



Cantargia announces the terms of its fully covered rights issue

18 July 2022 – The board of directors of Cantargia AB (publ) ("Cantargia" or the "Company") (Nasdaq Stockholm: CANTA) announced on 21 June 2022 that the board of directors had resolved, subject to approval by an extraordinary general meeting, to carry out a Rights Issue of approximately SEK 250 million (the "Rights Issue"). The subscription price in the Rights Issue has now been set to SEK 3.75 per share and shareholders in Cantargia as of the record date have preferential rights to subscribe for two (2) new shares per three (3) existing shares held. The purpose of the Rights Issue is to, based on the strong results recently presented, secure financing for future value-adding activities for nadunolimab (CAN04) such as the preparation of an upcoming randomized clinical study in lung cancer starting 2023, phase II/III study in pancreatic cancer in collaboration with PanCAN as well as further advancing other clinical programs for nadunolimab and CAN10. The Rights Issue is fully secured through subscription undertakings, intentions to subscribe and guarantee commitments.

Summary

- Shareholders in Cantargia as of the record date have a preferential right to subscribe for two (2) new shares per three (3) existing shares, i.e. a subscription ratio of 2:3.
- The subscription price is SEK 3.75 per new share, which corresponds to total gross issue proceeds of approximately SEK 250 million before the deduction of transaction costs.
- The subscription price of SEK 3.75 per share corresponds to a discount of approximately 30.6 percent compared to the theoretical price after separation of subscription rights, based on the closing share price of the Cantargia share on Nasdaq Stockholm on 15 July 2022.
- The record date for the Rights Issue is 25 July 2022 and the subscription period runs from 27 July 2022 up until 10 August 2022.
- The last day of trading in the Cantargia shares including the right to participate in the Rights Issue is 21 July 2022.
- The Rights Issue is subject to approval by the extraordinary general meeting to be held on 21 July 2022.
- The Rights Issue is fully covered by a combination of intentions to subscribe, subscription undertakings and guarantee commitments, including underwriting commitments from the Joint Global Coordinators (as defined below):
 - the existing shareholders Fjärde AP-fonden, Alecta Pensionsförsäkring, Första AP-fonden, Handelsbanken Fonder through the investment fund Hälsovård Tema and Brushamn Invest AB have undertaken to subscribe for their respective pro rata share of the Rights Issue. In addition, Handelsbanken Fonder through the investment fund Hälsovård Tema has, subject to customary conditions, undertaken to subscribe for additional shares corresponding to an amount of approximately SEK 1.6 million, corresponding to approximately 0.6 percent of the Rights Issue;
 - all shareholding members of the Company's management team and board of directors, which jointly hold approximately 1.0 percent of the number of shares in the Company, have committed to subscribe for their respective pro rata share of the Rights Issue, or alternatively subscribe for an amount corresponding to the proceeds of subscription rights sold;
 - total subscription undertakings from existing shareholders amount to approximately 28.8 percent of the Rights Issue;
 - Swedbank Robur through the investment funds Folksam LO Sverige and Swedbank Robur Sverige which control 6.4 percent of the Company, have expressed their support for the Rights Issue and have declared their intention to subscribe for their respective pro-rata share of the Rights Issue;
 - total subscription undertakings and intentions from existing shareholders amount to approximately SEK 88.1 million, equivalent to approximately 35.2 percent of the Rights Issue;
 - Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ) (the "**Joint Global Coordinators**"), Fjärde AP-fonden and a few external parties including three former shareholders of the Company have provided guarantee commitments, subject to

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customary conditions, which in aggregate, amount to approximately SEK 162.4 million, corresponding to approximately 64.8 percent of the Rights Issue.

- The purpose of the Rights Issue is to secure financing for (i) preparation of a randomized study regarding non-small cell lung cancer, NSCLC, starting 2023 (ii) PDAC phase II/III in collaboration with PanCAN and (iii) advancing some second wave clinical opportunities for nadunolimab (in e.g., pancreatic cancer, lung cancer, breast cancer, colorectal cancer or biliary tract cancer), after prioritization during 2022.

