CAN04 and gemcitabine/nab-paclitaxel is evaluated in pancreatic cancer patients. The results are strong compared to historical control data for chemotherapy alone. Both durable responses as well as five patients with so-called pseudoprogression, which is an unusual observation in these types of patients. Overall, this resulted in progression-free survival of 7,8 months and an overall survival of 12.6 months.

CHIEF EXECUTIVE'S REVIEW

Heading for new milestones

Following our successes in 2020 with positive clinical interim results in the ongoing CANFOUR study and backed by strong cash flow, Cantargia continues to move forward. In parallel with generating long-term efficacy data in our clinical trials in pancreatic cancer and non-small cell lung cancer, we have started to broaden our development activities by using the knowledge we have generated with CAN04 as combination treatment with chemotherapy. The strategy aims to increase the value of the project, and it is our hope that CAN04 will in the future become a treatment option for several large patient groups where there is currently a strong medical need.

In 2020, the recruitment of the primary group of patients with pancreatic cancer was completed in the CANFOUR study, laying the foundation for analyses of long-term effects. Recently, we were able to present clear long-term effects of the combination with CAN04 and the chemotherapy regimen gemcitabine/nab-paclitaxel in pancreatic cancer. The results are very promising and we see that the 33 patients included in the efficacy analysis show progression-free survival of 7,8 months and median survival of 12.6 months. This is considerably longer than what is expected with chemotherapy alone, where historical data show progression-free survival of 5.5 months and overall survival of 8.5 months for these patients. We can also see that several patients that show a response to treatment or display a so-called pseudoprogression, have a therapeutic response that is durable for over a year, and many of these patients are still on treatment. Pseudoprogression has previously been observed, for example, following treatment of malignant melanoma by immunotherapy, but not in pancreatic cancer. In the patients in the CANFOUR study, this is characterized by a stable of shrinking tumor size, followed by a reduction of the biomarker CA19-9. The overall results are both positive and unique.
To meet formal requirements, there is also an advantage of having data at additional dose levels of CAN04 before we enter registrational studies. In the first quarter, treatment of the first patient in the extension part of the study in pancreatic cancer was therefore initiated. The recruitment of patients is expected to take about six months. Apart from this, we are currently carrying out activities to prepare for the next phase of development.

The obtained results show that pancreatic cancer is a highly interesting disease for us to study. In addition to the chemotherapy treatment used in the CANFOUR study, FOLFIRINOX is also used as an option in about half of the patients in first-line treatment. We have seen that platinum-based chemotherapy drugs appear to be particularly effective when combined with CAN04, and since FOLFIRINOX is based on such a drug, we are initiating a study in which CAN04 is studied in that combination. The protocol for this study was sent to the relevant authorities in March and we hope to be able to start treatment of patients in the second quarter of 2021.

In addition to our activities in pancreatic cancer, good progress is being made in our studies in lung cancer. This applies to the CAN04 and chemotherapy combination in the CANFOUR study, as well as the ongoing CIRIFOUR study, where CAN04 is combined with the immunotherapy pembrolizumab. The reporting of results will depend on patient recruitment, but we are currently planning to provide updated results on the chemotherapy combination in the third quarter and on the immunotherapy combination in the second half of 2021. We also look forward to seeing the results from the new studies we are initiating in other cancers such as triple negative breast cancer, colon cancer and bile duct cancer as well as the broadening we are planning in non-small cell lung cancer.

During the quarter, the pharmaceutical company Novartis published results from a phase 3 clinical study with the antibody canakinumab, which affected our share price. While it has some similarities to canakinumab, CAN04 has a much broader mechanism of action. With the data we have generated and with our more selective development strategy, we are confident that we are on the right track. Longer-term, it is our opinion that we will be in a much stronger and more exclusive situation with these results than if canakinumab had achieved statistical significance, which likely would have led to increased competition. We already know that several companies have started activities in the past year related to the biological mechanism we are studying and that competition is slowly but surely increasing despite the results from the canakinumab study.

Our second project, CAN10, has also made progress. Studies in various inflammatory disease models have shown that CAN10 has unique properties and we have recently presented data showing a very good effect in the treatment of myocarditis in animal models. Safety has also been studied as a single dose in an initial tox study and no side effects were noted. We expect to start clinical trials with CAN10 in early 2022 and the remaining steps in the form of completion of a production process as well as more extensive tox studies are proceeding according to plan.

Cantargia made good progress in the first few months of 2021 and we are confident about the coming development steps, as we have robust results to rely on, well thought-out strategies and good financing that will enable ambitious future activities. The coming quarters will be very exciting.

Göran Forsberg
CEO, Cantargia AB

ABOUT CANTARGIA

Cantargia is a Swedish biotech firm operating in the border-land between immunotherapy and targeted treatments, and develops targeted antibody-based treatments for life-threatening diseases. Thanks to the significant research advances made in recent years, both immunotherapy and targeted treatments have been added as new cancer treatment options, in addition to surgery, radiation therapy and chemotherapy. Intensive research is being conducted in this area and it is likely that many new treatment options will become available in the coming years.

