



**CORPORATE
GOVERNANCE
REPORT**

Introduction

Saniona AB (publ), Corporate Registration Number 556962-5345, the Parent Company and its subsidiaries, collectively the Group, is a publicly listed biopharmaceutical company focused on discovering, developing, and delivering innovative treatments for rare disease patients around the world.

The Parent Company is a public limited liability company registered and headquartered in the municipality of Malmö in the county of Skåne, Sweden. The address of the head office is Smedeland 26B, DK-2600, Glostrup, Denmark.

Saniona is listed on Nasdaq Stockholm Small Cap (OMX: SANION). Saniona applies the Swedish Corporate Governance Code (the "Code") completely. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code and audited by the company's auditor in accordance with RevR16.

Application of and departure from the Swedish Code of Corporate Governance

The Code applies to all Swedish companies whose shares are listed on a regulated marketplace in Sweden. The company is not obliged to adhere to all the regulations of the Code and is free to adopt alternative solutions deemed more suitable to its circumstances, provided that potential departures are reported, the alternative solution described, and the reasons explained (Comply or Explain principle) in the Corporate Governance Report.

Saniona is today listed on Nasdaq Stockholm Small Cap and follows the applicable rules of the Swedish Companies Act, the regulations and recommendations resulting from the Nasdaq Stockholm's Rule Book for Issuers, the Code, as well as generally accepted practices in the stock market. Saniona did not depart from the Code in 2022.

Compliance with Swedish stock market regulations and accepted stock market practice

Saniona has not been subject to any ruling by Nasdaq Stockholm's disciplinary commission or statements by the Swedish Securities Council relating to breaches of Nasdaq's regulatory framework for issuers or generally accepted accounting practices on the stock market in the 2022 fiscal year.

Ownership structure, share capital and voting rights

On December 31, 2022, the company had 10,145 (9,289) shareholders excluding holdings in life insurance and foreign custody account holders.

The largest shareholder is Avanza Pension with 6.7 percent (5.5) of the share capital and voting rights. The ten largest shareholders jointly accounted for 27.11 percent (48.6) of the share capital and voting rights.

Saniona's share capital totaled SEK 3,119,284 divided between 62,385,677 shares as of December 31, 2022. As of December 31, 2022, Saniona's share capital totaled SEK 3,119,284 divided between 62,385,677 shares. There is only a single share class. All shares have a quotient value of SEK 0.05 and one vote and confer equal entitlement to the Company's assets and profits. Saniona's Articles of Association have no limitations regarding the number of votes each shareholder may cast at the general meeting.

Dividend policy

Saniona may generate income through upfront payments, milestone payments, royalty payments and upon exits in relation to the sale of spin-outs. The Board of Directors has decided upon a residual dividend policy. This means that Saniona will only pay a dividend on net income and internally generated equity after it has reserved capital to finance continued development and expansion of the business, including its product pipeline. The Board of Directors' intention at present is

to use any future profits made by Saniona to finance continued development and expansion of the business. Regular dividends will only be paid once the company has a product on the market and the company records annual net income through royalty payments. Consequently, the Board of Directors does not intend to propose any dividend within the foreseeable future.

The Board of Directors proposes that no dividend be distributed for the 2022 fiscal year.

Authorization for the Board of Directors regarding new issues

At the Annual General Shareholders' Meeting held on May 25, 2022, it was resolved, in accordance with the proposal from the Board of Directors, to authorize the Board, within the limits of the company's Articles of Association, at one or several occasions, during the time up until the next annual shareholders' meeting, with or without deviation from the shareholders' preferential rights, to resolve to issue new shares, warrants and/or convertibles. An issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to source working capital, to execute and finance acquisitions of companies and assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances.

