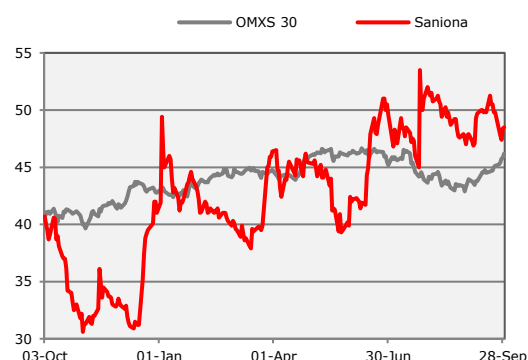


Summary
Saniona (Sanion.st)
A new chapter for tesofensine

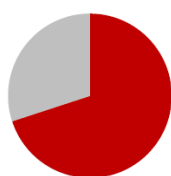
- Saniona's partner Medix has initiated a Phase 3 trial for tesofensine in patients with obesity. This study is intended to form the basis for market approval in Mexico. The trial has got off to a flying start and after only a month, 40 percent of the total number of patients have been recruited. The fast pace in recruitment, we believe, could make it possible to present top-line results earlier than mid-2019, perhaps already at the end of 2018.
- Although we have updated our model assumptions and financial forecast, all in all, we make no change to our base case fair value for Saniona at SEK 72 (72).
- The most important catalyst for the share price in the near term (6 months) is that the partner programmes progress. This represents an opportunity to earn further milestone payments, which would give healthy improvement to the financials.

List:
Market Cap:
Industry:
CEO:
Chairman:

Small cap
1,045 MSEK
Biotech
Jørgen Drejer
Claes Braestrup

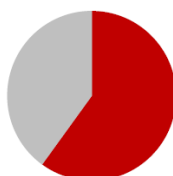

Redeye Rating (0 – 10 points)

Management



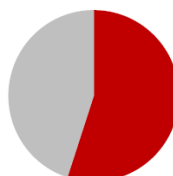
7.0 points

Ownership



6.0 points

Profit outlook



5.5 points

Profitability



0.0 points

Financial strength



1.0 points

Key Financials

	2015	2016	2017E	2018E	2019E
Revenue, MSEK	14	75	52	33	151
Growth	-37%	450%	-31%	-36%	359%
EBITDA	-27	5	-22	-54	64
EBITDA margin	-200%	6%	-43%	-163%	42%
EBIT	-28	4	-23	-54	64
EBIT margin	-206%	6%	-44%	-164%	42%
Pre-tax earnings	-29	5	-23	-54	64
Net earnings	-23	2	-19	-49	50
Net margin	-168%	3%	-37%	-147%	33%
Dividend/Share	0.00	0.00	0.00	0.00	0.00
EPS adj.	-1.10	0.11	-0.89	-2.23	2.28
P/E adj.	Neg	385.1	Neg	Neg	21.0
EV/S	21.3	10.7	18.9	30.7	6.4
EV/EBITDA	Neg	176.7	Neg	Neg	15.2

Share information

Share price (SEK)	48.0
Number of shares (m)	21.8
Market Cap (MSEK)	1,045
Net debt (MSEK)	-63
Free float (%)	73 %
Daily turnover ('000)	72

Analysts:
Klas Palin
klas.palin@redeye.se

Important information: All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

Redeye Rating: Background and definitions

The aim of a Redeye Rating is to help investors identify high-quality companies with attractive valuation.

Company Qualities

The aim of Company Qualities is to provide a well-structured and clear profile of a company's qualities (or operating risk) – its chances of surviving and its potential for achieving long-term stable profit growth.

We categorize a company's qualities on a ten-point scale based on five valuation keys; 1 – Management, 2 – Ownership, 3 – Profit Outlook, 4 – Profitability and 5 – Financial Strength.

Each valuation key is assessed based a number of quantitative and qualitative key factors that are weighted differently according to how important they are deemed to be. Each key factor is allocated a number of points based on its rating. The assessment of each valuation key is based on the total number of points for these individual factors. The rating scale ranges from 0 to +10 points.

The overall rating for each valuation key is indicated by the size of the bar shown in the chart. The relative size of the bars therefore reflects the rating distribution between the different valuation keys.

Management

Our Management rating represents an assessment of the ability of the board of directors and management to manage the company in the best interests of the shareholders. A good board and management can make a mediocre business concept profitable, while a poor board and management can even lead a strong company into crisis. The factors used to assess a company's management are: 1 – Execution, 2 – Capital allocation, 3 – Communication, 4 – Experience, 5 – Leadership and 6 – Integrity.