Cantargia's research and development were born out of an important discovery at Lund University, where research on leukemic stem cells showed that the IL1RAP molecule was present on the cell surface of immature cancer cells. Continued research showed that this molecule is also present on cancer cells from a large number of tumor diseases. Modern drug development is aimed at identifying unique targets against which pharmaceutical substances can be aimed, and in this research IL1RAP has proved to be a highly interesting target. Cantargia's treatment against IL1RAP is unique, as it has a double mechanism of action and attacks the cancer cells directly while also suppressing tumor inflammation, which is one of the key drivers of tumor disease progression.

For CAN04, the company has initially focused on non-small cell lung cancer and pancreatic cancer. Lung cancer is the form of cancer that causes the largest number of deaths and non-small cell lung cancer is the most common form of the disease. Pancreatic cancer is very difficult to treat, and few effective treatments have so far been developed. Our development activities were recently broadened to include study of head and neck cancer, malignant melanoma and bladder cancer, and in 2021 more diseases will be studied, including triple negative breast cancer.

Targeted antibody treatments increase the chances of achieving an effective treatment with fewer side effects for patients. Cantargia's objective for CAN04 is clear: to develop a new drug which, individually or in combination with other drugs, can become an important part of tomorrow's cancer treatment. In a parallel project, the company is developing other antibodies against IL1RAP outside the field of cancer.

In the CAN10 project, the initial focus is on two serious autoimmune/inflammatory diseases: systemic sclerosis and myocarditis. The goal is to initiate clinical studies for CAN10 in early 2022.

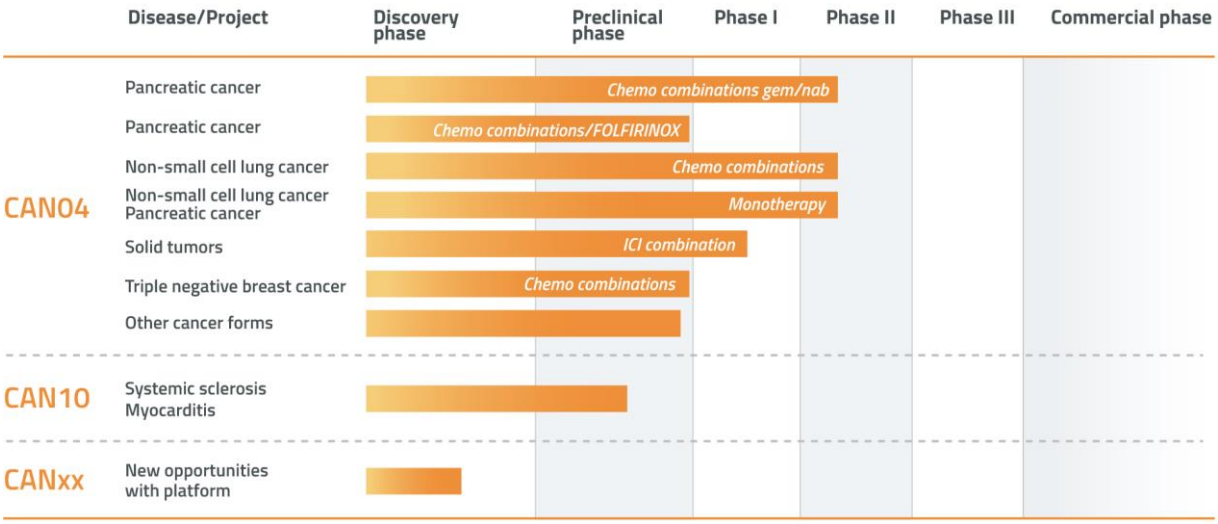
Vision

Cantargia's vision is to become an important part of tomorrow's more effective cancer treatment by developing a new generation of targeted immunotherapies against IL1RAP. Our ambition is to be able to broaden the use of the technology to several disease areas with significant medical needs, such as autoimmune/inflammatory diseases.

Our clinical program

Cantargia's first study, CANFOUR, evaluates the company's main candidate, CAN04, for treatment of non-small cell lung cancer and pancreatic cancer. CANFOUR is a phase I/IIa study and consists of two stages. In the first stage, the emphasis was on evaluating safety and dosage while the phase IIa stage is determining the effects of the treatment both as single agent therapy (monotherapy) and in combination with the standard treatments for non-small cell lung cancer and pancreatic cancer. The phase I results were very encouraging and indicated good safety as well as effects on certain biomarkers. Positive interim results from the phase IIa part also show a clear indication of efficacy of the combination therapy as more potent effects are observed in pancreatic cancer patients compared to what is expected for chemotherapy alone. The patients show durable responses or pseudoprogression, which

Cantargia's project portfolio



results in progression-free survival of approximately 8 months and overall survival of 12.5 months. Also in non-small cell lung cancer patients, a higher response rate is achieved compared to chemotherapy alone. In pancreatic cancer, an extension part has recently been started to provide a more robust picture of the relationship between dose, efficacy and safety.

