INVITATION TO SUBSCRIBE FOR UNITS AND ADMISSION TO TRADING OF WARRANTS IN SANIONA AB ON NASDAQ STOCKHOLM

A SEPARATE PROSPECTUS IN SWEDISH HAS BEEN APPROVED BY
THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY ON 13 FEBRUARY 2020

THE SWEDISH PROSPECTUS IS VALID FOR TWELVE MONTHS FROM THE DATE OF THE APPROVAL. THE OBLIGATION TO PROVIDE SUPPLEMENTS TO THE SWEDISH PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NOT BE APPLICABLE WHEN THE SWEDISH PROSPECTUS IS NO LONGER VALID.

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the "**Prospectus**") has been prepared in connection with Saniona AB's invitation to subscribe for units, consisting of warrants of three series, with preferential rights for current shareholders (the "**Rights Issue**") and admission to trading of the warrants on Nasdaq Stockholm, as well as additional warrants of the same series as in the Rights Issue which are issued in a directed issue of units to Formue Nord Markedsneutral A/S and Formue Nord Fokus A/S (jointly "**Formue Nord**") in connection with the Rights Issue (the "**Directed Unit Issue**").

With "Saniona" or the "Company" means, depending on the context, Saniona AB (a Swedish public limited company), a subsidiary within the group or the group in which Saniona AB is the parent company (the "**Group**")."**Sedermera**" refers to Sedermera Fondkommission who is financial advisor and issuing agent to Saniona in the Rights Issue and the Directed Unit Issue. For definitions of other terms used in this Prospectus, please see the section "Glossary".

A Swedish version of the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Sw.* Finansinspektionen) (the "**SFSA**"), as competent authority under the prospectus regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Swedish Financial Supervisory Authority only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as endorsement of the issuer or the quality of the securities that are subject to the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus has been drawn up as a part of a simplified prospectus in accordance with article 14 in the Prospectus Regulation.

The Prospectus has been prepared in both a Swedish and an English version. In the event of any inconsistency between different language versions, the Swedish language version shall take precedence.

The Company has also applied that the Prospectus shall be passported to Denmark through an application to the Danish Financial Supervisory Authority (*Dk.* Finanstilsynet).

The Prospectus is governed by Swedish law. Any dispute or conflict arising in connection with the Prospectus and related legal matters shall be settled exclusively by Swedish courts.

No public offer is made to the general public to subscribe for new securities in the Rights Issue in the Company in any country in the European Economic Area other than Sweden and Denmark. In other member states of the European Economic Area, an offer to subscribe for new securities in Saniona can only be made by qualified investors under the exemption in the Prospectus Regulation.

This Prospectus is only being distributed to and only directed at: persons who (i) are outside the United Kingdom; (ii) have professional experience in matters relating to investments falling within Article 19(5) in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (iii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth entities); or (iv) are persons to whom this Prospectus may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates, is available only to relevant persons and will be entered into only with relevant persons.

Neither unit rights, paid subscribed units (Sw. betalda tecknade units) ("**BTU**") nor newly issued warrants or shares may be offered, subscribed for, exercised or transferred, directly or indirectly, in or to Australia, Japan, Canada, the U.S., New Zealand, South Africa, Hong Kong, Switzerland, Singapore or any other jurisdiction where publication or distribution of the Prospectus would be illegal, require additional registration or other measures besides those required by Swedish and Danish law, or otherwise would be in conflict with the rules of such jurisdiction or which cannot be made without application of exemptions in such jurisdictions. Subscription of units in violation of the restrictions described above may be void. Any failure to comply with the restrictions described above may result in a violation of applicable securities regulations. Unit rights, BTU, newly issued warrants, shares or other securities issued by Saniona have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any other securities regulation of any other state or jurisdiction within the U.S.

Forward-looking statements

The Prospectus contains certain forward-looking statements that reflects the Company's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "can", "plans", "estimates" and similar expressions regarding indications or forecasts of future developments or trends, and which are not based on historical facts, constitute forward-looking statements. Forward-looking statements is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking statements is not a guarantee of future results or developments and actual results may differ materially from those in the forward-looking statements. Factors that could cause the Company's future results and developments to differ from those in the forward-looking statements include, but are not limited to, those described in the section "Risk factors". The forward-looking statements contained in this Prospectus apply only as the date of this Prospectus. The Company does not give any commitments to publish updates or revision of any forward-looking statements as a result of new information, future events or similar circumstances other than those required by applicable legislation.

Industry and market information

This Prospectus contains market and industry information related to Saniona's operations and the market on which Saniona is present. Unless otherwise stated, such information is based on the Company's analysis of several different sources, among others medical research publications and statistic from among others Datamonitor and the Company's partners. Descriptions of the Company's competitive position are based on the Company's own assessments and knowledge of market conditions. Other sources are indicated where required.

As a general rule, industry and market publications state that, while the information in the publication has been obtained from sources deemed reliable, the accuracy and completeness of such information cannot be guaranteed. Information in the Prospectus from third parties has been accurately reproduced and, as far as the Company can ascertain through other information published by these third parties, no factual circumstances have been omitted that could render the reproduced information inaccurate or misleading. However, the Company has not made any independent verification of the information provided by third parties, so the completeness or accuracy of the information from third parties presented in the Prospectus cannot be guaranteed.

In their nature, market information and statistics are forward-looking, subject to uncertainty, may be interpreted subjectively, and may therefore not necessarily reflect actual or future market conditions. Such information and statistics are based on market surveys, which in turn are based on selections, subjective interpretations and assessments, including assessments of the types of products and transactions which should be covered by the relevant market, both by those carrying out the surveys and the respondents. As a result, potential investors should be aware of the fact that the financial information, market information, as well as the forecasts and estimates of market information contained in this Prospectus, do not necessarily represent reliable indicators of the Company's future performance.

The Content of the Company's website, the website for any entity of the Group and any third party websites referred to herein do not form any part of the Prospectus.

Presentation of financial information

Certain financial information and other information presented in this Prospectus have been rounded to make information easily accessible to the reader. Consequently, the figures in certain columns do not tally with the totals stated. Unless otherwise expressly stated, no information in the Prospectus has been audited or reviewed by the Company's auditor. All financial amounts are stated in Swedish crowns (SEK) unless otherwise expressly stated. "**SEK million**" means millions Swedish crowns and with "**SEK thousand**" means thousands Swedish crowns. With "**USD**" means US dollars, with "**USD million**" means millions US dollars and with "**USD thousand**" thousands US dollars. With "**EUR**" means euros, with "**EUR million**" means millions euros and with "**EUR thousand**" means thousands euros.

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THE RIGHTS ISSUE IN BRIEF

The structure of the Rights Issue and preferential rights

The Rights Issue consists of 1,014,224 units consisting of a total of 3,042,672 warrants in Saniona. Each unit consists of three (3) warrants. Those who are shareholders in Saniona on the record date have the right to subscribe for units in relation to their existing holdings of shares in the Company where twenty-nine (29) held shares give the right to subscribe for one (1) unit. Subscription without support of unit rights can only be done by subscribers who have also subscribed for units with support of unit rights, regardless of whether or not the subscriber were a shareholder on the record date or not.

Subscription price

Units in the Rights Issue are issued free of payment. Any potential subscription of new shares upon exercising of the warrants will take place at a subscription price corresponding to 70 percent of the volume weighted average price of the Company's share during a two-week period ending two trading days before the exercise period for each series commences, however not lower than SEK 25 and not higher than SEK 30 per share.

Issue proceeds

Saniona will not receive any issue proceeds in connection with the implementation of the Rights Issue. Upon full exercise of the warrants, Saniona can receive between SEK 76 and 91 million, provided that the Rights Issue is fully subscribed.

Subscription of units

Units are subscribed for on a subscription form, which is kept available on the Company's website, www.saniona.com and Sedermera's website, www.sedermera.se, or via nominee in accordance with their respective instructions.

Key dates

Record date	13 February 2020
Subscription period	17 February - 2 March 2020
Trading in unit rights	17 February – 27 February 2020.
Trading in BTU	17 February – 18 March 2020

Admission to trading of the warrants

The Company will apply for admission to trading of the warrants in the Rights Issue and the Directed Unit Issue on Nasdaq Stockholm. Once the warrants have been registered with the Swedish Companies Registration Office, BTU will automatically be converted into warrants in Euroclear Sweden's system.

Market place, short name etc.

Trading venue	Nasdaq Stockholm
LEI code Saniona	549300XO4L9XNOCFCZ84
Ticker (share)	SANION
ISIN code SANION UR	SE0013775251
ISIN code SANION BTU	SE0005794617
ISIN code SANION TO 1	SE0013775277
ISIN code SANION TO 2	SE0013775301
ISIN code SANION TO 3	SE0013775319
ISIN code share	SE0005794617

Financial calendar

Interim report Q1 2020	7 May 2020
AGM 2020	27 May 2020
Interim report Q2 2020	27 August 2020

SUMMARY

INTRODUCTION AND WARNINGS

This Prospectus has been drawn up on the basis of Saniona's invitation to subscribe for units, consisting of warrants in three series, with preferential rights for existing shareholders (the "**Rights Issue**") and admission to trading of the warrants in the Rights Issue on Nasdaq Stockholm as well as additional warrants, of the same series as in the Rights Issue, which are issued in a directed issue of units to Formue Nord in connection with the Rights Issue (the "**Directed Unit Issue**").

The issuer of the warrants is Saniona AB, registration number 556962-5345, Baltorpvej 154, 2750 Ballerup, Denmark. The ISIN code for the Company's share is SE0005794617. The Company's LEI code is 549300XO4L9XNOCFCZ84.

A Swedish version of the Prospectus was approved by the Swedish Financial Supervisory Authority (Postal address Box 7821, 103 97 Stockholm, telephone number +46 (0) 8 408 980 00. www.fi.se), as the competent authority in accordance with the Prospectus Regulation on 13 February 2020.