Ownership

Our Ownership rating represents an assessment of the ownership exercised for longer-term value creation. Owner commitment and expertise are key to a company's stability and the board's ability to take action. Companies with a dispersed ownership structure without a clear controlling shareholder have historically performed worse than the market index over time. The factors used to assess Ownership are: 1 – Ownership structure, 2 – Owner commitment, 3 – Institutional ownership, 4 – Abuse of power, 5 – Reputation, and 6 – Financial sustainability.

Profit Outlook

Our Profit Outlook rating represents an assessment of a company's potential to achieve long-term stable profit growth. Over the long-term, the share price roughly mirrors the company's earnings trend. A company that does not grow may be a good short-term investment, but is usually unwise in the long term. The factors used to assess Profit Outlook are: 1 – Business model, 2 – Sale potential, 3 – Market growth, 4 – Market position, and 5 – Competitiveness.

Profitability

Our Profitability rating represents an assessment of how effective a company has historically utilised its capital to generate profit. Companies cannot survive if they are not profitable. The assessment of how profitable a company has been is based on a number of key ratios and criteria over a period of up to the past five years: 1 – Return on total assets (ROA), 2 – Return on equity (ROE), 3 – Net profit margin, 4 – Free cash flow, and 5 – Operating profit margin or EBIT.

Financial Strength

Our Financial Strength rating represents an assessment of a company's ability to pay in the short and long term. The core of a company's financial strength is its balance sheet and cash flow. Even the greatest potential is of no benefit unless the balance sheet can cope with funding growth. The assessment of a company's financial strength is based on a number of key ratios and criteria: 1 – Times-interest-coverage ratio, 2 – Debt-to-equity ratio, 3 – Quick ratio, 4 – Current ratio, 5 – Sales turnover, 6 – Capital needs, 7 – Cyclicity, and 8 – Forthcoming binary events.

Flying start to Phase III trial

Fast recruitment of patients in the Phase III trial

In the second quarter and early in the third quarter, Saniona achieved several significant steps forward. The most important of these has been the progress made with tesofensine. In August, Saniona's partner, Medix, which has licensed the commercial rights in Mexico and Argentina, initiated a Phase III trial of tesofensine in Mexico in patients with obesity. This study has got off to a flying start and, just a month after the first patients were recruited, 150 of the planned 372 patients have been enrolled into the trial. Saniona indicates that there may be a slower recruitment rate going forward, but it seems likely that the study could take less time than the two years originally estimated by the company.

In its design, the Mexican Phase III trial appears to share many similarities with the Phase II trial (TIPO-1), in which tesofensine showed very promising results in reducing weight and in affecting certain glycemc parameters. The study starts with a two-week run-in phase, with patients being randomized into one of the three arms (0.25 mg tesofensine, 0.50 mg tesofensine or placebo) and given a tablet once-daily for 24 weeks. The treatment will then be followed up for 12 weeks. The primary endpoint is absolute and percent change in body weight over the treatment period. The secondary endpoints are the degree to which patients achieve weight loss (more than 5 and 10 percent respectively) and glycemc endpoints. In addition to the study forming the basis for an approval of tesofensine, the ongoing study will provide further important documentation of tesofensine in obese patients.

Tesofensine can become a leading product in Mexico

As we have said before, from a weight loss perspective alone, we believe tesofensine has the potential to become a leading product in the Mexican market. The question mark that remains is whether the Mexican authorities can accept the elevated heart rate observed in the TIPO-1 trial at a dose level of 0.5 mg.

Based on the previously promising clinical data for tesofensine, and the similarities between the Phase III trial and TIPO-1, we raise the likelihood of approval to 60 (50) percent.

Beneficial terms in the deal with Neurosearch

Saniona shares much of its history with Danish biotechnology company Neurosearch. In 2012, Neurosearch assets (15 pre-clinical and clinical programmes) were acquired. Two years later (in 2014), additional assets were acquired – rights to the two clinical project for tesofensine and NS2359. Last year, (in May 2016), the rights for Neurosearch's remaining projects were acquired, including the two projects ACR325 and ACR343. However, the acquisitions entailed Neurosearch maintaining some interest in the projects – a percentage of future net sales (3-4 percent) and up to 20 percent of potential license revenues. In addition, Saniona would pay EUR 0.4 million when one of the company's preclinical projects reached the clinical phase.