Terms of the Rights Issue

Those who are registered shareholders on the record date of 25 July 2022 in the share register in Cantargia receive one (1) subscription right for each share held in Cantargia. The subscription right entitles the holder to subscribe for new shares with preferential rights, whereby three (3) subscription rights entitle the holder to subscribe for two (2) new shares. The subscription price is SEK 3.75 per new share, which means that Cantargia will receive gross proceeds of approximately SEK 250 million before deduction of transaction costs, provided that the Rights Issue is fully subscribed. In addition, investors are offered the possibility to subscribe for new shares without subscription rights.

Provided that the Rights Issue is fully subscribed, Cantargia's share capital will increase by a maximum of SEK 5,343,612.64 through the issue of a maximum of 66,795,158 new shares.

The subscription period runs from 27 July 2022 until 10 August 2022. Trading in subscription rights will take place on Nasdaq Stockholm during the period from 27 July 2022 until 5 August 2022 and trading in BTAs (paid subscribed shares) will take place on Nasdaq Stockholm during the period from 27 July 2022 until 11 August 2022.

Shareholders who choose not to participate in the Rights Issue by subscribing for shares will be diluted by up to 40.0 percent. However, such shareholders are able to financially compensate for this dilution by selling their subscription rights.

The Rights Issue is subject to approval by the extraordinary general meeting to be held on 21 July 2022.

Subscription undertakings, guarantee commitments and voting commitments

Provided that the extraordinary general meeting approves the board of directors' resolution on the Rights Issue, the existing shareholders Fjärde AP-fonden, Alecta Pensionsförsäkring, Första AP-fonden, Handelsbanken Fonder through the investment fund Hälsovård Tema and Brushamn Invest AB have undertaken to subscribe for their respective pro rata share of the Rights Issue. In addition, Handelsbanken Fonder through the investment fund Hälsovård Tema has, subject to customary conditions, undertaken to subscribe for additional shares corresponding to an amount of approximately SEK 1.6 million, corresponding to approximately 0.6 percent of the Rights Issue.

All shareholding members of the Company's management team and board of directors, which jointly hold approximately 1.0 percent of the number of shares in the Company, have also committed to subscribe for their respective pro rata share of the Rights Issue, or alternatively subscribe for an amount corresponding to the proceeds of subscription rights sold.

Total subscription undertakings from existing shareholders amount to approximately 28.8 percent of the Rights Issue. The majority of these shareholders have also undertaken to vote in favor of the Rights Issue at the extraordinary general meeting.

Swedbank Robur through the investment funds Folksam LO Sverige and Swedbank Robur Sverige which control 6.4 percent of the Company, have expressed their support for the Rights Issue and have declared their intention to subscribe for their respective pro-rata share of the Rights Issue.

Total subscription undertakings and intentions to subscribe from existing shareholders amount to approximately SEK 88.1 million, equivalent to approximately 35.2 percent of the Rights Issue.

The Joint Global Coordinators, Fjärde AP-fonden and a few external parties including three former shareholders of the Company have provided guarantee commitments subject to customary conditions, which

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in aggregate, amount to approximately SEK 162.4 million, corresponding to approximately 64.8 percent of the Rights Issue.

Hence, the Rights Issue is fully covered by subscription undertakings, guarantee commitments, and declaration of intention to participate.

For the Joint Global Coordinators' guarantee undertakings, a guarantee commission of 5 percent of the guaranteed amount shall be paid as cash remuneration. No remuneration shall be paid for the subscription undertakings nor for Fjärde AP-fonden's guarantee undertaking. A guarantee commission of 5 percent of the guaranteed amount shall be paid for the remaining guarantee undertakings. Neither the subscription undertakings nor the guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. Further information regarding the parties who have entered subscription undertakings and guaranteed commitments will be available in the prospectus that will be published before the start of the subscription period.

Indicative timetable for the Rights Issue

- Extraordinary general meeting, 21 July 2022.
- Publication of prospectus, 22 July 2022.
- Last day of trading in the Company's shares, including the right to participate in the Rights Issue, 21 July 2022.
- First day of trading in the Company's shares, excluding the right to participate in the Rights Issue, 22 July 2022.
- Record date for the Rights Issue, 25 July 2022.
- Trading in subscription rights, 27 July 2022 – 5 August 2022.
- Subscription period, 27 July 2022 – 10 August 2022.
- Trading in paid subscribed shares (BTAs), 27 July 2022 – 11 August 2022.