In a second clinical study, CIRIFOUR, conducted in the United States, CAN04 is being studied in combination with immunotherapy. The study is performed in patients with non-small cell lung cancer, head and neck cancer, bladder cancer or melanoma no longer responding to immunotherapy. The patients will be treated with CAN04 and the immunotherapy pembrolizumab (Keytruda®) with the purpose to counteract the resistance acquired in these patients. The primary purpose of the trial regards safety, but in addition, biomarkers and efficacy will be studied. The first patients started therapy during the autumn of 2020 and first results are planned to be presented during H2 2021.

Business model

Cantargia's business model and scientific strategy are based on partnerships, and Cantargia has concluded agreements with a number of different companies, hospitals and academic groupings. Currently, around 50 international and local players are engaged in research and development related to Cantargia's CAN04 project. We are now building partnerships in a similar way in our new project, CAN10. The strategy is based on driving the development of our candidate drugs by in-house capacity.

Ongoing or planned clinical studies for CAN04

	Study	Disease	CAN04 combination	Status	Results
ONGOING	CANFOUR	NSCLC	Gemcitabine/cisplatin	Recruitment ongoing, expected to be finalized during Q2/Q3	Expected presentation during Q3
		PDAC	Gemcitabine/nab-paclitaxel	Recruitment for extension part ongoing, expected to be finalized during Q3	Results from main study presented in May 2021
	CIRIFOUR	NSCLC, HNSCC, melanoma, bladder cancer	Pembrolizumab	Recruitment ongoing, expected to be finalized during Q3	Expected presentation during H2
PLANNED	*	PDAC	FOLFIRINOX	Application phase	Estimation available upon initation of study
	*	TNBC	Gemcitabine/carboplatin	Expected application submission in Q2	Estimation available upon initation of study
	*	Colon cancer	FOLFOX	Expected application submission in Q2	Estimation available upon initation of study
		Bile duct cancer	Gemcitabine/Cisplatin		
		NSCLC	Docetaxel		

*Cantargia names clinical studies upon their initiation

Abbreviations: NSCLC – Non-small cell lung cancer; PDAC – pancreatic cancer; HNSCC – head and neck cancer; TNBC – triple negative breast cancer

CANTARGIA OPERATES IN A GROWING MARKET

Cancer is one of the most common causes of death in the world, accounting for around 20 per cent of deaths in the West. Globally, more than 19 million people are diagnosed with cancer each year and nearly 10 million lose their lives to cancer-related diseases. Despite significant advances in treatment and diagnosis, there is a great need for new treatment methods.

To maximise the effectiveness of the treatment, it is necessary to take into account the location of the tumor, spread and cell type, as well as the patient's general condition and other diseases. Thanks to the advances that have been made in cancer treatment, it is now standard practice to combine different cancer treatments as far as possible to achieve the best possible treatment results. Cantargia has initially focused on non-small cell lung cancer and pancreatic cancer, and recently also initiated studies in bladder cancer, head and neck cancer and malignant melanoma. These are IL1RAP-expressing cancers and immunotherapy is today one of the standard treatments for these diseases, as well as for non-small cell lung cancer.

The lung cancer market

In 2020, around 2.2 million new cases of lung cancer were diagnosed globally while more than 1.7 million people died as a result of lung cancer.[1] Around 85 per cent of all lung cancers are non-small cell lung cancer. In the United States, the number of people being diagnosed with lung cancer has declined by around 31 per cent over the past 14 years[2], while the number of people being diagnosed with the disease in countries like China and India as well as in European countries like Hungary, Denmark and Serbia is increasing.

Sales of drugs for non-small cell lung cancer totalled USD 19 billion in 2019 and are projected to increase to USD 33 billion

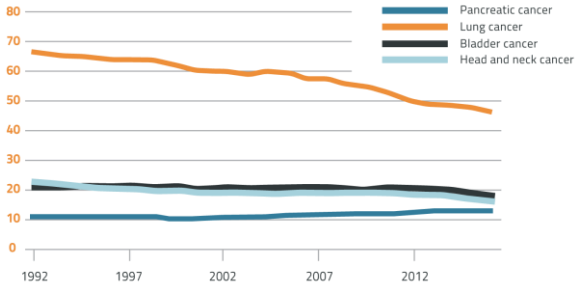
by 2029. Sales are being driven mainly by increasing use of various antibody-based immunotherapies. Another important factor driving the growth of the global market is the increasing incidence of lung cancer in many countries, as mentioned above.