This summary should be regarded as an introduction to the Prospectus. Any decision to invest in the securities shall be based on an assessment of the Prospectus in its entirety by the investor. An investor may lose all or part of his invested capital. If a claim for information in the Prospectus is filed in court, the investor who is a plaintiff in accordance with the national law of the member states may have to bear the costs of translating the Prospectus before the legal proceedings begin. Civil liability can only be imposed on the persons who have submitted the summary, including translations thereof, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when they are considering investing in such securities.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Saniona AB, registration number 556962-5345, is the issuer of the securities in accordance with this Prospectus. The Company's board of directors has its seat in the municipality of Malmö. The Company was formed in Sweden in 2014 and is a Swedish public limited company whose form of association is regulated by, and whose operations are conducted in accordance with, the Swedish Companies Act (2005: 551). The Company's LEI code is 549300XO4L9XNOCFCZ84. Saniona AB is the parent company of Saniona A/S, a Danish limited company with registration number DK-34049610 based in Ballerup in Denmark, through which the Group's operations are mainly conducted. Saniona also has a US subsidiary, Saniona, Inc., which was established in January 2020.

PRINCIPAL ACTIVITIES

Saniona is a research and development Company focused on drugs for diseases of the central nervous system and eating disorders. The Company has five programs undergoing clinical development. The research is focused on ion channels and the Company has a broad portfolio of preclinical programs. Saniona has collaborations with Boehringer Ingelheim, Productos Medix, Cadent Therapeutics and Treatment Research Center (TRC) at the University of Pennsylvania.

Saniona develops products internally with the goal of independently obtaining market approval in the US and Europe for certain unusual diseases where the required investments are limited and the commercial opportunities can be significant. For example, Saniona is currently developing its product candidate Tesomet for Prader-Willi syndrome and hypothalamic obesity, focusing on the United States and Europe. The market for such a product can be substantial, even though the number of patients is relatively small. In addition, the necessary investments to develop Tesomet in these indications are comparatively small and it is manageable to build a commercial infrastructure to serve these patients in the US and Europe. In general, most of Saniona's internal development programs have the potential to be developed and commercialized both against rare diseases by Saniona and against major indications in collaboration with partners.

MAJOR SHAREHOLDERS

As of 31 December 2019, the Company had 6,108 shareholders. The following chart shows the Company's five largest shareholders as per the day of the Prospectus. The compilation is based on ownership data from Euroclear as of 31 December 2019 and changes that has happened thereafter which are known to the Company.

Shareholder	Number of shares	Ownership and percentage of votes
BNY Mellon SA/NV (Former BNY), W8IMY*	2,677,790	9.10%
Försäkringsaktiebolaget Avanza Pension	1,731,810	5.89%
Feldthus, Thomas	1,870,000	6.36%
Formue Nord	1,000,000	3.40%
Leif Andersson Consulting ApS	950,000	3.23%
Other shareholders	21,832,919	74.23%
Total	**29,412,519**	**100%**

* Includes board member and CSO Jørgen Drejer's holding of 2,344,711 shares.

THE COMPANY`S GROUP MANAGEMENT AND AUDITOR

The table below shows the members of Saniona's Group management as of the date of this Prospectus.

Name	Position	Member of the management since	Employed since	Shareholdings
Rami Levin	CEO	2020	2020	710,313 employee stock options
Jørgen Drejer	CSO	2014*	2012	2,344,711 shares
Thomas Feldthus	Deputy CEO and CFO	2014	2012	1,870,000 shares

* Jørgen Drejer is CSO since 2020 and was previously CEO since 2014.

Deloitte AB is Saniona's auditor since its formation in 2014. Elna Lembrér Åström was the auditor in charge until the end of the annual general meeting 2018 and was subsequently replaced by Jeanette Roosberg. Both Elna Lembrér Åström and Jeanette Roosberg are authorized auditors and members of FAR, which is the trade association for auditors and advisors. The auditor is reached at Deloitte AB, Rehnsgatan 11, 113 79 Stockholm.

Key financial information for the issuer

Below is Saniona's selected financial information presented for the financial years that ended on the 31 December 2018 and 2019. The financial information for the financial year 2018 presented in this section has been taken from Saniona's annual report for the financial year 2018, which has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and has been audited by the Company's auditor. The financial information for the financial year 2019 has been taken from Saniona's year-end report for the period 1 January - 31 December 2019, which has been prepared in accordance with IAS 34. The year-end report has neither been audited nor reviewed by the Company's auditor.

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME IN SUMMARY

KSEK	2018 Jan–Dec (IFRS) (Audited)	2019 Jan–December (IFRS) (Unaudited)
Net sales	54,884	2,658
Operating result	-54,206	-103,906
Total result for the period	-40,434	-65,319

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

KSEK	31/12/2018 (IFRS) (Audited)	31/12/2019 (IFRS) (Unaudited)
Total assets	83,075	96,000
Total equity	39,457	58,437
Total debt	43,617	37,563

CONSOLIDATED STATEMENT OF CASH FLOWS IN SUMMARY

KSEK	2018 jan–dec (IFRS) (Audited)	2019 jan–dec (IFRS) (Unaudited)
Cash flow from operating activities	-22,920	-98,469
Cash flow from investing activities	914	-749
Cash flow from financing activities	46,745	76,728

Specific key risks for the issuer

SANIONA'S INDUSTRY IS CHARACTERIZED BY STRONG COMPETITION AND QUICK TECHNOLOGICAL DEVELOPMENT WHICH CAN LIMIT THE COMPANY'S OPPORTUNITIES TO SUCCEED

Research and development of new drugs is highly competitive and is characterized by rapid technological development. The Company's competitors can be large multinational companies as well as smaller research companies operating in ion channel research. Examples of competitors are the biotechnology companies Millendo, Levo and Soleno, which conduct research and development of drugs for the treatment of Prader-Willi syndrome and are thus potential competitors for the Company's product candidate Tesomet for the treatment of Prader-Willi syndrome and hypothalamic obesity.

Competitors, including those described above, may have greater resources than Saniona and its partners, which can give them advantages in, for example, research and development, contacts with regulatory authorities, marketing and product launching. Therefore, there is a risk that competitors will succeed in commercializing products earlier than Saniona and its partners, or that they will develop products that are more effective, have a better side effect profile and are more affordable than Saniona's potential products. Such competing products may limit the Company's ability to commercialize its product candidates and thereby to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

SANIONA CONDUCTS RESEARCH AND DEVELOPMENT WHICH IS SUBJECT TO CUSTOMARY RISKS RELATED TO PHARMACEUTICAL DEVELOPMENT, SUCH AS DELAYS, INCREASED COSTS AND NEGATIVE OR INSUFFICIENT RESULTS

Saniona has five programs in clinical development, three of which are late-stage clinical programs where the focus is on the development of treatments to effectively regulate fixations, cravings and dependencies regarding food and drugs. In addition, Saniona has four programs that are in the preclinical development phase. The Company has put together a portfolio of nine active programs for drug development in the clinical and preclinical phase, four of which are financed through partnerships or grants. Saniona's most advanced program, tesofensine, is being developed in collaboration with Medix, which in December 2018 completed a Phase 3 registration study and has recently submitted an application for a new drug in Mexico with tesofensine for treatment of obesity, with planned market approval and launch in 2020. Other programs are in earlier development phases.

These programs require continued research and development and are thus subject to customary risks linked to drug development, such as product development may be delayed and costs may be higher than expected or at some stage of the development prove not to be sufficiently effective or secure. Any negative, unclear or insufficient result increases the risk that Saniona will not obtain the necessary regulatory approvals to launch a finished product on the market, or if approvals are obtained, that these are associated with conditions that can make the product more difficult to commercialize. It can therefore be difficult to evaluate and predict time and cost aspects as well as future sales potential for the Company's product candidates. The level of risk in drug development is generally high and a setback in an individual project can have a material adverse effect on Saniona's operations and possibility to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium, and that the risks, if they occur, would have a medium impact on the Company.

SANIONA'S PROGRAMS NEED TO UNDERGO CLINICAL STUDIES BEFORE ANY MARKET LAUNCH, WHICH IS COSTLY AND TIME CONSUMING AND IS ASSOCIATED WITH RISKS THAT MAY DELAY OR PREVENT CONTINUED DEVELOPMENT

Before a product candidate can be launched on the market, Saniona or its collaborators must conduct preclinical and clinical studies to document and demonstrate that the product candidate has a significant treatment effect and an acceptable safety profile. The processes are usually extensive, costly and time consuming. Positive results in previously conducted preclinical and clinical studies do not guarantee positive results in later developmental stages and subsequent clinical studies. Saniona also cannot predict with certainty when planned clinical trials can be initiated or when ongoing studies are terminated, as there are a number of factors outside Saniona's direct control that may affect this, such as the need and timing of regulatory approvals and permits from ethics review boards, access to patients and study sites, conducting the clinical study at the study site, and considerations at Saniona's collaborative partners. Saniona cannot therefore foresee with certainty when clinical studies can be initiated or started or when commenced studies can be completed as this is influenced by a number of factors that are outside the Company's direct control.