Prospectus

A prospectus will be made available before the subscription period commences on Cantargia's website, www.cantargia.com, as well as on Carnegie Investment Bank AB's (publ) website, www.carnegie.se.

Interim report

Due to the Rights Issue, the Company has resolved to postpone the announcement of the interim report for the second quarter 2022, from the originally planned date 18 August 2022, to 30 August 2022.

Advisers

In conjunction with the Rights Issue, the Company has engaged Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ) as Joint Global Coordinators and Bookrunners. Advokatfirman Vinge acts as legal counsel to the Company and Baker & McKenzie Advokatbyrå KB acts as legal counsel to the Joint Global Bookrunners.

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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 agency of the contact person set out above, at 08:30 CEST on 18 July 2022.

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About Cantargia

Cantargia AB (publ), reg. no. 556791-6019, is a biotechnology company that develops antibody-based treatments for life-threatening diseases and has established a platform based on the protein IL1RAP, involved in a number of cancer forms and inflammatory diseases. The main project, the antibody nadunolimab, is being studied clinically in combination 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 indicate stronger efficacy 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.

About nadunolimab (CAN04)

The antibody CAN04 binds strongly to its target IL1RAP and functions by inducing ADCC and blocking IL-1 α and IL-1 β 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 multiple ongoing clinical trials. In the phase I/IIa study CANFOUR, first line combination therapy is investigated with standard chemotherapies in patients with PDAC (gemcitabine/nab-paclitaxel) and patients with NSCLC (cisplatin/gemcitabine) (NCT03267316). Positive interim data for the combination therapies show durable responses in 73 patients with PDAC, resulting in median iPFS of 7.2 months and median survival of 12.7 months. Stronger efficacy was also observed in 30 NSCLC patients with median PFS of 6.8 months. A response rate of 53 percent was achieved, with even higher responses in non-squamous NSCLC patients previously treated with pembrolizumab. These results show stronger efficacy than expected from chemotherapy alone. CAN04 is investigated with chemotherapy also in the phase I study CAPAFOUR, with the FOLFIRINOX regimen for first line treatment of metastatic PDAC (NCT04990037), and in two further clinical studies, CESTAFOUR (NCT05116891) and TRIFOUR (NCT05181462), in additional forms of cancer, including biliary tract cancer, colorectal cancer and triple negative breast cancer. CAN04 is also evaluated with the immune checkpoint inhibitor pembrolizumab, with or without chemotherapy, in the phase I study CIRIFOUR (NCT04452214).

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade with shares or other securities in Cantargia. No action has been taken and measures will not be taken to permit a public offering in any other jurisdictions besides Sweden.

This press release is not a prospectus according to the definition in Regulation (EU) 2017/2019 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. This press release neither identifies nor pretends to identify risks (direct or indirect) that can be connected to an investment in shares or other securities in Cantargia. A prospectus will be prepared in connection with the Rights Issue and be reviewed and approved by the Swedish Financial Supervisory Authority, which is the national competent authority in Sweden with regard to the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the prospectus. Thus, investors are encouraged to review the prospectus in its entirety.

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In connection with the Rights Issue, each of the Joint Global Coordinators and Bookrunners and any of their affiliates, acting as investors for their own account, may take up a portion of the shares in the Rights Issue as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the Rights Issue or otherwise. Accordingly, references to Rights Issue shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, each of the Joint Global Coordinators and Bookrunners and any of their affiliates acting in such capacity. In addition, each of the Joint Global Coordinators and Bookrunners and any of their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which each of the Joint Global Coordinators and Bookrunners and any of their respective affiliates may from time

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to time acquire, hold or dispose of shares. None of the Joint Global Coordinators and Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Each of the Joint Global Coordinators and Bookrunners and their respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Joint Global Coordinators and Bookrunners and their respective affiliates may provide such services to the Company and/or its affiliates in the future.

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 of the Company 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**") and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares of the Company may decline and investors could lose all or part of their investment; the shares of the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company 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 advisers) 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 Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators 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 UK MiFIR; 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 of the Company.

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

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.