The pancreatic cancer market

Worldwide, around 495,000 new cases of pancreatic cancer were diagnosed in 2020. In the same year, 466,000 people died from the disease. In the US, the number of people being diagnosed with the disease has increased by nearly 11 per cent over the past 14 years. Being hard to diagnose, the disease is difficult to treat, as it is often well advanced by the time it is discovered.

Number of new cancer cases in the US per 100,000 inhabitants

Source: SEER Cancer Statistics Review



The global market for pancreatic cancer treatment is expected to be worth USD 5.8 billion by 2029. In 2020, the market was worth around USD 2.5 billion.[3] The market is expected to grow by 11 per cent annually from 2020 to 2029. The main factor behind the growth of this market is the growing number of cancer cases, which in turn is driven by an aging population and the increasing incidence of diabetes, both of which are risk factors for developing this disease. Another factor why the market is expected to grow is improved diagnostics, which increases the chance of discovering pancreatic cancer at an earlier stage and thus enabling treatment. The number of people being diagnosed with pancreatic cancer is expected to grow by 55 per cent by 2030. This year, pancreatic cancer is expected to be the third most common cause of cancer-related deaths in the US.[4]

The head and neck cancer market

Head and neck cancer is a group of cancer indications that affect the lips, salivary gland, pharynx, nasal cavity, larynx and thyroid gland. The number of new annual cases of head and neck cancer in the 7MM countries is forecast to rise from 164,000 in 2020 to around 175,000 in 2025.[5] The global pharmaceutical market for head and neck cancer treatment was estimated at USD 1.3 billion in 2019 and is forecast to be worth USD 1.5 billion by 2025.[6] This represents an annual growth rate of 4 per cent from 2020 to 2025.

The bladder cancer market

Bladder cancer is the sixth most common form of cancer in men and the seventeenth most common form of cancer in women. The number of newly diagnosed yearly cases of bladder cancer is expected to increase from 225,000 in 2018 to 275,000 in 2028.[7] The bladder cancer market is forecast to grow by 18.5 per cent annually from 2018 to 2028.[7] The market was estimated at USD 732 million in 2018 and is forecast to grow to USD 3,990 million by 2028.[7]

The market for systemic sclerosis and myocarditis

Systemic sclerosis is a chronic autoimmune disease that is characterized mainly by inflammation and fibrosis of the skin and subcutaneous tissue as well as blood vessels and internal organs such as the lungs, heart and kidneys. The estimated annual incidence of the disease in North America is approximately 4.5 cases per 100,000 inhabitants and the corresponding figure in Europe is 1.8.[8] The estimated incidence of myocarditis is around 1.7 million and the disease accounts for around 46,400 deaths annually worldwide.[9]

Immunotherapy

In 2011, the first immunotherapeutic drug was approved by the U.S. Food and Drug Administration (FDA). Since then, the FDA has approved a number of new therapies. Of these, the four that have achieved the highest sales are Yervoy® (Bristol-Myers Squibb), Opdivo® (Bristol-Myers Squibb), Keytruda® (Merck & Co) and Tecentriq® (Roche). In 2017, these four therapies generated sales of around USD 10.4 billion, and sales grew to USD 22 billion in 2019.[10] In the first quarter of 2020, sales had increased by nearly 30 per cent compared with the same period in 2019. Lung cancer and malignant melanoma are two types of cancers that can be treated with these preparations.

1 Globocan 2020
2 https://www.lungcancer.org/find_information/publications/163-lung_cancer_101/268-types_and_staging
3 Market Research.com Pancreatic Cancer Therapeutics Market Research Report by Product (Chemotherapy and Targeted Therapy), by Type (Endocrine Pancreatic Cancer and Exocrine Pancreatic cancer) - Global Forecast to 2025 - Cumulative Impact of COVID-19
4 American Cancer Society, Cancer Facts & Figures 2020, 2020
5 GlobalData, OpportunityAnalyzer: Head and Neck Squamous Cell Carcinoma, March 2018
6 Markets and Research.biz Global Head and Neck Cancer Drugs/Therapeutics Market 2020 by Company, Regions, Type and Application, Forecast to 2025
7 GlobalData, Opportunity Analyzer: Bladder Cancer, April 2020
8 Best Pract Res Clin Rheumatol. 2018 Apr;32(2):223-240, Clin Epidemiol. 2019 Apr 18;11:257-2 and Ann Rheum Dis. 2014 Oct;73(10):1788-92
9 Lancet. 2018;392:1736-88
10 Sales data for the drugs have been obtained from the companies' year-end reports

FINANCIAL INFORMATION

Income

The company's revenues amounted to SEK 0.0 (0.0) million.

Operating expenses/operating loss

Research and developments costs totalled SEK 69.0 (36.1). The increased costs compared with the previous year is primarily related to Cantargia's main project, CAN04, and especially for the clinical study CANFOUR and the new combination study CIRIFOUR in the US. Investments in production development (CMC) and costs for preclinical studies for CAN10 also increased.