It is also difficult to accurately predict the costs associated with clinical trials. The actual constraints of conducting a study may significantly exceed estimated and budgeted costs. Clinical studies can also produce results that do not demonstrate the intended treatment effect or an acceptable safety profile due to unwanted side effects or an unfavorable risk/benefit assessment of the product candidate. This can lead to the termination of clinical trials, the product candidate not obtaining the necessary regulatory approvals for further clinical studies or sales in the market, and the commercialization being made difficult or absent. In some cases, the development program for the current product candidate may need to be expanded with additional preclinical and/or clinical studies to enable market approval. In summary, clinical product development is unpredictable and clinical product development may be affected by unforeseen delays, unforeseen increased costs, unforeseen interruptions and unfavorable results.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

SANIONA IS LARGELY DEPENDENT ON FUTURE COMMERCIALIZATION TO GENERATE REVENUE

Saniona is inter alia entitled to royalties for successfully developed and marketed products as well as milestone payments under several collaborative partnerships. Thus, the Company is largely dependent on future commercialization to generate revenue. As stated above under the risk factor *Saniona conducts research and development which is subject to customary risks related to pharmaceutical development such as delays, increased costs and negative or insufficient results* Saniona's programs require continued research and development that is subject to a number of risks that can make it difficult to obtain, or prevent, market approval and potential commercialization. Even if market approval is obtained, there is a risk that sales do not meet expectations and that commercial success is not achieved. The degree of sales depends on several factors such as the product's characteristics, competing products, distribution opportunities, marketing, price and availability. Failure to achieve commercial success for one or several products may adversely affect the Company's ability to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

SANIONA CONDUCTS A NUMBER OF PROJECTS TOGETHER WITH EXTERNAL PARTNERS AND IS THEREFORE DEPENDENT ON SUCH PARTNERS FOR THE PROJECTS' CONTINUED DEVELOPMENT

Saniona has chosen to enter into partnerships for certain projects in the early phase in order to reduce the ongoing capital requirement through financing from the partner. The Company's collaboration partners include Boehringer Ingelheim, Productos Medix and Cadent Therapeutics. A large part of Saniona's activities have been financed through partners, which is why they are critical to the operation of certain projects. If any of the Company´s partners chooses to cancel its collaboration with Saniona, there is a risk that projects may be delayed or cancelled. Saniona may lack the financial resources required to continue the project on its own or fail to enter into collaborations with a new partner for the project's continued operations. In addition, changing partners can lead to increased costs, which can further complicate the project's operation.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

SANIONA'S OPERATIONS REQUIRE SIGNIFICANT INVESTMENTS AND THE COMPANY IS THEREFORE DEPENDENT ON RAISING CAPITAL TO FINANCE ITS PLANNED DEVELOPMENT ACTIVITIES

Saniona's research and development work requires significant investments. Saniona is thus dependent on its ability to raise capital in the future to finance its planned activities. Possible delays regarding clinical trials or product development, or early terminations of partnerships, may have a negative impact on the cash flow. There is a risk that the Company will not be able to raise additional capital, retain or obtain additional partnerships or obtain other co-financing. This may mean that the development is temporarily halted or that Saniona is forced to run operations at a lower rate than desired, which could adversely affect the Company's operations. If Saniona is unable to raise additional capital, obtain additional partnerships or other co-financing, there is also a risk that the Company will not be able to finance further studies and development of its operations.
As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

SANIONA NEEDS TO OBTAIN, MAINTAIN AND COMPLY WITH REGULATORY APPROVALS AND OTHER REQUIREMENTS OR APPROVALS FOR THE DEVELOPMENT AND POTENTIAL COMMERCIALIZATION OF ITS PROGRAMS

Saniona must conduct its business in accordance with applicable laws and regulations and obtain permits from the relevant authorities. For example, in order to be able to carry out pre-clinical and clinical studies and/or to market and sell pharmaceutical products, registration must be made and permission obtained from relevant authorities in each market, for example the Food and Drug Administration in the US and the European Medicines Agency in the EU. Obtaining the required permits is costly and time-consuming and may increase costs, delay or prevent the development of the Company's programs, for example if the Company or its partners are not considered to meet the applicable requirements for clinical studies or pharmaceutical manufacturing or if authorities make other assessments than Saniona and its partners in evaluating clinical study data. For example, Saniona's partner Medix recently submitted a new application for the drug candidate tesofensine for obesity treatment in Mexico following the completion of tesofensine's Phase 3 clinical trial during 2018. Furthermore, Saniona has ongoing contacts with regulatory agencies in Europe regarding ongoing Phase 2 studies for its drug candidate Tesomet for Prader-Willi syndrome and hypothalamic obesity as well as for completed Phase 1 studies for Tesomet in 2018 and 2019. In the short term, Saniona anticipates further regulatory interaction regarding planned Phase 2b/3 studies on Tesomet and Phase 1 studies for the drug candidate SAN711 for neuropathic pain and itching. These are examples of such regulatory activities that are part of the pharmaceutical development process itself and, as such, are subject to the aforementioned risks.

Even after market approval, Saniona and its partners will be required to comply with regulatory requirements, including supervision of marketing and safety reporting requirements. In addition, the Company and its partners will be required to comply with rules for pharmaceutical manufacturing, including rules for testing, quality control and documentation of the Company's products. Production facilities must be approved by the authority inspection and will be subject to such inspections by the authorities on a regular basis, which may lead to remarks and new demands on production.

If Saniona and its partners do not obtain the necessary regulatory approvals for one or several product candidates, the product candidates cannot be commercialized. If Saniona or its partners, including external manufacturers, fail to comply with relevant regulatory requirements, the Company may be subject to fines, withdrawals or confiscation of products, revocation of regulatory permits or approvals, other operational restrictions and criminal sanctions.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

SANIONA MAY BE SUBJECT TO PRODUCT LIABILITY CLAIMS NOT COVERED BY THE COMPANY'S INSURANCE COVER AND WHICH MAY AFFECT THE COMPANY'S REPUTATION

As Saniona conducts research and development of pharmaceuticals, risks of product liability may arise. Saniona may be held liable for side effects, diseases, deaths or other injuries to patients in connection with clinical trials, even if the clinical trials are performed by an external party. Product liability claims may also arise if the Company launches a product candidate in the market in the future.

If product liability claims are made against the Company, this may result in significant obligations for the Company. Regardless of the potential outcome in such a situation, and regardless of whether a product liability claim is well-founded or not, a product liability issue may result in increased costs for the Company in handling the claim and any potential disputes, liability to affected patients, reputational damage, loss of revenue and difficulties in successfully commercializing its product candidates.

The Company's insurance coverage may be insufficient to cover any costs associated with product liability claims, for example if a product liability claim is outside the scope of insurance cover or if the claim for damages exceeds the insurance amount. In addition, these type of insurances do usually not cover reputational damage that can occur regardless of the outcome of any product liability claim.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

SANIONA IS DEPENDENT ON OBTAINING AND MAINTANING PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS WHICH MAY BE REPLACED BY COMPETITIVE TECHNOLOGY OR BE SUBJECT TO INFRINGEMENT, DISPUTES OR CHALLENGE

Patents and other intellectual property rights are key assets in Saniona's operations and the Company's potential success depends on the Company being able to retain and obtain the required patent protection for individual projects, technology and production methods. Currently, Saniona´s patent portfolio consists of 33 active patent families and a total of 209 individual patents and patent applications.

Even if Saniona obtains patent protection, there is a risk that an approved patent will not provide satisfactory commercial protection in the future, for example if competitors develop products or technology that circumvent or replace Saniona's intellectual property rights. Other parties' patents may also limit the ability of the Company or its partners to freely use the product or method of production concerned. This may hamper or prevent further development and successful commercialization of the Company's product candidates and thus the Company's possibilities to generate revenue in the future.

Furthermore, there is a risk that the Company may infringe, or be alleged to infringe, patents held by third parties, or that third parties infringe on the Company's patent protection, which may result in the Company being subject to legal proceedings. The risk associated with patent protection means that the outcome of such proceedings is difficult to predict. Negative outcomes of intellectual property disputes can lead to reduced or lost protection, prohibition to continue to use the current right or obligation to pay damages. In addition, the cost of a dispute, even in the case of a favourable outcome for Saniona, may be substantial.
As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as low and that the risks, if they do occur, would have a medium impact on the Company.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The Rights Issue consists of units. Each unit consists of one (1) warrant of series TO 1, one (1) warrant of series TO 2 and one (1) warrant of series TO 3. Each warrant entitles the holder to subscribe for one (1) new share in Saniona at a subscription price corresponding to 70 percent of the volume weighted average price of the Company's share during a two-week period ending two trading days before the utilization period for the respective series, however, not lower than SEK 25 and not higher than SEK 30 per share. The utilization period is 11-25 May 2020 for warrants of series TO 1, 7-21 September 2020 for warrants of series TO 2 and 6-20 April 2021 for warrants of series TO 3. The number of shares that can be subscribed for and the subscription price is subject to customary recalculation conditions in connection with share issues etc.

The warrant of series TO 1 have ISIN code SE0013775277 and the ticker SANION TO1. The warrant of series TO 2 have ISIN code SE0013775301 and the ticker SANION TO2. The warrant of series TO 3 have ISIN code SE0013775319 and the ticker SANION TO3.

The shares in Saniona have ISIN code SE0005794617. The shares are denominated in Swedish kronor (SEK). The quota value of the shares is SEK 0.05. As per the day of the Prospectus, the Company's share capital amounts to SEK 1,470,625.95, distributed on 29,412,519 shares.

If the Rights Issue is fully subscribed and all warrants in the Rights Issue and the Directed Unit Issue are fully exercised, the share capital may increase by a maximum of SEK 221,961.30 and the number of shares by a maximum of 4,439,226 shares.

Rights related to the securities

THE WARRANTS IN THE RIGHTS ISSUE AND THE DIRECTED UNIT ISSUE

The warrants will be registered in Euroclear Sweden AB's ("**Euroclear**") account-based securities system and are freely transferable. The person registered as holder of warrants in the register kept by Euroclear is entitled to all rights associated with the warrants. The terms of the warrants are summarized above under the heading "What are the main features of the securities".

SHARES THAT MAY BE SUBSCRIBED FOR BY EXERCISE OF THE WARRANTS

As Saniona´s shares are affiliated to Euroclear's account-based securities system, no physical share certificates are issued. All shares are issued and fully paid and freely transferable. The person registered as holder of shares in the register kept by Euroclear is entitled to all rights associated with the shares. There are no restrictions on the transferability of the shares.