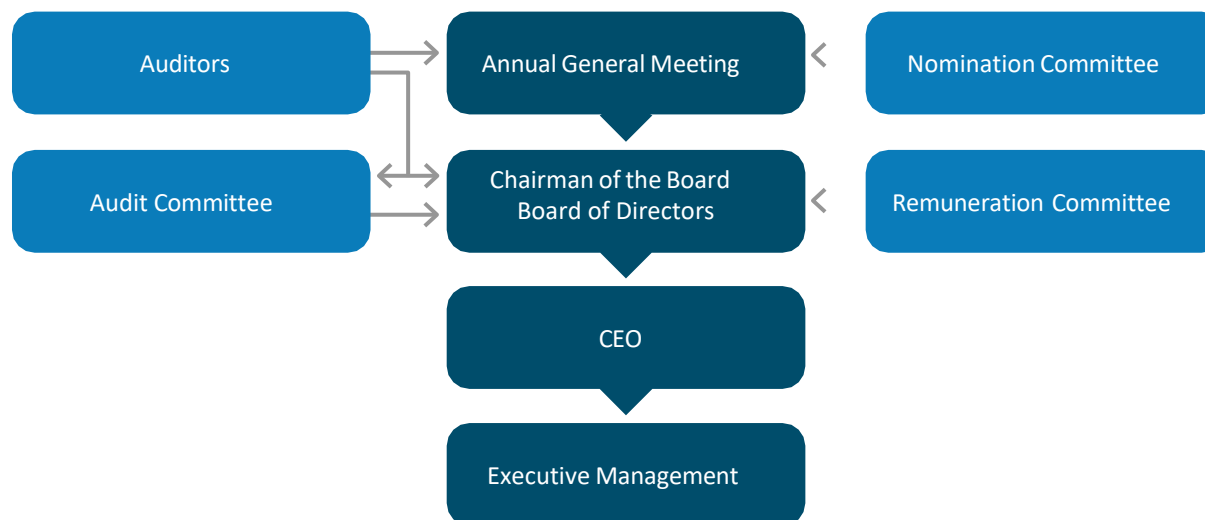
Corporate governance within Saniona

Saniona's internal controls and corporate governance are based on applicable legislation/regulations and on sector-specific parameters considered significant to the company. The control system encompasses all applicable regulatory frameworks as well as the specific demands Saniona places on its operations.

The internal control and corporate governance framework provide overall control of all critical stages relating to the company. This provides Saniona's Board of Directors and executive management with the conditions required to control and govern operations so that they satisfy the stringent demands of the company, the market, the stock market, the shareholders and the authorities.

Multiple external regulations, including but not limited to the Code and the Swedish Companies Act, as well as multiple internal policies and documents as are prudent for effective internal control, form the basis of Saniona's corporate governance.

Saniona's corporate governance structure is presented in the figure below and further described in the following subsections.



Annual General Meeting

The annual general meeting, or as applicable, the extraordinary general meeting, is the primary meeting within Saniona where all shareholders can take part. For example, the general meeting resolves on amendments to the Articles of Association, election of members of the Board and auditors, adoption of the income statement and balance sheet, the discharge of the Board of Directors and the CEO from personal responsibility, appropriation of the profit or loss, the principles for the establishment of a Nominating Committee and the guidelines for remuneration of senior executives. Shareholders wishing to raise a matter at the annual general meeting must submit a written request to the Board of Directors. Such a request shall normally be received by the Board of Directors no later than seven weeks prior to the general meeting, to allow time for the request to be considered prior to the notice of the annual general meeting being issued.

The general meeting is to be held in Malmö. Notice of annual general meetings should be made no earlier than six weeks and not later than four weeks before the meeting if the agenda includes an amendment of the Articles of Association. The notice of other general meetings should be made no earlier than six weeks and not later than three weeks prior to the meeting. Notice of a general meeting is announced in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website. An announcement that a

meeting has been convened is published in the Swedish daily newspaper Svenska Dagbladet.

A shareholder, who has been duly registered as such with Euroclear Sweden AB, may attend and vote at the general meeting in person or by proxy. A shareholder wishing to attend the general meeting must notify Saniona of his intention to attend. The manner in which to notify Saniona is described in the notice convening the general meeting.

Annual General Meeting 2022

The annual general meeting 2022 was held on May 25, 2022. The meeting was attended by 18 shareholders in person or by proxy, representing approximately 14 percent of the total voting rights. Lawyer Ola Grahn was elected as Chairman of the meeting. The AGM passed the following resolutions:

- Resolution on adoption of accounts and distribution of the company's profit, including that no dividends are paid for the financial year 2021 and that available funds are carried forward to a new account.
- Resolution on discharge from liability in relation to the company for the members of the Board and the CEO for the 2021 fiscal year.
- Re-election of Jørgen Drejer, Anna Ljung, and Carl Johan Sundberg as ordinary board members. Jørgen Drejer was re-elected as chairman of the board.

- Re-election of Deloitte AB as the auditing firm. It was noted that Deloitte AB had informed that Jeanette Roosberg will be the auditor in charge.
- Remuneration of the Chairman of the Board, the members of the Board and the auditor.
- Approval of instruction and charter for the Nomination Committee.
- Resolution on remuneration of Nomination Committee.
- Resolution on approval of Remuneration Report.

Extraordinary General Meeting August 2022

An extraordinary general meeting was held on August 18, 2022. The meeting was attended by 10 shareholders in person or by proxy representing approximately 4.76 percent of the total voting rights. Lawyer Ola Grahn was elected as Chairman of the meeting. The extraordinary general meeting passed the following resolutions:

- Resolution on employee option program; and directed issue of warrants and approval of transfer of warrants.

Annual General Meeting 2023

The annual general meeting 2023 will be held at Setterwalls Advokatbyrå AB's office at Stortorget 23, Malmö, Sweden on 25 May 2023 at 10am CET.

Nomination Committee

The 2022 annual shareholders' meeting resolved, in accordance with the proposal from the Nomination Committee, that a Nomination Committee shall be appointed before coming election and remuneration. The Nomination Committee shall be comprised of three members, which shall be the chairman of the board of directors and two members appointed by the two largest shareholders as of September 30, 2022. Furthermore, an instruction and charter for the Nomination Committee was adopted.