In the beginning of this summer, Saniona announced it acquires all of Neurosearch's remaining interests in the projects for a total cost of DKK 5.5 million. The only remaining obligations in these programmes are related to Boehringer-Ingelheim, which is entitled to some compensation from future sales for tesofensine, and Glaxosmithkline for NS2359, (we estimate a 2-4 percent royalty). The transaction is the reason we have raised the expected royalty rate in many of Saniona's projects compared to the levels shown in our analysis update from 8 May this year.

Neurosearch deal gave a positive impact on our valuation

As we have previously stated in a research note in connection with the announcement of the deal, we believe the terms are favourable for Saniona's shareholders and were the reason for us to raise our fair value by SEK 8.

Luc Therapeutics advances with programme

Another significant recent event was Luc Therapeutics selection of a product candidate (CAD-1883) within the ataxion programme. Drug candidate CAD-1883 has been developed for the treatment of ataxia, which is a collective term for a series of, often hereditary, disease conditions that lead to severe motion disorders.

The project is now advancing to the preclinical phase, thus establishing conditions for starting a clinical study to commence in 2018. The advancement of CAD-1883 to the preclinical phase reduces the risk somewhat, and we have increased the likelihood of an approval to 9 percent from our previous 6 percent.

Until first quarter this year, Saniona had received research support from Luc Therapeutics for the work done to help identify a drug candidate. As the development of the project progresses, this financing will cease. However, we estimate that research funding so far in 2017 has been limited.

Anticipated news flow

Significant news expected from next year

It is from next year that we expect to see really significant news from Saniona in the form of top-line Phase III data for tesofensine and data from the PWS study. We also expect Saniona to initiate a Phase IIb study for Tesomet (in mid-2018). The company has not yet provided much information about future studies for Tesomet, but we expect the next study to be preceded by minor studies where the new combination tablet formulation is evaluated for the similarity of the two substances tesofensine and metoprolol separately. We also expect that some additional preclinical work needs to be in place before the next clinical phase can begin.

In addition, within the next six months, it is likely that there will be news from the ongoing Phase II study in cocaine addiction for NS2359 and that Boehringer-Ingelheim (BI) will select a first candidate drug (CD) in its schizophrenia project. When BI chooses a CD, we expect a milestone payment to be achieved (we estimate this at about USD 5 million). Our best

guess is that this could happen by the end of the year or early in 2018. In addition, we expect the ataxia programme to reach the clinical phase and Saniona is likely to appoint a product candidate in one of its research programmes.

Investment case

Phase III trial in Mexico has been initiated

The main value driver for the Saniona share is tesofensine/Tesomet (tesofensine and metoprolol), which represents about 60 percent of the company's total value. A Phase III study is ongoing in Mexico, in which tesofensine is being evaluated in patients with obesity. Although tesofensine has shown very promising data in reducing weight in obese patients, a challenge has been the side effect profile with elevated heart rate. There is a substantial medical need in Mexico and the regulatory barriers are probably slightly lower, which, after all, is why Medix is performing this study. By adding beta blocker metoprolol, it has been shown that the negative increase in heart rate with tesofensine can be neutralized and even reduced. Saniona has developed a combination pill with these two substances for future development.

The greatest potential we perceive for Tesomet is in the US market, especially if improvement in glycemic parameters in obese type 2 diabetes patients can be shown in the upcoming clinical trial. We expect such a Phase IIb study to begin in mid-2018 and this will generate top-line data in 2019. If the results are in line with what has been shown in previous clinical trials for tesofensine, we believe that there are good opportunities to tie in a partner for the more extensive Phase III studies and commercialization. We estimate a peak sales potential for Tesomet in obese and pre-diabetic patients of USD 1.000 million, with a possible launch in 2022. If future studies show data that support Tesomet in treating type 2 diabetes, the potential is even greater.

A clinical trial is ongoing in PWS

In addition to these two indications, a limited Phase IIa study for Tesomet in Prader-Willi syndrome (PWS) is ongoing. We believe PWS is an attractive indication for which to pursue development of Tesomet in terms of time to market, costs for clinical trials and market opportunities. We estimate a peak sales potential for Tesomet in PWS of USD 240 million, with a possible launch in 2021.

The stock continues to be relatively undiscovered by institutional investors, which is one explanation why the stock is trading significantly lower than fair value in our base case scenario. The absence of significant near-term catalysts for the share, we believe, also is a reason why interest from investors is quite low.

Development of new innovative treatments is associated with high risk - the clinical trials are costly and it is common for projects to be delayed.