Each share entitles one (1) vote at Saniona's general meeting. Each shareholder entitled to vote, may vote at the general meeting for the full number of shares owned and represented. Shareholders normally have preferential rights to subscribe for new shares, warrants and convertibles in accordance with the Swedish Companies Act, unless the general meeting or the board of directors, with the support of the general meeting's authorization, resolves on deviation from the shareholders' preferential right. Each share provides equal right to the Company's assets and profits. In the event of a liquidation of the Company, shareholders have equal rights to surplus in relation to the number of shares held by

the shareholder. Any dividends are resolved upon by the general annual meeting after proposition from the board of directors. Holders recorded as owners of shares in the register of shareholders maintained by Euroclear on the record date established by the annual general meeting are entitled to receive dividends. All of the Company's shares entitle to dividends. If a shareholder cannot be paid through Euroclear, such shareholder still retains its claim to the dividend amount and the claim is only subject to rules regarding limitation of claims. Should the claim become barred by the limitation of claims, the dividend amounts is forfeited to the Company. Neither the Swedish Companies Act nor Saniona's articles of association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdictions, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. Tax legislation in both Sweden and the shareholder's home country can affect the income from any dividends paid. However, for shareholders who are not tax resident in Sweden, Swedish coupon tax is normally paid.

Dividend Policy

Saniona may generate income through upfront payments, milestone payments, royalty payments and upon exits in relation to the sale of spinouts. 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.

However, the board of directors can propose a dividend of Saniona's shareholding in a spinout company to the shareholders as dividend if such a spinout company has as objective to achieve an independent listing on the stock market. This could be the case if Saniona's shares can be distributed as a tax free dividend in accordance with the Lex Asea rules in Sweden and the board of directors makes the assessment that the fiscal advantages for shareholders in other geographic areas can be financed through sales of shares in the listed spinout company. At the annual general meeting on May 29 2019, it was resolved that no dividend should be paid for the 2018 financial year.

Where will the securities be traded?

Saniona will apply for the warrants in the Rights Issue and the Directed Unit Issue to be admitted to trading on Nasdaq Stockholm. Paid subscription units (BTU) will be traded on Nasdaq Stockholm until the warrants have been registered with the Swedish Companies Registration Office, whereby BTU will automatically be converted into warrants in Euroclear Sweden's system. The Company's share is listed on Nasdaq Stockholm under the short name SANION.

What key risks are specific to the securities?

THE PRICE OF THE COMPANY'S SHARE MAY BE VOLATILE AND A NEGATIVE DEVELOPMENT IN THE SHARE PRICE MAY IMPACT TRADING IN THE WARRANTS AND THEIR VALUE

Risk and risk taking are an unavoidable part of share ownership as an investment in shares may decline in value, and it is not certain that an investor will receive back the invested capital in connection with the exercising of warrants to subscribe for new shares in the Company or any other investment in the Company's share.

The Company's share has been listed on Nasdaq Stockholm since June 2017 and has previously been listed on Nasdaq First North Premier Growth Market since May 2016 and Spotlight Stock Market since March 2014. During the past three years, the share price has varied between SEK 18 and SEK 51, and there is a risk that the share price will also in the future undergo price fluctuations. The share price development is dependent on a number of factors, some of which are company specific and others related to the stock market as a whole. The stock price can be very volatile and can be affected, for example, by supply and demand, variations in actual or expected results, inability to reach analysts' earnings expectations, changes in general economic conditions, changes in regulatory conditions and other factors. The price of the Company's share can also be affected by, for example, competitors' activities and market positions. Saniona cannot predict the way in which investors' interest in the Company will develop and whether there will be an active and liquid market for trading in the Company's shares at any given time.

The above can adversely affect the liquidity of the share and lead to a low trading volume. Low liquidity can make it difficult for the Company's shareholders to sell shares and/or that they need to sell shares at a loss.

If the warrants that are issued in the Rights Issue and the Directed Unit Issue are approved for trading on Nasdaq Stockholm, the development of the Company's share price also affect the trading in and the value of the warrants. It could mean that active trading in the warrants does not develop or that the warrants become worthless if the share price falls below the lowest price for exercise of the warrants during the exercise periods.

A FEW MAJOR SHAREHOLDERS MAY EXERCISE A SIGNIFICANT INFLUENCE OVER SANIONA

The Company has a large number of shareholders with smaller shareholdings and a few shareholders with larger shareholdings. These major shareholders have, through their respective holdings in the Company, the opportunity to exercise significant influence over the Company and may affect, among other things, matters that are subject to voting at the general meeting, including the election of board members, the sale of all or substantially all of the Company's assets or decisions on any potential dividend. A shareholder concentration may be a disadvantage to other shareholders if they have interests other than the Company's principal shareholders. As of the date of the Prospectus, Formue Nord holds 3.4 percent of the number of shares and votes in the Company as a result of a directed issue of shares that the Company carried out in January 2020. In addition, the board member and CSO Jørgen Drejer and the Company's CFO, Thomas Feldthus holds 7.97 and 6.36 percent of the number of shares and votes in the Company, respectively, based on the total number of shares in the Company per the day of the Prospectus.

FUTURE NEW ISSUES AND SALES OF LARGER SHAREHOLDINGS MAY HAVE A NEGATIVE IMPACT ON THE SHARE PRICE AND CAUSE DILUTION FOR SHAREHOLDERS

Substantial sales of shares carried out by major shareholders, as well as a general market expectation that sales may be made, may adversely affect the price of the Company's share, which means that shareholders when selling shares may not be able to get back the funds invested.

Furthermore, any additional new issues of shares or other instruments may result in dilution of ownership for shareholders who do not participate in such issue or choose not to exercise their right to subscribe for shares. The same applies to any issues that are directed at other than the Company's shareholders, as has been done through the directed share issue to Formue Nord and the Directed Unit Issue.

Historically, the Company has carried out a number of capitalizations through issues of shares or convertibles, several of which have been made with deviations from the shareholders' preferential rights. In the future, the Company may also decide on such issues, which may lead to dilution for existing shareholders and adversely affect the Company's share price.

KEY INFORMATION ON THE RIGHTS ISSUE

Under which conditions and timetable can I invest in this security?

Persons who are registered as shareholder on the record date the 13 February 2020, will receive one (1) unit right for every share held. Twenty-nine (29) unit rights entitles to subscribe for one (1) unit consisting of one (1) warrant of series TO 1, one (1) warrant of series TO 2 and one (1) warrant of series TO 3, a total of three (3) warrants. Units are issued free of charge. The subscription period for units in the Rights Issue is from and including 17 February 2020 until and including 2 March 2020. Subscription shall be made on a special subscription list available on the Company's website, www.saniona.com and Sedermera's website, www.sedermera.se.

Why is this Prospectus being produced?

In order to support the Company's overall goal, the board of directors decided in January 2020 to carry out a directed issue of 1,000,000 shares to Formue Nord at a price of SEK 25 per share, which has provided the Company SEK 25 million before transaction costs. In connection therewith, an agreement was executed for a loan facility that gives the Company the right to borrow up to SEK 25 million. The Company's right to utilize the loan facility is conditional upon the general meeting's approval of the Rights Issue and the Directed Unit Issue, which occurred at an extraordinary general meeting on 7 February 2020. If the Rights Issue is fully subscribed and all warrants in the Rights Issue and the Directed Unit Issue are fully exercised the Company can be provided with SEK 111-133 million before transaction costs. The Company's costs for the implementation of the Rights Issue and the Directed Unit Issue are estimated to amount to approximately SEK 1.7 million.

The net proceeds from the potential exercise of the warrants in the Rights Issue and the Directed Unit Issue are, together with the net proceeds from the aforementioned directed share issue and the loan facility, intended to replace the existing financing agreement with Nice & Green from 28 December 2017 and to be primarily used for general business purposes and further development of the Company's main product candidate, Tesomet, for the treatment of Prader-Willi syndrome and hypothalamic obesity.

If the Rights Issue is fully subscribed and all warrants in the Rights Issue and the Directed Unit Issue are fully exercised, the Company expects to use the net proceeds from the warrants, approximately SEK 111-133 million, for the following purposes and in the following order of priority:

- General business purposes including administrative and personnel costs (approximately 50 percent)
- Further funding of the ongoing Phase 2a study and preparations for Phase 2b/3 studies for Tesomet (approximately 35 percent)
- External costs for other research and clinical programs (approximately 15 percent)

The Prospectus has been produced due to the Rights Issue and the application for admission to trading of the warrants in the Rights Issue and the Directed Unit Issue on Nasdaq Stockholm.

RISK FACTORS

Prior to a possible investment decision, it is important to carefully analyze the risk factors that are considered to be of significance for the future development of Saniona and the share. The risk factors that are deemed to be material to the Company are described below. The Company has thereby assessed the materiality of the risk factors on the basis of the likelihood of their occurrence and the expected extent of their adverse effects on the Company's business, results and/or financial position and the risk factors have therefore been graded on a qualitative scale with the designations low, medium and high. The statement below is based on information available as of the date of the Prospectus. The risk factors have been divided into the categories "Risks related to Saniona's industry", "Risks related to Saniona's operations", "Risks related to Saniona's financial situation", "Legal and regulatory risks" and "Risks related to the Rights Issue and to Saniona's share". The risk factors that are currently considered most significant are presented first in each category, while the risk factors are then presented without any particular ranking.

The Prospectus contains forward-looking statements that may be affected by future events, risks and uncertainties. The Company's actual results may differ materially from the results expected in the forward-looking statements due to a number of factors that are discussed below and elsewhere in the Prospectus.

RISKS RELATED TO SANIONA'S INDUSTRY

Saniona's industry is characterized by strong competition and quick technological development which can limit the Company´s opportunities to succeed

Research and development of new drugs is highly competitive and is characterized by rapid technological development. The Company's competitors can be large multinational companies as well as smaller research companies operating in ion channel research. Examples of competitors are the biotechnology companies Millendo, Levo and Soleno, which conduct research and development of drugs for the treatment of Prader-Willi syndrome and are thus potential competitors for the Company's product candidate Tesomet for the treatment of Prader-Willi syndrome and hypothalamic obesity.