If one of the two largest shareholders abstains from appointing an owner representative, or such owner representative resigns before the assignment is completed without the relevant shareholder appointing a new member, the Chairman of the Board is to request the next owner in line (e.g. initially the third-largest owner) to appoint an owner representative within one week of such request. The procedure shall be continued until the Nominating Committee consists of three members.

If there is a significant change in ownership six weeks prior to the Annual General Meeting, a new owner representative shall be elected. The Chairman shall then contact the one of the two largest shareholders who does not have an owner representative and ask him to appoint one. The new owner representative is to replace the previous member of the Nomination Committee who no longer represents one of the two largest shareholders.

The Nominating Committee shall appoint the Chairman of the Nomination Committee. The Chairman of the Nomination Committee must not be the Chairman or any other member of the Board. The term of office of the appointed Nominating Committee shall run until a new Nomination Committee has been appointed.

In 2022/2023, the Nomination Committee held one (2021/2022: three) meetings and also maintained contact by telephone. As a basis for its work, the Nomination Committee has taken note of the Chairman's presentation of the Board's work. The Nomination Committee has prepared proposals to the annual general meeting, including proposals for Board members, remuneration of Board and Committee members, proposals for auditors and fees to the auditors and the Chairman of the AGM, and proposals for remuneration of Nomination Committee members. When preparing its proposals, the Nomination Committee has applied paragraph 4.1 of the Code as its Diversity Policy.

Shareholders who would like to submit proposals to the Nomination Committee can do so via e-mail to clo@saniona.com marked "Recommendation to the Nomination Committee" or by ordinary mail to the address: Saniona AB, Attn. Nomination Committee, Smedeland 26B, DK-2600 Glostrup, Denmark.

The composition of the Nomination Committee for the 2023 Annual General Meeting was announced in a press release on November 25, 2022 and is as follows:

Name/Represented	Share of votes December 31, 2022
John Haurum Professional board member of life science companies and former CEO of F-star Biotechnology Limited Cambridge, UK <i>Appointed by Jørgen Drejer</i>	3.79%
Søren Skjærbæk (Chair) Owner of Ursus law firm, Vejle, Denmark <i>Appointed by Dan Peters</i>	2.24%
Jørgen Drejer Chairman of Saniona AB's Board	*
Total	6.03%

*Share of votes represented by John Harum

Board of Directors

The Board of Directors is the highest decision-making body under the annual general meeting.

The Board is responsible for the company's organization and management of the company's affairs, for example by setting objectives and strategy, establishing procedures and systems for monitoring of the established objectives, continuously assessing the company's financial position and the operational management. Furthermore, it is the Board's responsibility to ensure that accurate information is provided to the company's stakeholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. The Board also appoints the CEO and determines the salary and other remuneration of the latter based on the guidelines adopted by the general meeting.

The work of the Board of Directors is regulated by applicable legislation and recommendations, and by the Board of Directors' rules of procedure, which are adopted annually. The rules of procedure contain stipulations regulating the division of responsibilities between the Board of Directors and the CEO, financial reporting and audit matters. At the statutory Board meeting, the Board of Directors adopts other requisite rules of procedure, policies and guidelines that form the basis of the company's internal regulatory framework.

Composition of the Board

Members of the Board are to be appointed for a period extending no longer than to the end of the next annual general meeting.

Pursuant to the company's Articles of Association, the Board of Directors shall be composed of not fewer than three and not more than eight ordinary members.

Prior to the annual general meeting in May 2022, the Board consisted of six members. Three of the existing Board members (Jørgen Drejer, Anna Ljung and Carl Johan Sundberg) were re-elected, and three other board members (J. Donald deBethizy, Robert E. Hoffman and Edward Saltzman) were not re-elected, at the AGM May 2022.

One of the current board members is a woman and two are men. The company will continue to pursue the objective of achieving a better diversity. For more information about the Board, see "Board of Directors".

Independence

The company complies with the Code such that the majority of the Board members elected at the annual general meeting are independent of the company and management, and that at least two of them are independent in relation to the major shareholders. In 2022, two of the three Board members were independent of the company and its management, and all Board members were independent in relation to major shareholders, defined as greater than 10 percent ownership.

Chairman of the Board

The Chairman represents the Board of Directors externally and internally. The Chairman leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Code and the Board of Director's rules of procedure.

The Chairman shall monitor the company's progress through contact with the CEO, consultation with the CEO on strategic matters and by ensuring that strategic considerations are recorded and addressed by the Board of Directors. The Chairman is also to ensure that the Board of Directors, through the CEO, receives information on the company on an ongoing basis to enable analysis of the company's position.

The Chairman is responsible for contacts with the shareholders regarding ownership issues and for communicating the shareholders' views to the Board.

Evaluation of the work of the Board of Directors

The Board evaluates its work at least annually. The work is evaluated along various parameters such as whether the number of Board meetings and their duration are appropriate, the quality of the Board material, whether the agenda items are relevant and comprehensive, the preparedness and performance of individual Board members, the composition of the Board and desirable experience of potential new Board members, the role and performance of the Chairman and the executive management. The conclusions are included in the minutes and shared with the Nomination Committee.