Financials

Possible for Saniona to earn a milestone from BI in the not too distant future

The outcome in the second quarter of this year turned out to be somewhat weaker than we had expected. Although this entailed no major drama, we have adjusted our full-year earnings expectations somewhat. We still expect that Saniona could receive a milestone payment from BI towards the end of the year, but as mentioned above, this could end up happening a little into next year instead.

The main difference in our updated forecast for this year is that we expect operating expenses to be higher, and this is primarily driven by investments in Tesomet. We are also raising our expectations regarding operating expenses for next year, as we expect Saniona will conduct the next Tesomet study on its own. There are of course other options that may be relevant, such as receiving funding from Medix, for example.

Current financing sufficient to mid-2018

At the end of June, the financial position was stable and liquid assets amounted to SEK 64.8 million. We estimate that current funding covers the company's capital needs until mid-2018, even if significant revenues from partners were not to materialize.

Estimates					
	2015	2016	2017e	2018e	2019e
Revenue	13.6	74.9	51.7	33.0	151.4
Total operating income	13.6	74.9	51.7	33.0	151.4
Raw materials and consumables	-2.1	-1.5	-2.8	-1.9	-2.5
Other external costs	-23.9	-51.1	-49.6	-61.0	-60.5
Personnel costs	-15.0	-17.8	-21.7	-23.8	-24.6
Depreciation	-0.8	-0.4	-0.5	-0.3	-0.3
Total operating expenses	-41.7	-70.8	-74.5	-87.0	-87.9
EBITDA	-27.3	4.5	-22.4	-53.7	63.8
EBIT	-28.1	4.2	-22.8	-54.0	63.5
Financial net	-1.2	0.8	-0.6	-1.5	-1.2
EBT	-29.3	4.9	-23.4	-55.5	62.3
Tax	6.3	-2.7	4.0	5.5	-13.7
Profit/Loss	-22.9	2.2	-19.3	-49.9	48.6

We would like to highlight that milestone and upfront estimates are risk-adjusted.

Valuation

Valuation of Saniona provides a fundamental value of SEK 72

We value Saniona using a probability-adjusted cash flow model in which each individual project is valued with regard to the anticipated possibility of it generating revenues (SOTP). The net present value is calculated based on a WACC of 15.4 percent. This results in a SOTP value of SEK 72 (72) per share in our base scenario, representing about 50 percent upside to current share price levels.

Saniona – cash flow valuation						
Project	Indication	Likelihood of approval	Expected Royalty	Peak sales (USD mil.)	Possible launch	NPV (SEK mil.)*
Tesomet	Obesity/T2D	30%	19%	1,000	2022	631
Tesomet	Prader-Willi syndrome	20%	38%	240	2021	176
Tesofensine	Obesity	60%	13%	150	2020	135
NS2359	Cocaine addiction	12%	30%	500	2021	216
Boeringer-Ingelheim	Schizophrenia	9%	7%	1,300	2024	138
IK Programme	IBD	6%	16%	1,800	2024	95
Proximagen	Neurological diseases	6%	5%	600	2025	40
Nic-a6	Parkinson's	4%	12%	1,000	2026	58
Ataxia	Ataxia	10%	5%	1,000	2024	29
AN363-backup	Neurophatic pain	4%	16%	1,200	2024	25
Technology value estimate (SEK mil.)						1,542
Net cash (MSEK)						59**
Shareholding in Luc Therapeutics (7.1%)						29
Accumulated adm. costs (SEK mil.)						-66
Market value estimate (SEK mil.)						1,564
Number of shares, full dilution (million)						21.8
Share price estimate (SEK)						72

* NPV is based on an SEK/USD exchange rate of SEK 8.1 and a WACC of 15.4%,

**including a DKK 5.5 million payment to Neurosearch

Saniona has an extensive pipeline. As the company has been successful in finding partners and collaborations, we believe there is credible backing to take these projects forward.

Peer group valuation

To provide a sense of how the valuation of Saniona compares with similar companies, we have compiled a table below comparing the valuation of a number of listed Swedish biotech companies. The peer group in the table below consists of companies with clinical assets at the same stage as Saniona. We primarily use the technology value (EV) to create a view of the relative valuation of Saniona.