Competitors, including those described above, may have greater resources than Saniona and its partners, which can give them advantages in, for example, research and development, contacts with regulatory authorities, marketing and product launching. Therefore, there is a risk that competitors will succeed in commercializing products earlier than Saniona and its partners, or that they will develop products that are more effective, have a better side effect profile and are more affordable than Saniona's potential products. Such competing products may limit the Company's ability to commercialize its product candidates and thereby to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

RISKS RELATED TO SANIONA'S OPERATIONS

Saniona conducts research and development which is subject to customary risks related to pharmaceutical development, such as delays, increased costs and negative or insufficient results

Saniona has five programs in clinical development, three of which are late-stage clinical programs where the focus is on the development of treatments to effectively regulate fixations, cravings and dependencies regarding food and drugs. In addition, Saniona has four programs that are in the preclinical development phase. The Company has put together a portfolio of nine active programs for drug development in the clinical and preclinical phase, four of which are financed through partnerships or grants. Saniona's most advanced program, tesofensine, is being developed in collaboration with Medix, which in December 2018 completed a Phase 3 registration study and has recently submitted an application for a new drug in Mexico with tesofensine for treatment of obesity, with planned market approval and launch in 2020. Other programs are in earlier development phases.

These programs require continued research and development and are thus subject to customary risks linked to drug development, such as product development may be delayed and costs may be higher than expected or at some stage of the development prove not to be sufficiently effective or secure. Any negative, unclear or insufficient result increases the risk that Saniona will not obtain the necessary regulatory approvals to launch a finished product on the market, or if approvals are obtained, that these are associated with conditions that can make the product more difficult to commercialize. It can therefore be difficult to evaluate and predict time and cost aspects as well as future sales potential for the Company's product candidates. The level of risk in drug development is generally high and a setback in an individual project can have a material adverse effect on Saniona's operations and possibility to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium, and that the risks, if they occur, would have a medium impact on the Company.

Saniona's programs needs to undergo clinical studies before any market launch, which is costly and time consuming and associated with risks that may delay or prevent continued development

Before a product candidate can be launched on the market, Saniona or its collaborators must conduct preclinical and clinical studies to document and demonstrate that the product candidate has a significant treatment effect and an acceptable safety profile. The processes are usually extensive, costly and time consuming. Positive results in previously conducted preclinical and clinical studies do not guarantee positive results in later developmental stages and subsequent clinical studies. Saniona also cannot predict with certainty when planned clinical trials can be initiated or when ongoing studies are terminated, as there are a number of factors outside Saniona's direct control that may affect this, such as the need and timing of regulatory approvals and permits from ethics review boards, access to patients and study sites, conducting the clinical study at the study site, and considerations at Saniona's collaborative partners. Saniona cannot therefore foresee with certainty when clinical studies can be initiated or started or when commenced studies can be completed as this is influenced by a number of factors that are outside the Company's direct control.

It is also difficult to accurately predict the costs associated with clinical trials. The actual constraints of conducting a study may significantly exceed estimated and budgeted costs. Clinical studies can also produce results that do not demonstrate the intended treatment effect or an acceptable safety profile due to unwanted side effects or an unfavorable risk/benefit assessment of the product candidate. This can lead to the termination of clinical trials, the product candidate not obtaining the necessary regulatory approvals for further clinical studies or sales in the market, and the commercialization being made difficult or absent. In some cases, the development program for the current product candidate may need to be expanded with additional preclinical and/or clinical studies to enable market approval. In summary, clinical product development is unpredictable and clinical product development may be affected by unforeseen delays, unforeseen increased costs, unforeseen interruptions and unfavorable results.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

Saniona is largely dependent on future commercialization to generate revenue

Saniona is inter alia entitled to royalties for successfully developed and marketed products as well as milestone payments under several collaborative partnerships. Thus, the Company is largely dependent on future commercialization to generate revenue. As stated above under the risk factor *Saniona conducts research and development which is subject to customary risks related to pharmaceutical development such as delays, increased costs and negative or insufficient results,* Saniona's programs require continued research and development that is subject to a number of risks that can make it difficult to obtain, or prevent, market approval and potential commercialization. Even if market approval is obtained, there is a risk that sales do not meet expectations and that commercial success is not achieved. The degree of sales depends on several factors such as the product's characteristics, competing products, distribution opportunities, marketing, price and availability. Failure to achieve commercial success for one or several products may adversely affect the Company's ability to generate revenue in the future.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

Saniona conducts a number of projects together with external partners and is therefore dependent on such partners for the project´s continued development

Saniona has chosen to enter into partnerships for certain projects in the early phase in order to reduce the ongoing capital requirement through financing from the partner. The Company's collaboration partners include Boehringer Ingelheim, Productos Medix and Cadent Therapeutics. A large part of Saniona's activities have been financed through partners, which is why they are critical to the operation of certain projects. If any of the Company´s partners chooses to cancel its collaboration with Saniona, there is a risk that projects may be delayed or cancelled. Saniona may lack the financial resources required to continue the project on its own or fail to enter into collaborations with a new partner for the project's continued operations. In addition, changing partners can lead to increased costs, which can further complicate the project's operation.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

Saniona is dependent on collaborations with external parties and suppliers for conducting clinical trials and drug development

Saniona's need for drug development is to some extent covered by internal expertise, but the Company also takes the help of external parties. Saniona has entered into agreements with the Indian service providers Syngene International and Aurigen regarding chemical synthesis, Klifo and-Parexel regarding clinical testing and Cambrex Karlskoga regarding the manufacture of pharmaceutical substances for clinical and commercial use. The housing team also has less extensive agreements with other companies regarding studies of, among other things, drug absorption and efficacy in specific disease models. If current or future external parties do not meet their commitments or the quality requirements set by Saniona, or choose to terminate their partnerships with the Company, this may delay or hamper the development of Saniona's programs. Also, hiring new external suppliers, or replacing existing suppliers can also be more costly and/or take longer than the Company expects, which can make it difficult and/or delay development work.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as low and that the risks, if they occur, would have a low impact on the Company.

Saniona is dependent on attracting and retaining key personnel and employees

Saniona's key personnel and employees have a high level of expertise and long experience in the Company's business area and are thus central to Saniona's operations. The Majority of the Company’s key employees are employees of the Danish subsidiary Saniona A/S, in which the main operations are conducted. In accordance with practice on the Danish labour market, the notice period for several key employees, with the exception of the CEO, CSO and CFO, in the event of termination by the employee, amounts to one month. Thus, several key personnel can terminate their employment, taking into account only one month's notice period, which means that Saniona may need to replace key personnel at short notice. If one or more key persons or employees terminate their employment with the Company or if the Company fails to recruit new persons with relevant knowledge and expertise, it may delay and/or hamper the development of the Company's program.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as low and that the risks, if they occur, would have a low impact on the Company.

RISKS RELATED TO SANIONA’S FINANCIAL SITUATION

Saniona's operations require significant investments and the Company is therefore dependent on raising capital to finance its planned development activities

Saniona's research and development work requires significant investments. Saniona is thus dependent on its ability to raise capital in the future to finance its planned activities. Possible delays regarding clinical trials or product development, or early terminations of partnerships, may have a negative impact on the cash flow. There is a risk that the Com-

pany will not be able to raise additional capital, retain or obtain additional partnerships or obtain other co-financing. This may mean that the development is temporarily halted or that Saniona is forced to run operations at a lower rate than desired, which could adversely affect the Company's operations. If Saniona is unable to raise additional capital, obtain additional partnerships or other co-financing, there is also a risk that the Company will not be able to finance further studies and development of its operations.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

Saniona is exposed to currency risks

Saniona is based in Sweden and reports results and financial position in SEK but most of the Company's operations take place in the Danish subsidiary Saniona A/S, whose functional currency is DKK. Revenue from Saniona's partnerships mainly consist of USD and EUR. Internal operation costs mainly consist of DKK and to a minor extent SEK while the external development expenditures mainly consist of EUR and USD. Consequently, the Group's outflows mainly consist of DKK, EUR and USD and to a minor extent SEK while the Group's inflows from the operative operations mainly consist of EUR and USD.
Cash flows in conjunction with purchase and sale of goods and services in difference currency cause a so-called transaction exposure. As per the date of the publishing of the Prospectus, Saniona does not hedge its transaction exposure. In addition, the assets in Saniona A/S constitute a significant part of the Group's total assets, therefore the Group is subject to balance exposure due to the translation of DKK to SEK.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as medium and that the risks, if they occur, would have a low impact on the Company.

LEGAL AND REGULATORY RISKS

Saniona needs to obtain, maintain and comply with regulatory approvals and other requirements or approvals for the development and potential commercialization of its programs

Saniona must conduct its business in accordance with applicable laws and regulations and obtain permits from the relevant authorities. For example, in order to be able to carry out pre-clinical and clinical studies and/or to market and sell pharmaceutical products, registration must be made and permission obtained from relevant authorities in each market, for example the Food and Drug Administration in the US and the European Medicines Agency in the EU. Obtaining the required permits is costly and time-consuming and may increase costs, delay or prevent the development of the Company's programs, for example if the Company or its partners are not considered to meet the applicable requirements for clinical studies or pharmaceutical manufacturing or if authorities make other assessments than Saniona and its partners in evaluating clinical study data. For example, Saniona's partner Medix recently submitted a new application for the drug candidate tesofensine for obesity treatment in Mexico following the completion of tesofensine's Phase 3 clinical trial during 2018. Furthermore, Saniona has ongoing contacts with regulatory agencies in Europe regarding ongoing Phase 2 studies for its drug candidate Tesomet for Prader-Willi syndrome and hypothalamic obesity as well as for completed Phase 1 studies for Tesomet in 2018 and 2019. In the short term, Saniona anticipates further regulatory interaction regarding planned Phase 2b/3 studies on Tesomet and Phase 1 studies for the drug candidate SAN711 for neuropathic pain and itching. These are examples of such regulatory activities that are part of the pharmaceutical development process itself and, as such, are subject to the aforementioned risks.

Even after market approval, Saniona and its partners will be required to comply with regulatory requirements, including supervision of marketing and safety reporting requirements. In addition, the Company and its partners will be required to comply with rules for pharmaceutical manufacturing, including rules for testing, quality control and documentation of the Company's products. Production facilities must be approved by the authority inspection and will be subject to such inspections by the authorities on a regular basis, which may lead to remarks and new demands on production.