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Number of meetings

The Board is to meet at least six times per year, usually in conjunction with the publication of interim and annual financial statements and the AGM. Additional meetings or teleconferences are convened as necessary. The Board carries out an in-depth strategic review of the operations during at least one Board meeting each year.

The Board's work in 2022

In 2022, the Board held a total of 19 (9) meetings, of which 5 (6) were scheduled and 12 (3) were unscheduled. In addition, the Board passed additional resolutions on 2 (8) occasions through written resolutions. Saniona's CEO and CFO participate in Board meetings. Other Saniona employees participate, and present reports as needed.

Board committees

The company has established two committees to support the Board: the Audit Committee and the Remuneration Committee. The Board has adopted rules of procedure for both committees.

	Elected	Independence	Audit Committee	Remuneration Committee	Attendance Board of Directors	Attendance Audit Committee	Attendance Remuneration Committee
Jørgen Drejer**	2014	No			19/19		
Carl Johan Sundberg	2015	Yes	Member	Chair	19/19	2/4	
Anna Ljung	2018	Yes	Chair	Member	19/19	4/4	
J. Donald deBethizy*	2018	Yes			9/19		2/2
Robert E. Hoffman*	2021	Yes			9/19	2/4	
Edward Saltzman*	2019	Yes			9/19		2/2

* At AGM May 25, 2022, J. Donald deBethizy, Robert E. Hoffman and Edward Saltzman stepped down from the Board of Directors.

** At AGM May 25, 2022, Jørgen Drejer was elected as new Chairman of the board.

The Audit Committee

The main task of the Audit Committee is to oversee the company's financial position, to monitor the effectiveness of the company's internal control, internal audit and risk management, to keep itself informed of the audit of the annual accounts and consolidated accounts and to review and monitor the independence of the auditor. The Audit Committee is also to assist the Nomination Committee in the proposal for a decision on the choice of and remuneration of the auditor. The Audit Committee consists of two members, all of whom are independent of management. From January 2022 until May 24, 2022, the Audit Committee was composed of Robert E. Hoffman (Chairman) and Anna Ljung. Following the annual general meeting held on May 25, 2022, Anna Ljung was elected as chairman of the Audit Committee, with Carl Johan Sundberg as member.

The Remuneration Committee

The Remuneration Committee is to primarily propose guidelines and principles for remuneration and other terms of employment of the CEO and senior executives. The Remuneration Committee is also to monitor and evaluate ongoing and completed application for variable remuneration of executive management and monitor and evaluate the implementation of the guidelines for remuneration of senior executives as resolved by the annual general meeting. From January to May 24, 2022, the Remuneration Committee consisted of Edward C. Saltzman (Chairman) and J. Donald deBethizy. Following the annual general meeting held on May 25 2022, Carl Johan Sundberg was elected as chairman of the Remuneration Committee, and Anna Ljung as a member.

Chief Executive Officer and other executive managers

The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the statutory Board meeting.

The instructions for the CEO regulate customary areas such as the CEO's undertaking in relation to the company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the company. The CEO is to ensure that ongoing planning, including business plans and budgets, is completed and presented to the Board of Directors for resolution.

The CEO shall exercise good leadership in the management of operations to ensure that the company progresses according to plan and follows the strategies and policies adopted. When departure from these plans and special events of a significant nature is feared, the CEO must immediately inform the Board of Directors through the Chairman. The CEO is to ensure that the company's operations, including its administration, are organized so that they satisfy market requirements, and efficient and secure organizational control of operations.

Within the framework of the directives provided by the Board of Directors for the company's operations, management deals with consultation regarding, and monitoring of, strategies and budgets, the distribution of resources, the monitoring of operations and preparation for Board meetings.

In 2022 until April 29, 2022, executive management consisted of Saniona's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO), Chief Medical Officer and Head of Clinical Development (CMO), Chief Scientific Officer (CSO), Chief Business Officer (CBO), Chief Technical Operations Officer (CTOO), Chief Corporate Affairs Officer (CCAO) and Chief Legal Officer (CLO).

From April 30, 2022, executive management consisted of Saniona's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Scientific Officer (CSO), Chief Development Officer (DDO) and EVP, Research. For information about current executive management, see "Management" below.

For information about salaries and remuneration of the CEO and senior executives, see the table under remuneration on next page and note 11.

Remuneration of the Board of Directors and Executive Management

The annual general meeting resolves on remuneration of the Chairman of the Board and other Board members. The annual general meeting also resolves on guidelines for remunerating the CEO and other senior executives.

At the annual general meeting held on May 25, 2022, it was resolved that Board remuneration shall be paid with SEK 350,000 to the chairman of the Board, with SEK 200,000 to each of the members of the Board, who are not employed by Saniona or any of its subsidiaries. In addition, it was resolved that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the Audit Committee, with SEK 50,000 to each of the other members of the Audit Committee and with SEK 30,000 to each member of the Remuneration Committee, provided that no remuneration for committee work shall be paid to members of the Board, who are employed by Saniona or any of its subsidiaries.