Administrative expenses were SEK 3.4 (3.4) million.

Other operating expenses, which comprise foreign exchange differences on trade payables, totalled SEK 0.8 (0.4) million. Other operating expenses are mainly related to the Swedish krona's currency rates variations, against EUR.

The operating loss was SEK -73.2 (-39.9) million.

Net financial income/expense

Net financial income/expense consists substantially of foreign exchange differences on the company's currency accounts and interest earned on short-term investments in fixed-rate accounts and fixed income funds. Net financial income/expense for the first quarter was SEK 0.6 (0.0) million.

Earnings

Cantargia's pre-tax loss, which is the same as the loss for the period, was SEK -72.6 (-40.0) million.

Cash flow and investments

Cash flow from operating activities was SEK -61.2 (-31.7) million. As part of cash flow from operating activities, changes in working capital were SEK 10.5 (7.5) million.

Cash flow from investing activities totalled SEK -456.1 (-158.2) million. The cash flow from investing activities is essentially related to reallocations of other short-term investments in fixed interest accounts.

Cash flow from financing activities totalled SEK 0.0 (386.9) million. The outcome for the previous year is wholly related to the completion of a directed share issue.

The total change in cash and cash equivalents was SEK -517.2 (197.0) million.

Financial position

The company's cash and cash equivalents, which consist of cash and demand deposits with banks and other credit institutions, were SEK 176.4 (237.2) million at the balance sheet date. In addition to cash and cash equivalents, the company had short-term investments with banks and in fixed income funds in a total amount of SEK 666.0 (259.6) million. Total available funds, balances with banks and short-term investments amounted to SEK 842.4 (496.8) million.

Cantargia's equity/assets ratio at 31 March 2021 was 94 (95) per cent and equity was SEK 821.4 (489.2) million.

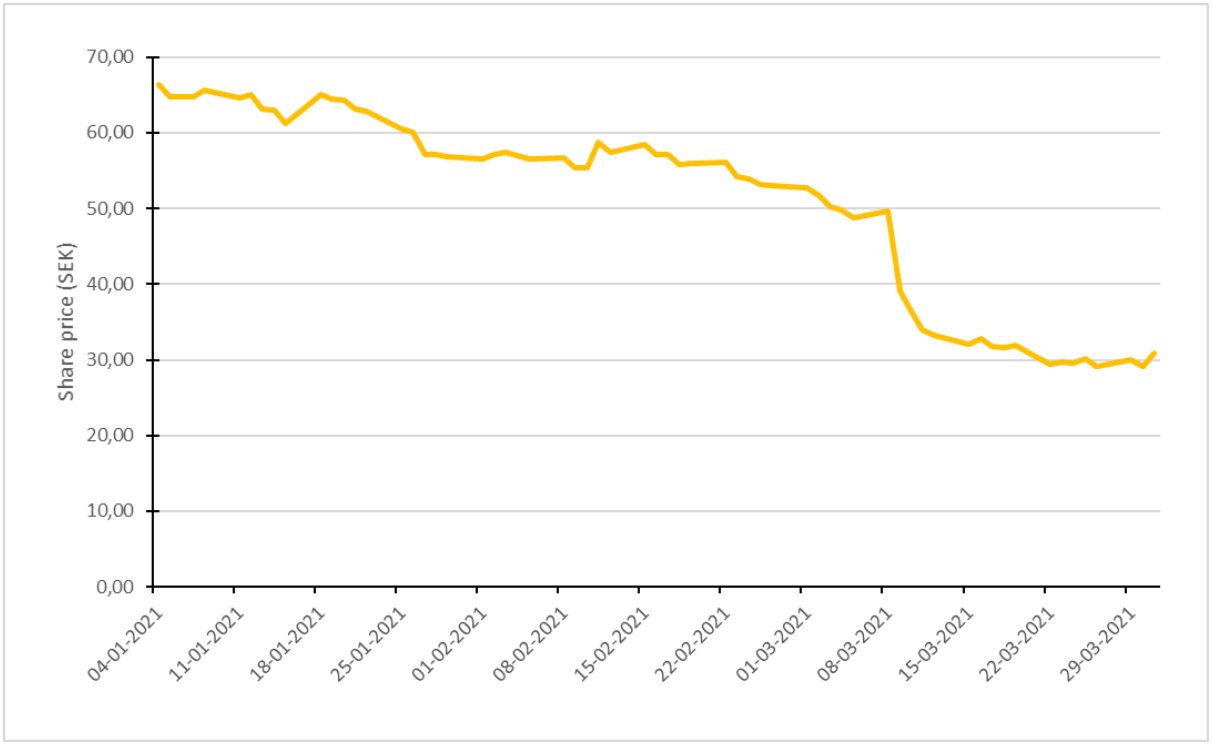
At the end of the period, total assets stood at SEK 876.2 (514.2) million.