If Saniona and its partners do not obtain the necessary regulatory approvals for one or several product candidates, the product candidates cannot be commercialized. If Saniona or its partners, including external manufacturers, fail to comply with relevant regulatory requirements, the Company may be subject to fines, withdrawals or confiscation of products, revocation of regulatory permits or approvals, other operational restrictions and criminal sanctions.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a medium impact on the Company.

Saniona must comply with applicable laws and regulations which can be costly and the Company's compliance measures may fail

There is a risk that Saniona will fail to comply with laws and regulations because Saniona's interpretation of the regulations is incorrect or that Saniona has not been able to adapt its business to new laws and regulations. In addition, from time to time, Saniona may lack the resources required to comply with applicable laws and regulations. Future changes in applicable legislation can also cause delays and increased costs. This applies to laws and regulations in the pharmaceutical regulatory area as well as other laws and regulations that affect Saniona's operations.

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free flow of such data and repealing Directive 95/46/EC (General Data Protection Regulation) ("**GDPR**") is an example of legislation that is relatively new at the time of publication of the Prospectus, so it is difficult to draw any conclusions about its short- and long-term effects on Saniona's operations or whether Saniona's adaptation to GDPR is sufficient. If Saniona does not comply with or violate applicable laws and regulations or if Saniona's interpretation of applicable laws and regulations is incorrect, it may result in penalties from the relevant authorities.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as low and that the risks, if they occur, would have a low impact on the Company.

Saniona may be subject to product liability claims not covered by the Company´s insurance cover and which may affect the Company´s reputation

As Saniona conducts research and development of pharmaceuticals, risks of product liability may arise. Saniona may be held liable for side effects, diseases, deaths or other injuries to patients in connection with clinical trials, even if the clinical trials are performed by an external party. Product liability

claims may also arise if the Company launches a product candidate in the market in the future.

If product liability claims are made against the Company, this may result in significant obligations for the Company. Regardless of the potential outcome in such a situation, and regardless of whether a product liability claim is well-founded or not, a product liability issue may result in increased costs for the Company in handling the claim and any potential disputes, liability to affected patients, reputational damage, loss of revenue and difficulties in successfully commercializing its product candidates.

The Company's insurance coverage may be insufficient to cover any costs associated with product liability claims, for example if a product liability claim is outside the scope of insurance cover or if the claim for damages exceeds the insurance amount. In addition, these type of insurances do usually not cover reputational damage that can occur regardless of the outcome of any product liability claim.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as medium and that the risks, if they occur, would have a low impact on the Company.

Saniona is dependent on obtaining and maintaining protection for intellectual property rights which may be replaced by competitive technology or be subject to infringement, disputes or challenge

Patents and other intellectual property rights are key assets in Saniona's operations and the Company's potential success depends on the Company being able to retain and obtain the required patent protection for individual projects, technology and production methods. Currently, Saniona´s patent portfolio consists of 33 active patent families and a total of 209 individual patents and patent applications.

Even if Saniona obtains patent protection, there is a risk that an approved patent will not provide satisfactory commercial protection in the future, for example if competitors develop products or technology that circumvent or replace Saniona's intellectual property rights. Other parties' patents may also limit the ability of the Company or its partners to freely use the product or method of production concerned. This may hamper or prevent further development and successful commercialization of the Company's product candidates and thus the Company's possibilities to generate revenue in the future.

Furthermore, there is a risk that the Company may infringe, or be alleged to infringe, patents held by third parties, or that third parties infringe on the Company's patent protection, which may result in the Company being subject to legal proceedings. The risk associated with patent protection means that the outcome of such proceedings is difficult to predict. Negative outcomes of intellectual property disputes can lead to reduced or lost protection, prohibition to continue to use the current right or obligation to pay damages. In addition, the cost of a dispute, even in the case of a favourable outcome for Saniona, may be substantial.

As of the date of the Prospectus, the Company assesses the probability that the risks will occur, in whole or in part, as low and that the risks, if they do occur, would have a medium impact on the Company.

Saniona is dependent on trade secrets and know-how which can be difficult to protect

Saniona is dependent on trade secrets and know-how that cannot be protected by registration in the same way as other intellectual property rights. For example, this concerns knowledge of concepts, methods and processes.

Saniona uses confidentiality agreements with employees, partners and other advisors in order to protect trade secrets and know-how, but these agreements may prove insufficient to prevent trade secrets and know-how from being disclosed and spread without the Company's control, which entails risk that competitors will be able to access and benefit from trade secrets and know-how developed by Saniona. Such uncontrolled disclosure of information may adversely affect the development of the Company's product candidates if, for example, it were to be used in the production of potentially competing products or other commercial use without the Company being compensated for this.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as low and that the risks, if they occur, would have a low impact on the Company.

Saniona is subject to tax regulations in several jurisdictions involving risks linked to interpretations, changed practices, reassessments and changes in regulations.

Saniona is based in Sweden, but most of its operations are made in the Danish subsidiary Saniona A/S. The tax considerations Saniona makes are based on interpretations of current tax legislation, tax treaties and other tax regulations as well as requirements from relevant tax authorities in Sweden and Denmark, as well as in other countries where Saniona may conduct its business.

If Saniona's interpretation or application of tax legislation, tax treaties or other tax regulations is incorrect, or if applicable tax laws, tax treaties, regulations or interpretations thereof, or if administrative practices in relation thereto are changed, including retroactive effect, the Company's past and present tax position may be subject to review by the tax authorities. Should a tax authority succeed in such a review, an increased tax expense may be incurred, including fees and interest costs. In addition, legislation, tax treaties and other tax regulation have historically been subject to recurring changes and are expected to continue in the future.

As of 31 December 2018, the parent company Saniona AB had accumulated tax losses of approximately SEK 32.9 million. The accumulated fiscal deficits can reduce Saniona's future taxable profits and thus reduce the corporate tax that would otherwise be deducted from future profits. Tax deficits and their utilization are subject to extensive limitation rules. The Group's ability to utilize the accumulated deficits in the future, in whole or in part, is determined by, among other things, future changes in ownership and may also be affected by changes in the applicable tax legislation. If the loss carry forwards it cannot be used to reduce tax on future profits, this means that the Company's tax expense will increase.

As of the date of the Prospectus, the Company assesses the probability that the risks will, in whole or in part, occur as low and that the risks, if they occur, would have a low impact on the Company.

RISKS RELATED TO THE RIGHTS ISSUE AND TO SANIONA'S SHARE

The price of the Company's share may be volatile and a negative development in the share price may impact trading in the warrants and their value

Risk and risk taking are an unavoidable part of share ownership as an investment in shares may decline in value, and it is not certain that an investor will receive back the invested capital in connection with the exercising of warrants to subscribe for new shares in the Company or any other investment in the Company's share.

The Company's share has been listed on Nasdaq Stockholm since June 2017 and has previously been listed on Nasdaq First North Premier Growth Market since May 2016 and Spotlight Stock Market since March 2014. During the past three years, the share price has varied between SEK 18 and SEK 51, and there is a risk that the share price will also in the future undergo price fluctuations. The share price development is dependent on a number of factors, some of which are company specific and others related to the stock market as a whole. The stock price can be very volatile and can be affected, for example, by supply and demand, variations in actual or expected results, inability to reach analysts' earnings expectations, changes in general economic conditions, changes in regulatory conditions and other factors. The price of the Company's share can also be affected by, for example, competitors' activities and market positions. Saniona cannot predict the way in which investors' interest in the Company will develop and whether there will be an active and liquid market for trading in the Company's shares at any given time.

The above can adversely affect the liquidity of the share and lead to a low trading volume. Low liquidity can make it difficult for the Company's shareholders to sell shares and/or that they need to sell shares at a loss.

If the warrants that are issued in the Rights Issue and the Directed Unit Issue are approved for trading on Nasdaq Stockholm, the development of the Company's share price also affect the trading in and the value of the warrants. It could mean that active trading in the warrants does not develop or that the warrants become worthless if the share price falls below the lowest price for exercise of the warrants during the exercise periods.

A few major shareholders may exercise a significant influence over Saniona

The Company has a large number of shareholders with smaller shareholdings and a few shareholders with larger shareholdings. These major shareholders have, through their respective holdings in the Company, the opportunity to exercise significant influence over the Company and may affect, among other things, matters that are subject to voting at the general meeting, including the election of board members, the sale of all or substantially all of the Company's assets or decisions on any potential dividend. A shareholder concentration may be a disadvantage to other shareholders if they have interests other than the Company's principal shareholders. As of the date of the Prospectus, Formue Nord holds 3.4 percent of the number of shares and votes in the Company as a result of a directed issue of shares that the Company carried out in January 2020. In addition, the board member and CSO Jørgen Drejer and the Company's CFO, Thomas Feldthus holds 7.97 and 6.36 percent of the number of shares and votes in the Company, respectively, based on the total number of shares in the Company per the day of the Prospectus.

Future new issues and sales of larger shareholdings can have a negative impact on the share price and cause dilution for shareholders.

Substantial sales of shares carried out by major shareholders, as well as a general market expectation that sales may be made, may adversely affect the price of the Company's share, which means that shareholders when selling shares may not be able to get back the funds invested.

Furthermore, any additional new issues of shares or other instruments may result in dilution of ownership for shareholders who do not participate in such issue or choose not to exercise their right to subscribe for shares. The same applies to any issues that are directed at other than the Company's shareholders, as has been done through the directed share issue to Formue Nord and the Directed Unit Issue.

Historically, the Company has carried out a number of capitalizations through issues of shares or convertibles, several of which have been made with deviations from the shareholders' preferential rights. In the future, the Company may also decide on such issues, which may lead to dilution for existing shareholders and adversely affect the Company's share price.

Specific risks for foreign shareholders

Saniona has a large number of shareholders domiciled in Denmark and in other jurisdictions. The Company's share is denominated in SEK and any future dividends will be paid in SEK. A weakening of the Swedish krona relative to foreign currency can therefore, when converted to local currency, mean that the value of foreign shareholders' shareholdings and dividends can be adversely affected.