Peer group of Swedish biotechs						
(SEK million)	Market Cap	Net cash	Tech. value (EV)	Number of projects	Number of partners	Development stage
Hansa Medical	7,623	170	7,453	3	0	Phase II/pivotal
Isofol Medical	698	392	306	1	0	Phase III
Oncopeptide	2,548	535	2,013	1	0	Phase III
Pledpharma	582	364	218	2	0	Phase II/III
Saniona	1,045	59**	986	9	4	Phase III
Wilson Therapeutics	2,508	308	2,200	1	0	Phase III

Source: Redeye Research, **excl. payment to Neurosearch

Case analysis

Over the next two years, Saniona faces several critical events in its projects, the outcome of which will have a major impact on the valuation and the shares. To illustrate the effects of these, we have sketched out two scenarios for the primary drivers of share value: an optimistic bull case and a pessimistic bear case.

Our bull case makes assumptions about where Saniona might be in its projects two years from now in a reasonably positive scenario:

- The on-going Phase IIa trial for Tesomet in PWS is successful and provides the basis for continued development into a pivotal trial.
- The top-line results of the Medix Phase III study with tesofensine are in-line with the TIPO-1 trial and the likelihood of approval is raised to 90 percent
- Saniona finalizes a Phase IIb trial for Tesomet, and positive data build a foundation for further development. The likelihood of approval is raised to 50 percent
- The ongoing Phase II trial for NS2359 shows promising results.
- The value of Luc Therapeutics increases to USD 75 million.
- The project with Boehringer Ingelheim progresses well and a Phase I trial begins.
- The collaboration with Proximagen proceeds according to plan and an initial candidate drug is chosen.

Our fair value estimate in the bull case scenario amounts to **SEK 127**

Our **bear case** applies the following assumptions:

- Development of Tesomet is discontinued due to the negative outcome of a Phase IIb trial and unsatisfactory results in the PWS trial.
- The outcome of the Medix trial does not meet expectations and development of tesofensine is discontinued.
- The Phase II trial for NS2359 does not show sufficiently favourable results to justify continued development.
- AN346 is taken forward but is delayed and is not advanced to clinical trials.
- Boehringer Ingelheim continues to take the project forward and a drug candidate is chosen, but the project remains in a preclinical phase.
- The collaboration with Proximagen is discontinued.
- Nic-alpha6 programme continues, but a CD has not been chosen.

Our fair value estimate for the bear case amounts to **SEK 14**.

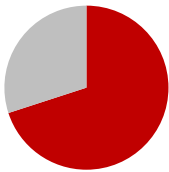
Summary Redeye Rating

The rating consists of five valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 2 points. The maximum score for a valuation key is 10 points.

Rating changes in the report

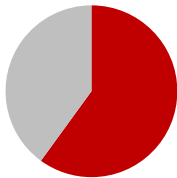
No changes

Management 7.0p



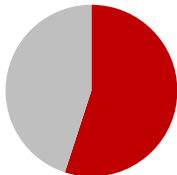
The company has a knowledgeable and experienced management team, which rises above the average in the industry. The CEO has a good insight into competition in the ion channel field and should be able to drive strategic issues with power, not least with the support of the extensive experience of the board. Other advantages include substantial shareholding for management.

Ownership 6.0p



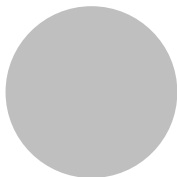
Saniona's management and board of directors have significant ownership in the company, which distinguish the company positively in relation to many others in the industry. The absence of strong institutional owners can be identified as a challenge for management and the board.

Profit outlook 5.5p



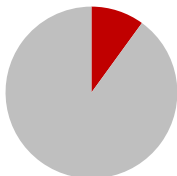
There is a great potential in the company's projects, although many years remain until a product reaches the market, generating recurring revenue. At present, revenue potential is linked to one-time revenue generated from partnerships.

Profitability 0.0p



The company is several years from achieving sustainable profitability. Like most other companies in this development phase, there is no history of profitability, which drives up the rate of return required by investors.

Financial strength 1.0p



The financial situation is stable but needs to be strengthened in the next 12 months in the absence of significant revenues from partners.

Income statement	2015	2016	2017E	2018E	2019E
Net sales	14	75	52	33	151
Total operating costs	-41	-70	-74	-87	-88
EBITDA	-27	5	-22	-54	64

Depreciation	-1	0	0	0	0
Amortization	0	0	0	0	0
Impairment charges	0	0	0	0	0
EBIT	-28	4	-23	-54	64

Share in profits	0	0	0	0	0
Net financial items	-1	1	-1	0	0
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	-29	5	-23	-54	64

Tax	6	-3	4	5	-14
Net earnings	-23	2	-19	-49	50

Balance	2015	2016	2017E	2018E	2019E
Assets					
<i>Current assets</i>					
Cash in banks	47	53	63	25	69
Receivables	0	13	3	1	5
Inventories	0	0	0	0	0
Other current assets	2	2	3	3	3
Current assets	49	68	68	29	77