SHAREHOLDER INFORMATION

Share information

As of 25 September 2018, Cantargia's shares have been listed on the main list of Nasdaq Stockholm, under the stock symbol "CANTA". On 31 March 2021, the number of shares was 100,192,737 (91,005,489).

Share price performance in 2021



Ownership distribution, 31 March 2021

Owner	Number of shares	Capital/Votes (%)
Swedbank Robur Fonder	9 701 665	9,7%
Fjärde AP-fonden	7 762 043	7,7%
Alecta Pensionsförsäkring, Ömsesidigt	6 814 596	6,8%
Första AP-fonden	6 324 244	6,3%
Six Sis AG	5 492 063	5,5%
Försäkringsaktiebolaget, Avanza Pension	3 909 936	3,9%
Handelsbanken fonder	3 107 922	3,1%
Sunstone Life Science Ventures Fund III K/S	2 970 032	3,0%
SEB AB, Luxemburg Branch	2 667 174	2,7%
Morgan Stanley & Co Intl PLC	1 581 000	1,6%
Other	49 862 062	49,8%
Total	**100 192 737**	**100,0%**

Ownership distribution by size class, 31 March 2021

Holding	Number of shareholders	Number of shares	Capital/Votes (%)	Market Cap (kSEK)
1 - 500	6 986	965 856	1,0%	29 845
501 - 1 000	1 269	1 032 117	1,0%	31 892
1 001 - 5 000	2 008	4 869 316	4,9%	150 462
5 001 - 10 000	466	3 417 384	3,4%	105 597
10 001 - 15 000	174	2 193 338	2,2%	67 774
15 001 - 20 000	113	2 008 522	2,0%	62 063
20 001 -	307	85 706 204	85,5%	2 648 322
Total	**11 323**	**100 192 737**	**100,0%**	**3 095 955**

OTHER INFORMATION

Employees

The average number of employees during the period January to March 2021 was 19 (13), of whom 12 (8) were women. Cantargia operates to a large extent through external partners.

Financial calendar

- Interim report January-March, 26 May 2021
- Interim report April-June, 19 August 2021
- Interim report July-September, 11 November 2021
- Year-end report 2021, 24 February 2022

Annual General Meeting 2021

The Annual General Meeting of Cantargia will be held on 26 May 2021.

Review by auditors

The interim report has not been reviewed by Cantargia's auditors.

Contact

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Interim reports and the annual report are available at www.cantargia.com.

Lund, 26 May 2021

Cantargia AB
Göran Forsberg, CEO

STATEMENT OF COMPREHENSIVE INCOME

(kSEK)	Note	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Operating income				
Net sales		-	-	-
Other operating income		-	-	-
Operating expenses	6			
Research and development costs	5	-68 996	-36 108	-158 396
Administrative costs		-3 412	-3 435	-14 919
Other operating expenses		-765	-395	-630
		-73 173	**-39 937**	**-173 945**
Operating loss		**-73 173**	**-39 937**	**-173 945**
Financial income and expense				
Interest income and similar items		572	408	860
Interest expense and similar items		-	-456	-1
		572	**-48**	**859**
Loss before taxes		**-72 601**	**-39 985**	**-173 085**
Loss for the period *)		**-72 601**	**-39 985**	**-173 085**
Earnings per share before and after dilution (SEK) based on average number of shares		-0,72	-0,49	-1,94

*) No items are reported in other comprehensive income, meaning total comprehensive income is consistent with the loss for the period.

STATEMENT OF FINANCIAL POSITION

(kSEK)	Note	31-03-2021	31-03-2020	31-12-2020
ASSETS				
Fixed assets				
Intangible assets				
Patent		7 135	8 036	7 360
		7 135	**8 036**	**7 360**
Tangible assets				
Machinery and equipment		4 700	6 368	5 262
		4 700	**6 368**	**5 262**
Total fixed assets		**11 835**	**14 404**	**12 622**
Current assets				
Other receivables		5 179	1 420	2 673
Prepaid expenses and accrued income		16 765	1 607	6 846
		21 944	**3 027**	**9 519**
Short-term investments				
Other short-term investments		666 019	259 563	210 019
		666 019	**259 563**	**210 019**
Cash and bank balances				
Cash and bank balances		176 416	237 181	693 354
		176 416	**237 181**	**693 354**
Total current assets		**864 379**	**499 771**	**912 892**
TOTAL ASSETS		**876 214**	**514 175**	**925 514**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		8 015	7 280	8 015
		8 015	**7 280**	**8 015**
Non-restricted equity				
Share premium account		1 404 595	873 687	1 404 595
Retained earnings		-518 602	-351 823	-347 590
Loss for the period		-72 601	-39 984	-173 085
		813 392	**481 879**	**883 919**
Total equity		**821 407**	**489 160**	**891 935**
Long-term liabilities				
Provision for social security contributions, incentive program	8	1 417	-	3 111
		1 417	**-**	**3 111**
Short-term liabilities				
Trade payables		32 520	10 128	10 678
Tax liabilities		358	139	349
Other liabilities		987	445	859
Accrued expenses and deferred income		19 524	14 303	18 583
		53 390	**25 015**	**30 469**
TOTAL EQUITY AND LIABILITIES		**876 214**	**514 175**	**925 514**