If the Company issues new shares with preferential rights for the Company's shareholders in the future, foreign shareholders in some countries may be subject to restrictions which mean that they cannot participate in such new issues or that their participation in any other way is made more difficult or restricted. For example, shareholders in the United States may be prevented from exercising such preferential rights unless an exemption from the registration requirements of the Securities Act is applicable. Shareholders in other jurisdictions outside Sweden may also be affected in a similar manner depending on local legal requirements. To the extent foreign shareholders are unable to subscribe for new shares in any rights issue, their proportionate ownership in the Company will decrease.

INVITATION TO SUBSCRIBE FOR UNITS

On 10 January 2020, the board of directors of Saniona decided, subject to the approval by the extraordinary general meeting on 7 February 2020, to carry out a directed issue of 465,518 units, consisting of a total of 1,396,554 warrants of series TO 1, series TO 2 and series TO 3, to Formue Nord under a financing agreement entered between the parties (the "**Directed Unit Issue**"), and to carry out a new issue of 1,014,224 units consisting of a total of 3,042,672 warrants of the same series as in the Directed Unit Issue, with preferential rights for the Company's shareholders (the "**Rights Issue**"). Units in both the Directed Unit Issue and the Rights Issue are issued free of charge. The board of directors' resolutions were approved at an extraordinary general meeting on 7 February 2020.

Those who are registered shareholders on the record date, 13 February 2020, will receive one (1) unit right for every share held. Twenty-nine (29) unit rights entitle the subscriber to subscribe for one (1) unit consisting of one (1) warrant of series TO 1, one (1) warrant of series TO 2 and one (1) warrant of series TO 3, a total of three (3) warrants. Each warrant entitles the holder to subscribe for one (1) new share in Saniona at a subscription price corresponding to 70 per cent of the volume weighted average price of the Company's share during a two-week period ending two trading days before the utilization period for each warrant series, however not lower than SEK 25 and not higher than SEK 30 per share. The utilization periods are 11-25 May 2020 for warrants of series TO 1, 7-21 September 2020 for warrants of series TO 2 and 6-20 April 2021 for warrants of series TO 3. The number of shares that can be subscribed and the subscription price upon exercise of the warrants is subject to customary recalculation terms in connection with issues of shares etc.

The subscription period for subscription of units in the Rights Issue commences from and including 17 February 2020 until and including 2 March 2020. Subscription is made on a subscription form which is available on the Company's and Sedermera's respective websites. Since the warrants in the Directed Unit Issue are of the same series as in the Rights Issue, the same conditions apply to those warrants.

As of the date of the Prospectus, the Company's share capital amounts to SEK 1,470,625.95 distributed on 29,412,519 shares. If all warrants issued in the Rights Issue and the Directed Unit Issue are fully exercised for subscription of new shares in the Company, the Company's share capital may increase by a maximum of SEK 221,961.30 by issuing a maximum of 4,439,226 new shares. The warrants in the Rights Issue and the Directed Unit Issue may thus result in a dilution of the existing number of shares in the Company of up to approximately 13.1 percent. Shareholders who choose not to participate in the Rights Issue have the possibility to partially compensate themselves financially for the dilution by selling their unit rights.

Units are issued free of charge, which means that the Company will not initially receive any issue proceeds in connection with the Rights Issue and the Directed Unit Issue. If the Rights Issue is fully subscribed and all warrants from the Rights Issue and the Directed Unit Issue are fully exercised, the Company can be provided approximately SEK 111-133 million before transaction costs. The Company's costs for the implementation of the Rights Issue and the Directed Unit Issue are estimated to amount to approximately SEK 1.7 million.

Investors are hereby invited to subscribe for units in the Company in accordance with the terms and conditions of the Prospectus.

Malmö on 13 February 2020

Saniona AB (publ)

The board of directors

BACKGROUND AND REASONS

Saniona is a research and development company focused on drugs for diseases of the central nervous system and eating disorders. The Company has five pharmaceutical programs in clinical development. The research is focused on ion channels and the Company has a broad portfolio of preclinical programs. Saniona has partnerships regarding certain programs with Boehringer Ingelheim, Productos Medix, Cadent Therapeutics and Treatment Research Center (TRC) at the University of Pennsylvania.

Saniona is developing products internally with the aim of attaining market approval itself in the U.S. and Europe for certain orphan indications where the required investments are limited, and the commercial opportunities substantial. For example, Saniona is currently developing its product candidate Tesomet for treatment of Prader-Willi syndrome and hypothalamic obesity with emphasis on the U.S. and Europe. The market for such a product may be significant despite a relatively small number of patients. Furthermore, the required investments for developing Tesomet in these indications are comparatively small and the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable. In general, the majority of Saniona's internal development programs may potentially be developed and commercialized for both orphan indications by Saniona and for larger indications in collaboration with partners.

In order to support the Company's overall goal, the board of directors decided in January 2020 to carry out a directed issue of 1,000,000 shares to Formue Nord at a price of SEK 25 per share, which has provided the Company SEK 25 million before transaction costs. In connection therewith, an agreement was executed for a loan facility that gives the Company the right to borrow up to SEK 25 million. The Company's right to utilize the loan facility is conditional upon the general meeting's approval of the Rights Issue and the Directed Unit Issue, which occurred at an extraordinary general meeting on 7 February 2020. If the Rights Issue is fully subscribed and all warrants in the Rights Issue and the Directed Unit Issue are fully exercised the Company can be provided with SEK 111-133 million before transaction costs. The Company's costs for the implementation of the directed share issue, the Rights Issue and the Directed Unit Issue are estimated to amount to approximately SEK 1.7 million.

The net proceeds from the potential exercise of the warrants in the Rights Issue and the Directed Unit Issue are, together with the net proceeds from the aforementioned directed share issue and the loan facility, intended to replace the existing financing agreement with Nice & Green from 28 December 2017 and to be primarily used for general business purposes and further development of the Company's main product candidate, Tesomet, for the treatment of Prader-Willi syndrome and hypothalamic obesity.

If the Rights Issue is fully subscribed and all warrants in the Rights Issue and the Directed Unit Issue are fully exercised, the Company expects to use the net proceeds from the warrants, approximately SEK 111-133 million, for the following purposes and in the following order of priority:

- General business purposes including administrative and personnel costs (approximately 50 percent)
- Further funding of the ongoing Phase 2a study and preparations for Phase 2b/3 studies for Tesomet (approximately 35 percent)
- External costs for other research and clinical programs (approximately 15 percent)

The Prospectus has been produced due to the Rights Issue and the application for admission to trading of the warrants in the Rights Issue and the Directed Unit Issue on Nasdaq Stockholm.

The board of directors of Saniona is responsible for the content of the Prospectus. As far as the board of directors is aware, the information provided in the Prospectus corresponds to the facts and nothing has been omitted that would affect its import.

Malmö on 13 February 2020

Saniona AB (publ)

The board of directors

TERMS AND CONDITIONS FOR THE RIGHTS ISSUE

THE OFFER

The extraordinary general meeting in Saniona decided on 7 February 2020 to approve the board of directors resolution from January 10 2020 to carry out a rights issue of units (the Rights Issue) to the existing shareholders on the record date, 13 February 2020. Subscription of units in the Rights Issue is not available for the general public. The units are issued free of charge.

Each existing share in Saniona entitles to one (1) unit right, and twenty-nine (29) unit rights entitle to subscription for one (1) unit. Each unit consists of one (1) warrant of series TO 1, one (1) warrant of series TO 2 and one (1) warrant of series TO 3.

The Rights Issue consists of 1,014,224 units, which corresponds to a maximum of 1,014,224 warrants of series TO 1, a maximum of 1,014,224 of series TO 2 and a maximum of 1,014,224 warrants of series TO 3 to be issued.

THE WARRANTS

Each warrant, regardless of warrant series, entitles the holder to subscribe for one (1) new share in the Company through cash payment during the utilization period for each warrant series. The subscription price shall correspond to 70 percent of the volume weighted average price in the Company's share on Nasdaq Stockholm during a two-week period which ends two trading days before the utilization period commences.

The subscription price will be made public at the latest on the day before the first day of the utilization period for each series. The subscription price will be rounded down to nearest whole centesimal division of one (1) SEK (Sw. öre), and shall be at least SEK 25 and not more than SEK 30 per share.

If all warrants in the Rights Issue are exercised, the share capital will increase with a maximum of SEK 50,711.20 for each respective series, corresponding to a total share capital increase of a maximum of SEK 152,133.60, and the number of shares in the Company will increase with 1,014,224 shares for each respective series, which corresponds to a total increase of 3,042,672 shares for all series.

More information regarding the terms for the warrants are available under the section "Terms for the warrants in brief".

SUBSCRIPTION PRICE

The subscription of units is made free of charge. The subscription price is therefore SEK 0.00 and no payment are to be made when subscribing for units. Brokerage fee will not be payable in connection with the subscription.

RECORD DATE

The record date in Euroclear Sweden AB ("**Euroclear**") for the right to participate in the rights issue is 13 February 2020. The last day of trading in the Company's share with preferential right is 11 February 2020. First day of trading in the Company's share without preferential right is 12 February 2020.

SUBSCRIPTION PERIOD

Subscription of units can be made during the period from and including 17 February 2020 up to and including 2 March 2020 at 5 p.m. After the subscription period ends, the remaining unit rights will be void and lose their value. Unexercised unit rights are removed from the respective shareholder's securities depository account, without specific notification from Euroclear. The board of directors in Saniona reserves the right to extend the subscription period. If the subscription period is extended, a publication will be done through a press release by Saniona no later than 2 March 2020.

TRADING WITH UNIT RIGHTS

Trading in unit rights will take place on Nasdaq Stockholm during the period from and including 17 February 2020 up to and including 27 February 2020. Shareholders shall contact their bank or nominee with the necessary authority in order to carry out the purchase and sale of unit rights. Unit rights that are acquired during the above-mentioned trading period provide the same right to subscribe for new units as units received by shareholders based on their shareholdings in Saniona on the record date. Unit rights must be exercised no later than 2 March 2020 or sold no later than 27 February 2020, in order to not become void or lose their value.