At the annual general meeting on May 6, 2020, it was resolved to adopt guidelines for remuneration to senior executives. The guidelines are included in this document, within the Board of Director's Report. In general, Saniona shall offer remuneration that enables the company to recruit and retain senior executives. The CEO and other senior executives shall be offered a fixed annual cash salary. In addition to fixed salary, the CEO and other senior executives may, according

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to separate agreements, receive variable cash remuneration, which is intended to promote Saniona's business strategy and long-term interests, including its sustainability. Pension benefits (for Danish employees), and a US-based 401(k) Retirement Plan, shall be defined contribution, given that no senior executive is covered by defined benefit pension under mandatory collective bargaining agreements. Other benefits may include life insurance, medical insurance, dental insurance, vision insurance, flexible spending accounts, and other customary benefits as may be considered reasonable in relation to market practices. Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Saniona, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 24 months. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay. In addition to fixed cash salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings.

The Board of Directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

The board of directors have proposed for the 2023 annual general meeting updated guidelines for remuneration to senior executives caused by the company's restructuring actions that were carried out during the spring of 2022, which included i.a. work force reductions and closing of its U.S. operations, with the implication that previous provisions of the remuneration guidelines targeted for U.S. employees no longer are applicable or serve any purpose.

The 2022 remuneration of the Board of Directors and senior executives is set out below.

SALARIES AND REMUNERATION FOR THE YEAR 2022 GROUP AND PARENT COMPANY

KSEK	Board fee	Fixed salary	Variable salary	Pension costs	Share based payment ^{e)}	Reversed share based payment ^{e)}	Social security expenses	Other staff expenses	Total
Jørgen Drejer, Chairman	204	—	—	—	154	—	—	—	358
J. Donald deBethizy ^{b)}	268	—	—	—	156	—	84	—	508
Carl Johan Sundberg, Board member	322	—	—	—	156	—	101	—	579
Anna Ljung, Board member	192	—	—	—	—	—	—	—	192
Edward Saltzman ^{b)}	186	—	—	—	120	-361	—	—	-55
Robert Hoffman ^{b)}	213	—	—	—	—	—	—	—	213
Nomination committee members	60	—	—	—	—	—	—	—	60
Total Board ^{a)}	1,445	—	—	—	586	-361	185	—	1,855
Thomas Feldthus, CEO ^{d)}	—	1,312	707	287	560	—	3	9	2,878
Rami Levin (former CEO) ^{f)}	—	12,013	—	80	1,632	-5,875	459	2	8,311
Jørgen Drejer (former deputy CEO) ^{e)}	—	1,022	—	—	—	—	2	7	1,031
Other EXCOM ^{d)}	—	31,098	342	971	4,022	-17,010	655	70	20,148
Total EXCOM	—	45,445	1,049	1,338	6,214	-22,885	1,199	88	32,368
Other Employees	—	41,917	371	2,048	2,424	-3,959	4,718	481	48,000
Total	1,445	87,362	1,420	3,386	9,224	-27,205	6,022	569	82,223

a) The board fee relates to fee in the Parent Company.

b) At AGM May 25, 2022, J. Donald deBethizy, Edward Saltzman and Robert Hoffman stepped down from the Board of Directors.

c) These transactions do not involve payment and do not affect the company's cash flow.

d) On April 30, 2022, Saniona appointed Thomas Feldthus as CEO, Anita Milland as CFO, Karin S. Nielsen as CSO, Janus Schreiber as CDO and Palle Christophersen as EVP, Research, and at the same time Rami Levin resigned as CEO, together with all other US employees, when Saniona Inc was closed.

e) On April 30, 2022, Jørgen Drejer resigned as CSO and deputy CEO, and stepped in as interim Chairman of the Board, and was elected as Chairman of the Board at the AGM May 25, 2022.

f) On April 30, 2022, Rami Levin resigned as CEO. Rami Levin's fixed salary payment in 2022 includes a severance payout of SEK 9.9 million.

Auditors

Saniona's auditor is the auditing firm Deloitte AB, with Authorized Public Accountant Jeanette Roosberg as auditor in charge.

Deloitte has been Saniona's auditor since the formation of the Group in 2014. At the annual general meeting on May 25, 2022, Deloitte was elected as auditor until the end of the 2023 annual general meeting.

The external auditors discuss the external audit plan and risk management with the Audit Committee. In 2022, the auditors performed a review of the interim report for the third quarter and audited the annual accounts and consolidated financial statements. The auditors also express an opinion on whether this Corporate Governance Report has been prepared in accordance with the Annual Accounts Act.

The auditor reports the results of their audit of the annual accounts and consolidated financial statements in the audit opinion to the annual general meeting. In addition, the auditors present detailed findings from their reviews to the Audit Committee and to the Board of Directors in its entirety once per year.