<i>Fixed assets</i>					
Tangible assets	1	1	2	2	3
Associated comp.	0	0	0	0	0
Investments	0	0	0	0	0
Goodwill	0	0	0	0	0
Cap. exp. for dev.	0	0	0	0	0
O intangible rights	0	0	0	0	0
O non-current assets	2	2	2	2	2
Total fixed assets	2	3	4	4	5
Deferred tax assets	6	0	5	0	0

Total (assets)	58	71	77	33	82
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Liabilities					
<i>Current liabilities</i>					
Short-term debt	0	2	0	0	0
Accounts payable	5	15	10	15	14
O current liabilities	0	0	0	0	0
Current liabilities	5	17	10	15	14
Long-term debt	0	0	0	0	0
O long-term liabilities	0	0	0	0	0
Convertibles	0	0	0	0	0
Total Liabilities	5	17	10	15	14

Deferred tax liab	0	0	0	0	0
Provisions	0	0	0	0	0
Shareholders' equity	53	54	67	18	68
Minority interest (BS)	0	0	0	0	0
Minority & equity	53	54	67	18	68

Total liab & SE	58	71	77	33	82
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Free cash flow	2015	2016	2017E	2018E	2019E
Net sales	14	75	52	33	151
Total operating costs	-41	-70	-74	-87	-88
Depreciations total	-1	0	0	0	0
EBIT	-28	4	-23	-54	64
Taxes on EBIT	6	-1	4	5	-14
NOPLAT	-22	3	-19	-49	50
Depreciation	1	0	0	0	0
Gross cash flow	-21	4	-18	-48	50
Change in WC	-9	-2	4	7	-5
Gross CAPEX	-1	-1	-1	-1	-1

Free cash flow	-31	0	-15	-43	44
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Capital structure	2015	2016	2017E	2018E	2019E
Equity ratio	92%	77%	87%	55%	83%
Debt/equity ratio	0%	3%	0%	0%	0%
Net debt	-47	-52	-63	-25	-69
Capital employed	6	3	4	-7	-2
Capital turnover rate	0.2	1.1	0.7	1.0	1.9

Growth	2015	2016	2017E	2018E	2019E
Sales growth	-37%	450%	-31%	-36%	359%
EPS growth (adj)	181%	-110%	-934%	151%	-202%

DCF valuation				
WACC (%)	15.4 %	Fair value e. per share, SEK		72.0
		Share price, SEK		47.8

Profitability	2015	2016	2017E	2018E	2019E
ROE	-74%	4%	-32%	-114%	115%
ROCE	-91%	8%	-37%	-127%	147%
ROIC	2422%	54%	-728%	-1242%	-694%
EBITDA margin	-200%	6%	-43%	-163%	42%
EBIT margin	-206%	6%	-44%	-164%	42%
Net margin	-168%	3%	-37%	-147%	33%

Data per share	2015	2016	2017E	2018E	2019E
EPS	-1.10	0.11	-0.89	-2.23	2.28
EPS adj	-1.10	0.11	-0.89	-2.23	2.28
Dividend	0.00	0.00	0.00	0.00	0.00
Net debt	-2.26	-2.48	-2.88	-1.16	-3.18
Total shares	20.84	20.84	21.75	21.75	21.75

Valuation	2015	2016	2017E	2018E	2019E
EV	290.6	802.8	977.0	1,014.5	970.5
P/E	-14.7	385.1	-53.8	-21.4	21.0
P/E diluted	-14.7	385.1	-53.8	-21.4	21.0
P/Sales	24.8	11.4	20.1	31.5	6.9
EV/Sales	21.3	10.7	18.9	30.7	6.4
EV/EBITDA	-10.6	176.7	-43.7	-18.9	15.2
EV/EBIT	-10.4	193.0	-42.8	-18.8	15.3
P/BV	6.4	15.8	15.5	56.7	15.3

Share performance		Growth/year	15/17e
1 month	-0.2 %	Net sales	94.8 %
3 month	0.6 %	Operating profit adj	-9.8 %
12 month	17.4 %	EPS, just	-10.2 %
Since start of the year	16.6 %	Equity	12.4 %