STATEMENT OF CHANGES IN EQUITY

(kSEK)		Restricted equity		Non-restricted equity		Total
1 January 2021 - 31 March 2021	Note	Share capital	Paid not registered share capital	Share premium account	Retained earnings incl Loss for the period	Total equity
Opening balance 1 January 2021		**8 015**	**-**	**1 404 595**	**-520 676**	**891 934**
Loss for the period		-	-	-	-72 601	-72 601
Transactions with shareholders						
Employee stock option program	8	-	-	-	2 073	2 073
		-	-	-	2 073	2 073
Closing balance 31 March 2021		**8 015**	**-**	**1 404 595**	**-591 203**	**821 407**
1 January 2020 - 31 March 2020						
Opening balance 1 January 2020		**5 824**	**-**	**488 272**	**-351 823**	**142 273**
Loss for the period		-	-	-	-39 985	-39 985
Transactions with shareholders						
Issue of new shares for the year		1 456	-	408 069	-	409 525
Capital acquisition cost		-	-	-22 654	-	-22 654
		1 456	-	385 415	-	386 871
Closing balance 31 March 2020		**7 280**	**-**	**873 687**	**-391 808**	**489 159**
1 January 2020 - 31 December 2020						
Opening balance 1 January 2020		**5 824**	**-**	**488 272**	**-351 823**	**142 273**
Loss for the period		-	-	-	-173 085	-173 085
Transactions with shareholders						
Issue of new shares for the year		2 184	-	971 575	-	973 759
Capital acquisition cost		-	-	-56 214	-	-56 214
Warrant program, TO 2017/2020	8	7	-	962	-	969
Employee stock option program	8	-	-	-	4 233	4 233
		2 191	-	916 323	4 233	922 747
Closing balance 31 December 2020		**8 015**	**-**	**1 404 595**	**-520 676**	**891 934**

STATEMENT OF CASH FLOWS

(kSEK)	Note	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Operating activities				
Operating loss		-73 173	-39 937	-173 945
Adjustments for non-cash items	7	1 237	1 095	10 592
Interest received etc.		290	107	501
Interest paid etc.		-	-456	-1
Cash flow from operating activities before changes in working capital		**-71 646**	**-39 191**	**-162 853**
Changes in working capital				
Change in receivables		-12 425	6 273	-219
Change in trade payables		21 843	-2 492	-1 943
Changes in other current liabilities		1 078	3 723	8 627
		10 495	**7 504**	**6 466**
Cash flow from operating activities		**-61 150**	**-31 687**	**-156 387**
Investing activities				
Acquisition of intangible assets		-	-8 111	-8 111
Acquisition of tangible assets		-71	-64	-890
Increase in other short-term investments		-531 000	-150 000	-225 000
Decrease in other short-term investments		75 000	-	125 000
		-456 071	**-158 175**	**-109 002**
Financing activities				
Issue of new shares for the year		-	409 525	973 759
Capital acquisition cost		-	-22 654	-56 214
Warrant program, TO 2017/2020		-	-	969
		-	**386 871**	**918 514**
Change in cash and cash equivalents		-517 221	197 009	653 126
Cash and cash equivalents at beginning of period		693 354	39 870	39 869
Exchange rate difference in cash equivalents		282	302	359
Cash and cash equivalents at end of period *)		**176 416**	**237 181**	**693 354**

*) The company's cash and cash equivalents consist of cash and disposable balances with banks and other credit institutions.

KEY FIGURES

(kSEK)	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Net sales	-	-	-
Operating loss	-73 173	-39 937	-173 945
Loss for the period	-72 601	-39 985	-173 085
Average number of shares	100 192 737	81 298 237	89 380 405
Earnings per share before and after dilution (SEK) based on average number of shares	-0,72	-0,49	-1,94
Change in cash and cash equivalents	-517 221	197 009	653 126
Cash and cash equivalents	176 416	237 181	693 354
Short-term investments	666 019	259 563	210 019
Equity end of period	821 407	489 160	891 935
Equity/assets ratio, %	94%	95%	96%
Average number of employees	19	13	15
Number of employees at end of period	19	14	18
R&D costs as a percentage of operating expenses	94%	90%	91%

Key performance indicators, definitions

Operating profit/loss, kSEK	Net sales less total operating expenses.
Earnings per share, SEK	Profit/loss for the period divided by average number of shares for the period.
Equity/assets ratio, %	Equity divided by total capital.
R&D costs as a percentage of operating expenses, %	Research and development costs divided by operating expenses.