For information regarding fees for the company's auditors, see note 10.

Internal control and risk management systems in relation to financial reporting

The Board of Directors is ultimately responsible for the internal control of the company. The responsibility is governed by the Swedish Companies Act, the Annual Accounts Act and the Code. The Board of Directors is required to ensure that Saniona has enough formalized procedures for ensuring compliance with established principles for financial reporting and internal control. The procedures for internal control with respect to financial reporting have been designed to ensure reliable and accurate reporting in accordance with IFRS, applicable laws and regulations as well as other requirements that apply to companies listed on Nasdaq

Stockholm. Saniona has decided to adopt the COSO framework as a basis of internal control of financial reporting. The framework consists of the following five components: control environment, risk assessment, control activities, information and communication and monitoring.

Control environment

The control environment constitutes the basis of Saniona's internal control. The control environment comprises a clear organizational structure, decision-making processes, powers and responsibilities that are documented and communicated in governing documents. The guidelines for Saniona's business activities include the following:

- Rules and procedure for the Board of Directors and the instruction to the CEO;
- Saniona's business model, vision, strategies, objectives, business plans and values;
- Saniona's Code of Conduct;
- Organizational structure and descriptions of positions; and
- Administrative processes, guidelines and instructions such as powers, authorization instructions, risk policy, finance policy, instruction for financial reporting and the finance manual.

The governing documents such as internal policies, guidelines and instructions relating to financial reporting have been adopted by the Board of Directors to ensure an effective control environment.

In accordance with the instruction to the CEO, the CEO is to keep the Board of Directors continuously informed about the development of the company's operations, profit/loss and financial position as well as other events that are likely to be significant to the company and its shareholders. The CEO is also responsible for preparing reports and compiling information from

management before Board meetings and to present the material at Board meetings.

The CFO is responsible for ensuring that internal controls are performed and obeyed, and that continuous work is conducted to strengthen the internal control of financial reporting. The responsibility and duties of the CFO, inter alia, are regulated in detail in the company's finance policy, instruction for financial reporting and the financing manual.

The Audit Committee is responsible for ensuring that the internal control regarding financial reporting and reporting to the Board of Directors is effective. The Audit Committee performs regular, periodic reconciliations with the company's CFO. In addition, the Audit Committee reviews and evaluates Saniona's internal control annually.

Risk assessment

At least once a year, the CFO conducts an overall risk assessment to assess the risk exposure in Saniona with regards to financial reporting, as well as identify potential problem areas. The risk assessment includes identifying risks that Saniona's external and internal financial reporting is not prepared in accordance with applicable accounting standards. A review takes place to ensure that the company has an infrastructure that enables effective and expedient control, and an assessment of the company's financial position and significant financial, legal and operational risks.

On an annual basis, the CEO and CFO conducts an operational risk assessment to identify and analyze relevant events and risks that could have a negative impact on Saniona's ability to achieve its set goals.

Control activities

To ensure that business is conducted efficiently, and that financial reporting gives a fair and accurate impression on each reporting date, control activities are implemented to address risks at all levels of the organization. Control activities include manuals,

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processes and policies that ensure that directives and decisions are implemented.

The aim of the control activities is to prevent and detect errors and irregularities with regards to the financial reporting, and to propose subsequent corrective actions should any such irregularities occur. Activities include analytical monitoring and comparison of financial performance; account reconciliation; monitoring, approval and reporting of business transactions and partnership agreements, policies and procedures; mandate and authorization instructions, as well as accounting and valuation principles.

The CFO is responsible for maintaining internal controls and ensuring that they are developed as necessary. The CFO monitors the operations through a variety of control measures, such as forecasts and budgets, income statement and balance sheet analyses and reconciliations. The result of this work is reported to the CEO, the Audit Committee and/or the Board of Directors.

Saniona's CFO is responsible for the recording and accounting financial transactions and ensuring that the performed transactions comply with the established signatory powers and authorization powers. The CFO reviews the project costs and activities together with project and line management on quarterly basis. Furthermore, several control activities are carried out on monthly basis to further detect and correct errors and deviations. The results are presented to the CEO on monthly basis.

Information and communication

The company has information and communication paths intended to promote the accuracy of financial reporting and ensure reporting and feedback from operations to the Board of Directors and management. The information and communication procedures are described in several governing documents such as internal policies, guidelines and instructions relating to financial reporting. These documents are made

available in company-wide IT drives and presented to the relevant employees.

In addition to written information, news, risk management and control, results are orally communicated and discussed in physical meetings. Meetings are held within the company in the management team as well as at meetings at which all employees participate. The Board of Directors receives quarterly financial updates relating to the company's financial position and performance.

To ensure timely communication of relevant, reliable and accurate information concerning Saniona's development and financial status to the market, the company has established procedures for providing external information and financial reporting. The information policy and the procedures include a description of the roles and tasks of the employees, finance department, executive management and Board as well the procedures in relation to publication of financial reports and press releases.