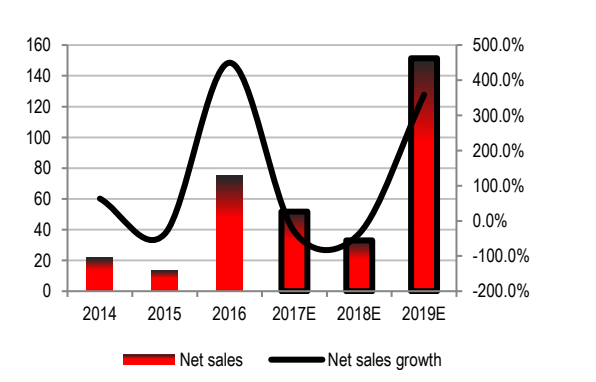
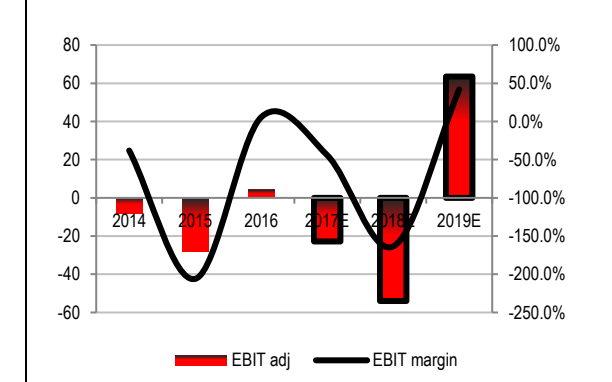
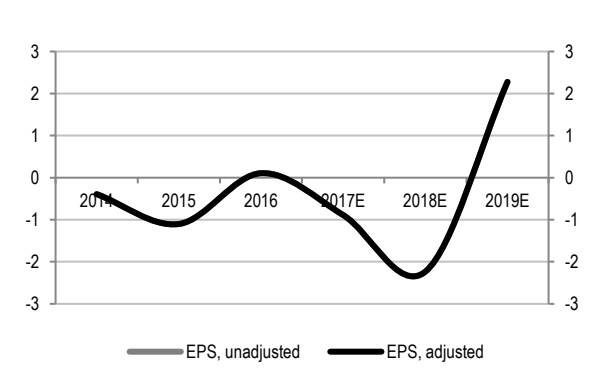
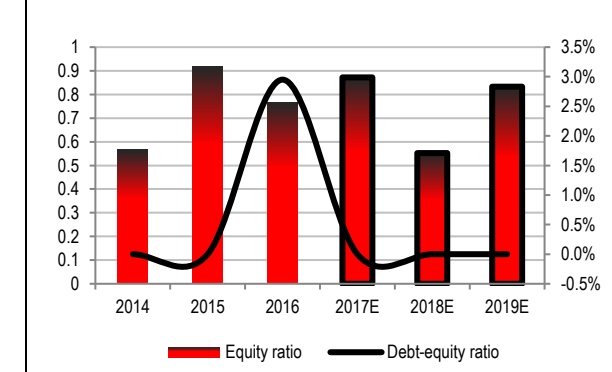
Shareholder structure %	Capital	Votes
Jørgen Drejer	10.8 %	10.8 %
Thomas Feldthus	8.6 %	8.6 %
Avanza Pension	5.9 %	5.9 %
Palle Christophersen	3.8 %	3.8 %
Claus Brästrup	3.4 %	3.4 %
Nordnet Pensionsförsäkring	3.1 %	3.1 %
Janus Schreiber Larsen	1.8 %	1.8 %
Thomas Amos Jacobsen	1.3 %	1.3 %
Jørgen Buus Lassen	1.3 %	1.3 %
Kain Sandager Nielsen	1.3 %	1.3 %

Share information	
Reuters code	Sanion.st
List	Small cap
Share price	48.0
Total shares, million	21.8
Market Cap, MSEK	1045.0

Management & board	
CEO	Jørgen Drejer
CFO	Thomas Feldthus
Chairman	Claes Braestrup

Financial information	
Q3 report	November 15, 2017
FY 2017 Results	February 21, 2018

Analysts	Redeye AB
Klas Palin	Mäster Samuelsgatan 42, 10tr
klas.palin@redeye.se	111 57 Stockholm