NOTES

Note 1 General information

This full year report refers to Cantargia AB (publ) ("Cantargia"), corporate ID number 556791-6019. Cantargia has no subsidiaries.

Cantargia is a Swedish public limited company with registered office in Lund, Sweden. The company's address is Ideon Gateway, Scheelevägen 27, SE-223 63 Lund.

The interim report for the first quarter 2021 was approved for publication on 26 May 2021 in accordance with a resolution of the Board of Directors of 25 May.

Note 2 Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and IAS 34 Interim Financial Reporting.
The accounting policies applied in preparing this interim report are consistent with those used in preparing the annual report for 2020.

The interim report has been prepared using the cost method.
No IFRS or IFRIC interpretations that have not yet become effective are expected to have a material impact on the company.
Cantargia applies the alternative performance measures issued by the European Securities and Markets Authority (ESMA).

Note 3 Information on risks and uncertainties

Operational risks

Research and drug development up to approved registration is subject to considerable risk and is a capital-intensive process. The majority of all initiated projects will never reach market registration due to the technological risk such as the risk for insufficiency efficacy, intolerable side effects or manufacturing problems. If competing pharmaceuticals capture market share or reach the market faster, or if competing research projects achieve better product profile, the future value of the product portfolio may be lower than expected. The operations may also be impacted negatively by regulatory decisions, such as approvals and price changes. External factors such as COVID-19 may also impact the company negatively by hampering the company's possibilities to conduct clinical trials, get necessary regulatory approvals or conduct sales related activities. A more detailed description of the company's risk exposure and risk management can be found in the section "Risks and risk management" in the Directors' report on page 40 in the Annual Report for 2020.

Financial risk management

Cantargia' financial policy governing the management of financial risks has been designed by the board of directors and represents the framework of guidelines and rules in the form of risk mandated and limits for financial activities. The company is primarily affected by foreign exchange risk since the main part of the development costs are paid in EUR and USD. For more information about the company's financial risk management see note 3 on page 55 in the Annual Report for 2020.

Note 4 Critical judgements and estimates

The preparation of financial statements and application of accounting policies are often based on judgements, estimates and assumptions made by management which are deemed reasonable at the time when they are made. The estimates and assumptions applied are based on historical experience and other factors which are deemed reasonable under current circumstances. The results of these are then used to determine carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Any changes are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

The critical judgements and estimates that are of the greatest importance for Cantargia are described in Note 4 on page 57 in the Annual Report for 2020.

Note 5 Related party transactions

Cantargia has for several years had a research agreement with Lund University, where Thoas Fioretos, one of Cantargia's founders and a Director of Cantargia, is engaged in research. Under the agreement, Thoas Fioretos has undertaken, as part of his employment at Lund University, to conduct projects aimed at obtaining more knowledge about IL1RAP. Under the agreement, Cantargia has had the right to use and, where applicable, take over all research results from the projects at no cost. During the period January to March 2021, the company incurred a cost of kSEK - (231) under the agreement.

The Board considers that the above agreement has been concluded on commercial terms.

Note 6 Costs by nature of expense

On a "by nature" basis, the sum of expenses by function is distributed as follows.

(kSEK)	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Project costs	-60 352	-29 028	-121 897
Other external expenses	-4 357	-4 647	-15 985
Personnel expenses	-6 841	-5 228	-32 185
Other operating expenses	-765	-395	-630
Depreciation	-858	-639	-3 248
	-73 173	**-39 937**	**-173 945**

Note 7 Adjustments for non-cash items

(kSEK)	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Depreciation	-858	-639	-3 248
Employee stock option program	-380	-	-7 344
Value adjustment other short-term investments	-	-456	-
	-1 237	**-1 095**	**-10 592**

Note 8 Share-based incentive programs

Employee stock option program

At the Annual General Meeting on 27 May 2020, the shareholders approved the introduction of Employee Stock Option Scheme 2020/2023. The purpose of the scheme is to enable the company to retain skilled personnel through a long-term incentive scheme. For further information about this program, see Note 19 in the Annual Report for 2020.

Below is a summary of the total number of shares that granted options may entitle to as of March 31, 2021 Full exercise of granted options as of March 31, 2021, corresponding to a total of 1,887,000 shares, would result in a dilution of shareholders by 1.8 percent. If decided, but not allotted options, a further total of 13,000, are fully exercised, it would result in a total dilution of shareholders of 1.9 percent.

Changes in existing incentive programs during 2021 (number of shares)	
Granted instruments	
Employee stock option program 2020/2023	147 000
Exercised instruments	-
Lapsed instruments	-
Total change	**147 000**

Number of shares granted instruments may entitle to March 31, 2021	
Employee stock option program 2020/2023	1 887 000
Number of shares granted instruments may entitle to	**1 887 000**

SUBMISSION OF INTERIM REPORT

This is information that Cantargia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the Chief Executive Officer on 26 May 2021, at 8:30 a.m.

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