All financial reports and press releases are published on the company's website and forwarded to the Board of Directors and all employees in connection with their publication.

Monitoring

The Board of Directors and the Audit Committee decide on the forms of monitoring activities of internal controls. The CFO is responsible for ensuring that internal controls are maintained in accordance with the Board of Directors' and the Audit Committee's decisions.

The Board of Directors is regularly updated on the company's financial position and profit/loss against budget as well as on development projects in relation to the relevant project budgets. The CEO and CFO present a written report at each regular Board meeting, or when the need arises.

The Audit Committee monitors the audit of internal controls. The company's external auditors personally

report their observations and assessment of internal controls to the Audit Committee.

Internal audit

In view of the company's size, with relatively few employees, and the scope of transactions, in which most significant transactions are similar in character and relatively uncomplicated, Saniona has not found it necessary to establish a formal internal audit function but has chosen to conduct monitoring and the annual evaluation of compliance with the internal control and risk management related to financial reporting through the existing organization. The Board of Directors and Audit Committee perform an annual assessment of whether there is a need for an internal audit function.

BOARD OF DIRECTORS

Jørgen Drejer

Board member since 2014; Chairman since 2022

Jørgen Drejer (born 1955) is a neurobiologist with more than 30 years of experience in discovering and developing novel approaches to modulate pathways within the brain. His research has led him to found multiple companies and publish more than 75 scientific articles.

Drejer founded Saniona in 2011, served as founding Chief Executive Officer until January 2020 and now serves as chairman of the Saniona board of directors. Prior to founding Saniona, he co-founded NeuroSearch A/S in 1989, holding various leadership roles including deputy CEO and head of research over a 20-year period in which NeuroSearch became a major European biotechnology company. Drejer holds a PhD in neurobiology from the University of Copenhagen.

Drejer has served on the Saniona board since 2012. He previously served as a member of the Board of Directors for NeuroSearch A/S, Origio A/S, NsGene A/S, Atonomics A/S, Azign Bioscience A/S, Ellegaard Göttingen Minipigs ApS, Force Technology, Monta Biosciences A/S and 2CureX AB.

Drejer is not independent in relation to Saniona and its management but is independent in relation to major shareholders.

He holds 2,364,711 shares and 77,000 warrants in the warrant program 2020/2024.

Anna Ljung

Board member since 2018

Anna Ljung (born 1980) is CEO of Moberg Pharma AB, a publicly-traded Swedish pharmaceutical company focused on drug delivery within dermatology. In addition to serving as CEO of Moberg Pharma, she also currently serves as Chairman of OncoZenge AB, a publicly-traded Swedish pharmaceutical company, board member of ADDvise AB, a publicly-traded Swedish healthcare and research facilities company, and Chairman of Moberg Derma Incentives AB. Prior to becoming CEO of Moberg, Ljung served as the company's Chief Financial Officer for 13 years, and prior to that she was CFO at Athera Biotechnologies AB and Controller for Lipopeptide AB. She also previously was an independent consultant within the field of technology licensing. Ljung received her M.Sc. in Economics and Business Administration from Stockholm School of Economics. Additional previous board positions have included MPJ OTC AB and Advantice Health AB. Ljung is independent in relation to both Saniona and its management as well as major shareholders.

She holds 4,629 shares; 4,000 warrants in the warrant program 2018/2024; 4,000 warrants in the warrant program 2019/2023; and 77,000 warrants in the warrant program 2020/2024.

Carl Johan Sundberg

Board member since 2015

Carl Johan Sundberg (born 1958) is a physician and professor with extensive experience in healthcare entrepreneurship, investment and communication. He currently serves as the Chair of the Department of Learning, Informatics, Management & Ethics at the Karolinska Institutet, Stockholm. He also currently serves as a board member for Arne Ljungqvist Anti-doping Foundation AB and Medkay Konsulting AB. Sundberg's affiliation with Karolinska Institutet spans over 35 years and includes work in molecular and applied exercise physiology in healthy individuals and patients, medical innovation and bioentrepreneurship. He also cofounded and managed Karolinska Investment Fund, a EUR 60 million biomedicine venture capital fund. His communications experience includes previous working periods with Svenska Dagbladet (a large morning daily) and ABC Television, U.S. He serves in membership and advisory positions with the Royal Swedish Academy of Engineering Sciences, Swedish Professional Associations for Physical Activity, Research!Sweden and the World Anti-Doping Agency. Sundberg earned his medical degree and Ph.D. from Karolinska Institutet. Previous board positions include Cobra Biologics Holding AB, Hypercure Medical AB, Karolinska Development AB and NsGene A/S. Sundberg is independent in relation to both Saniona and its management as well as major shareholders.

He holds 49,800 shares; 4,000 warrants in the warrant program 2018/2024; 4,000 warrants in the warrant program 2019/2023; and 77,000 warrants in the warrant program 2020/2024.