Revenue & Growth (%)	EBIT (adjusted) & Margin (%)																																										
 <p>Net sales (red bars) and Net sales growth (black line) from 2014 to 2019E. Net sales are measured on the left y-axis (0-160), and Net sales growth is measured on the right y-axis (-200.0% to 500.0%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Net sales growth</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>20</td> <td>10%</td> </tr> <tr> <td>2015</td> <td>15</td> <td>-10%</td> </tr> <tr> <td>2016</td> <td>75</td> <td>450%</td> </tr> <tr> <td>2017E</td> <td>50</td> <td>10%</td> </tr> <tr> <td>2018E</td> <td>35</td> <td>-10%</td> </tr> <tr> <td>2019E</td> <td>150</td> <td>350%</td> </tr> </tbody> </table>	Year	Net sales	Net sales growth	2014	20	10%	2015	15	-10%	2016	75	450%	2017E	50	10%	2018E	35	-10%	2019E	150	350%	 <p>EBIT adj (red bars) and EBIT margin (black line) from 2014 to 2019E. EBIT adj is measured on the left y-axis (-60 to 80), and EBIT margin is measured on the right y-axis (-250.0% to 100.0%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>EBIT adj</th> <th>EBIT margin</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>-10</td> <td>25%</td> </tr> <tr> <td>2015</td> <td>-25</td> <td>-45%</td> </tr> <tr> <td>2016</td> <td>5</td> <td>45%</td> </tr> <tr> <td>2017E</td> <td>-15</td> <td>15%</td> </tr> <tr> <td>2018E</td> <td>-50</td> <td>-15%</td> </tr> <tr> <td>2019E</td> <td>65</td> <td>55%</td> </tr> </tbody> </table>	Year	EBIT adj	EBIT margin	2014	-10	25%	2015	-25	-45%	2016	5	45%	2017E	-15	15%	2018E	-50	-15%	2019E	65	55%
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Earnings per share	Equity & debt-equity ratio (%)																																										
 <p>EPS, unadjusted (grey line) and EPS, adjusted (black line) from 2014 to 2019E. Both are measured on the y-axis (-3 to 3).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>EPS, unadjusted</th> <th>EPS, adjusted</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>-0.5</td> <td>-0.5</td> </tr> <tr> <td>2015</td> <td>-1.0</td> <td>-1.0</td> </tr> <tr> <td>2016</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>2017E</td> <td>-0.5</td> <td>-0.5</td> </tr> <tr> <td>2018E</td> <td>-2.0</td> <td>-2.0</td> </tr> <tr> <td>2019E</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table>	Year	EPS, unadjusted	EPS, adjusted	2014	-0.5	-0.5	2015	-1.0	-1.0	2016	0.0	0.0	2017E	-0.5	-0.5	2018E	-2.0	-2.0	2019E	2.5	2.5	 <p>Equity ratio (red bars) and Debt-equity ratio (black line) from 2014 to 2019E. Equity ratio is measured on the left y-axis (0 to 1), and Debt-equity ratio is measured on the right y-axis (-0.5% to 3.5%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Equity ratio</th> <th>Debt-equity ratio</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>0.55</td> <td>0.0%</td> </tr> <tr> <td>2015</td> <td>0.9</td> <td>0.0%</td> </tr> <tr> <td>2016</td> <td>0.75</td> <td>3.0%</td> </tr> <tr> <td>2017E</td> <td>0.85</td> <td>0.0%</td> </tr> <tr> <td>2018E</td> <td>0.55</td> <td>0.0%</td> </tr> <tr> <td>2019E</td> <td>0.8</td> <td>0.0%</td> </tr> </tbody> </table>	Year	Equity ratio	Debt-equity ratio	2014	0.55	0.0%	2015	0.9	0.0%	2016	0.75	3.0%	2017E	0.85	0.0%	2018E	0.55	0.0%	2019E	0.8	0.0%
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Conflict of interests	Company description																																										
<p>Klas Palin owns shares in the company : No</p> <p>Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.</p>	<p>Saniona is a research and development company focused on drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain. The company has a significant portfolio of potential drug candidates at pre-clinical and clinical stage. The research is focused on ion channels, which makes up a unique protein class that enables and controls the passage of charged ions across cell membranes. Saniona has ongoing collaboration agreements with Boehringer Ingelheim GmbH, Upsher-Smith Laboratories, Inc., Productos Medix, S.A de S.V and Saniona's Boston based spinout Ataxion Inc., which is financed by Atlas Venture Inc. and Biogen Inc. Saniona is based in Copenhagen, Denmark, where it has a research center of high international standard. Saniona is listed at Nasdaq First North Premier and has about 4,500 shareholders.</p>																																										

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Redeye Rating (2017-10-04)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	39	37	16	10	21
3,5p - 7,0p	66	61	90	33	41
0,0p - 3,0p	20	27	19	82	63
Company N	125	125	125	125	125

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