EXECUTIVE MANAGEMENT

Thomas Feldthus

Chief Executive Officer

Thomas Feldthus (born 1960) is an entrepreneur with extensive management experience within the life science industry.

Feldthus re-joined Saniona as CEO in 2022 after having served as vVD and CFO from 2012 to 2020. Previously, he served as CFO of Symphogen A/S, Investment Associate at Novo A/S and Corporate Development Manager at Novo Nordisk A/S. He is a co-founder of Saniona, Scandion Oncology A/S, Initiator Pharma A/S, Symphogen A/S, Ataxion Inc. and Leukotech ApS.

Feldthus serves as Chairman of the board of directors for Rehaler ApS and as a member of the board of directors for Synklino A/S and ResoTher Pharma ApS.

Feldthus earned his M.Sc. in Management and Economics from the University of London, Fellow of the London Business School Sloan Program from London Business School (LBS), Graduate Diploma in Business Administration (Marketing Management) from Copenhagen Business School (CBS), and M.Sc. in Engineering from the Technical University of Denmark (DTU).

Feldthus holds 1,661,928 warrants in the warrant program 2022 and 965,000 shares.

Anita Milland

Chief Financial Officer

Anita Milland (born 1968) has more than 25 years of experience in the pharmaceutical industry, within finance, administration and investor relations.

She served as CFO for Saniona since 2022, and previously served as Vice President Finance & Site Manager Denmark since 2020, Interim CFO & Head of IR in 2020, Vice President Finance & Administration since 2016 and Consultant since 2014. Milland previously served as Vice President, Finance & Administration as well as Chief Financial Officer at NeuroSearch A/S. She is also a partner and owner of Jørgensen & Milland Search & Selection ApS.

Milland received her Bachelor of Commerce in Accounting from Niels Brock.

Milland holds 3,000 warrants in the warrant program 2018, 3,500 warrants in the warrant program 2019, 74,600 in the warrant program 2020 and 467,893 warrants in the warrant program 2022.

Milland holds 33,500 shares.

Karin Sandager Nielsen

Chief Scientific Officer

Karin Sandager Nielsen (born 1970) is a CNS pharmacologist with more than 20 years' experience in discovering and developing new pharmacological therapies for dysfunctions in the brain.

Sandager Nielsen was part of the group founding Saniona in 2011, where she initially served as Director of Operations and In Vivo Pharmacology. From 2015 she took on the role as Vice President, Operations and In Vivo Pharmacology and from 2022 she served as Senior Vice President, In Vivo and Translational Pharmacology. Prior to founding Saniona, Sandager Nielsen was employed at NeuroSearch, where she held several senior- and management roles within CNS pharmacology.

Sandager Nielsen is a biologist by training and holds a Ph.D in neuropharmacology from the university of Copenhagen. She has authored more than 20 peer-reviewed scientific articles and is co-inventor of 23 patents.

Sandager Nielsen holds 99,400 warrants in the warrant program 2020 and 211,119 shares.

EXECUTIVE MANAGEMENT

Palle Christophersen

Executive Vice President, Research

Palle Christophersen (born 1958) is an ion channel physiologist and pharmacologist with more than 30 years of experience with drug discovery and development in the private industry.

Christophersen was a co-founder of Saniona in 2011 and served as CSO until 2019 and since then as Senior Vice President, Research. Prior to Saniona he was employed for 20 years in NeuroSearch, where he served in multiple managing and project leader positions for both internal and collaboration projects.

Christophersen is a biologist by training and holds a PhD in physiology and biophysics of ion channels from the University of Copenhagen. He has authored more than 65 peer-reviewed articles and is co-inventor of more the 60 patents, primarily within the ion channel field and related technology.

Christophersen holds 99,400 warrants in the warrant program 2020 and 740,000 shares.

Janus Schrieber Larsen

Chief Development Officer

Janus Schreiber Larsen (born 1972) is an organic chemist with more than 20 years' experience in drug discovery, developing new pharmacological therapies for dysfunctions in the brain.

Larsen was part of the group founding Saniona in 2011, where he initially served as Director of Medicinal Chemistry and IP. From 2015 he took on the role as Vice President, Medicinal Chemistry and IP and then from 2022 he served as Senior Vice President, Preclinical Development and Medicinal Chemistry. Prior to founding Saniona, Larsen was employed at NeuroSearch, where he held several senior- and management roles within Medicinal Chemistry.

Larsen is a chemist by training and holds a Ph.D. in organic chemistry from the University of Southern Denmark. He has authored 9 peer-reviewed scientific articles and is co-inventor of more than 35 patents.

Larsen holds 99,400 warrants in the warrant program 2020 and 287,337 shares.

AUDITORS' REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Saniona AB (publ), corporate identity number 556962-5345

Engagement and responsibility

It is the Board of Directors that is responsible for the Corporate Governance Statement for the fiscal year from January 1, 2022 through December 31, 2022 on pages 1-14 (Annual Report pages 77-87), and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö, April 28, 2023
Deloitte AB

Jeanette Roosberg
Authorized Public Accountant



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