DIRECTLY REGISTERED SHAREHOLDERS

Shareholders or representatives of shareholders who, on the record date 13 February 2020, were registered in the Euroclear system, receive a preprinted allocation receipt which states the number of allocated unit rights, a subscription form "Subscription with unit rights", and a summarized folder as well as the terms and conditions for the Rights Issue with a reference to the Prospectus. As subscription of units is free of charge, no payment slip will be sent to holders of unit rights. Information will be available at Sedermera's web page, www.sedermera.se, and at Saniona's web page, www.saniona.com. Shareholders who are included in the separate list of pledgees and others in relation to the Euroclear system do not receive information and will be notified separately.

NOMINEE REGISTERED SHAREHOLDERS

Shareholders whose holdings of shares in Saniona are nominee registered with a bank or other trustee do not receive any preprinted allocation receipt or any subscription form but will receive a folder containing a summary of the Rights Issue with terms and conditions and a reference to the Prospectus. Subscription should instead be made in accordance with instructions from the respective bank or nominee. Please note that if the use of unit rights takes place via a bank or a nominee, this should be done early in the subscription period, as the respective bank/nominee may set different deadlines for the last subscription date.

SUBSCRIPTION OF UNITS WITH PREFERENTIAL RIGHT

Subscription form for subscription of units

Regardless if a different number of unit rights than what is presented on the preprinted allocation receipt of unit rights are exercised for subscription, i.e. through sale or purchase of unit rights, or if the same number of unit rights as presented on the preprinted allocation receipt are exercised, a subscription form must be used in order to subscribe for units. Incomplete or incorrectly filled in subscription forms may be disregarded. The subscription form for subscription of units is available for downloading at Sedermera's website,

www.sedermera.se, or at the website of Saniona, www.saniona.com. The subscription form must be Sedermera at hand no later than 2 March 2020 at 5 p.m by one of the below alternatives. The subscription is binding.

Subject: Saniona
Sedermera Fondkommission
Norra Vallgatan 64
211 22 Malmö
Sweden
Fax: +46 (0)40-54 90 79
Telephone: +46 (0)40-615 14 10
E-mail: issuingservices@sedermera.se (scanned subscription form)

Pre-printed allocation receipt

Shareholders are urged to notice that subscription of units is made free of charge. The pre-printed allocation receipt of unit rights is only a specification of the holding of unit rights and the maximum possible subscription of units in accordance to the number of allotted unit rights. If all unit rights allotted on the record date are to be exercised for subscription of units, the subscription shall be made through a subscription form.

SUBSCRIPTION OF UNITS WITHOUT PREFERENTIAL RIGHT

The public does not retain the right to subscribe for units in the Rights Issue without exercising unit rights.

Subscription of units without unit rights is only possible by subscribers who also have subscribed for units with support of unit rights, regardless if the subscriber was a shareholder on the record date or not.

Subscription of units without preferential right shall be made under a specific section on the subscription form. The subscription form is available for downloading at Sedermera's website, www.sedermera.se, and at Saniona's website, www.saniona.com.

Nominee-registered shareholders requesting subscription of unit without preferential right must coordinate such a subscription with the account-holding bank or nominee in accordance with instructions from the respective account-holding bank or nominee, or if shares are registered at several different nominee-registered accounts, from each of these account-holding banks or nominees. Note that shareholders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Sw. *Investeringssparkonto*) or endowment account (Sw. *Kapitalförsäkring*), must check with the account-holding bank or nominee, whether, and if so, the subscription of units in the rights issue is possible. The subscription shall in that case be made in accordance with instructions received from the account-holding bank or nominee.

Incomplete or incorrectly filled in subscription forms may be disregarded. It is only permitted to submit one (1) subscription form per subscriber. If more than one subscription form is submitted, only the one last received will be considered, and other such subscription forms will thus be disregarded. The subscription form must be Sedermera at hand no later than 2 March 2020, at 5 p.m. The subscription is binding.

SUBSCRIPTIONS IN EXCESS OF EUR 15,000 THROUGH EXERCISE OF WARRANTS

If the subscription of shares through the exercise of warrants in each respective series amounts to, or exceeds, EUR 15,000 a money laundering form shall be completed and sent to Sedermera in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing, at the same time cash payment of exercised warrants is made. Please observe that Sedermera cannot convert the warrants into shares, even if payment have been received, before the money laundering form has been received by Sedermera. With each respective exercise period a money laundering form will be available at Sedermera's web site, www.sedermera.se.

ALLOCATION OF UNITS

If not all units are subscribed for by exercise of unit rights, allotment of the remaining units shall be made within the highest amount of the rights issue to those who have subscribed for units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of units without exercise of unit rights, have exercised for subscription of units. To the extent that allotment cannot be done pro rata, allotment shall be determined by drawing of lots.

Notification of any allotment of units is expected to be sent in the form a notice of allocation. Notices of allocation are expected to be sent as soon as possible after the end of the subscription period.

SHAREHOLDERS RESIDING OUTSIDE OF SWEDEN

Shareholders who reside outside of Sweden and Denmark (with the exception of shareholders residing in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation in the rights issue requires supplementary prospectus, further registration or other measurements than those which are required by Swedish or Danish legislation) who have preferential right in the Rights Issue can contact Sedermera by phone (as per above) for further information about subscription of units.

Due to restrictions in the legislation regarding securities in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation requires supplementary prospectus, further registration or other measurements than those which are registered addresses in any of the countries.

PAID SUBSCRIBED UNITS ("BTU")

Subscription for those who has a directly registered account in Euroclear (Sw. *VP-konto*), will be registered as soon as feasible after a correctly filled out subscription form is Sedermera at hand, which means normally a few banking days after the subscription form is received by Sedermera. Thereafter, the subscriber will receive a securities depository account notification confirming that the registration of Paid Subscribed Units (BTU) has occurred in the subscriber's securities depository account. Subscribed for units are entered as BTU's in the securities account until the rights issue has been registered with the Swedish Companies Registration Office.

Shareholders who have their holdings in a custodian account at a bank or nominee will receive information from their respective custodian.

TRADING IN BTU

Trading in BTU will take place on Nasdaq Stockholm from and including 17 February 2020 until the rights issue is registered with the Swedish Companies Registration Office, which is expected to take place in the middle of March 2020. Units subscribed for are entered as BTU in the securities depository account until the rights issue has been registered with Swedish Companies Registration Office.

DELIVERY OF WARRANTS

As soon as the rights issue has been registered with the Swedish Companies Registration Office, which is expected to take place in the middle of March 2020, BTU is converted to warrants in the Euroclear system without special notification from Euroclear.

PUBLICATION OF THE RESULT OF THE RIGHTS ISSUE

Publication of the outcome in the Rights Issue is made through a press release which is planned to be published around 4 March 2020.

TRADING IN WARRANTS

Saniona will apply for the warrants to be listed on Nasdaq Stockholm. The Company will notify when the first trading day begins for each series in a separate press release. TO 1 will be traded under the short name SANION TO1 and ISIN SE0013775277. TO 2 will be traded under the short name SANION TO2 and ISIN SE0013775301 and TO 3 will be traded under the short name SANION TO3 and ISIN SE0013775319.

THE PROSPECTUS

A Swedish version of the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), as competent authority under the prospectus regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the prospectus regulation (EU) 2017/1129. Such approval shall not be considered as endorsement of the issuer or the quality of the securities that are subject to the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus has been drawn up as a part of a simplified prospectus in accordance with article 14 in the prospectus regulation (EU) 2017/1129.

The Company has applied for the Prospectus to be passported to Denmark through a submission to the Danish Financial Supervisory Authority in accordance with the provisions of the prospectus regulation.

OTHER

The board of directors is not entitled the right to withdraw the Rights Issue.

TERMS FOR THE WARRANTS IN BRIEF

Below is a summary of the terms for the warrants issued in the Rights Issue and the Directed Unit Issue. Complete terms and conditions for each series are available on Saniona's website, www.saniona.com. The conditions for all three series, TO 1, TO 2 and TO 3 are identical except for the utilization period and the period for the calculation of the subscription price for the warrants. The warrants are freely transferable.

The Company will apply for admission of the warrants to trading on Nasdaq Stockholm. Note that the warrants are securities that give the holder the right to subscribe for shares in Saniona, which means that the price of the warrants can be affected by the price of Saniona's share. See also the section "Risk factors - Risks related to the Rights Issue and Saniona's share".

Shareholders are, in the Rights Issue, given the opportunity to subscribe for units consisting of warrants in relation to their existing shareholding in Saniona. Units are issued free of payment, which means that the subscriber of units shall not make a payment to Saniona in connection with the subscription. Note however, that subscription must be made on a special subscription form available on Saniona's website, www.saniona.com and Sedermera's website, www.sedermera.se or through a bank/nominee in accordance with their respective instructions. See also the "Terms and Conditions" section for more information on how to subscribe for units in the Rights Issue.

TERMS IN BRIEF

NUMBER OF WARRANTS AND SHARES FROM EXERCISE OF WARRANTS	The Directed Unit Issue consists of 465,518 warrants of the respective series TO 1, TO 2 and TO 3, a total of 1,396,554 warrants. The Rights Issue consists of 1,014,224 warrants of the respective series TO 1, TO 2 and TO 3, a total of 3,042,672 warrants. Each warrant entitles the holder to subscribe for one (1) new share in Saniona during the respective utilization period.
SUBSRUPTION PRICE FOR EXERCISE OF WARRANTS	Each warrant entitles the holder to subscribe for one (1) new share in Saniona at a subscription price corresponding to 70 per cent of the volume weighted average price of the Company's share during a two-week period ending two trading days before the utilization period for each warrant series, however not lower than 25 SEK and not higher than SEK 30 per share. The measurement periods are 22 April 2020 – 6 May 2020 (TO1), 20 August 2020 – 2 September 2020 (TO2) and 17 March – 30 March 2021 (TO 3). The Company will publish the subscription price at the latest one day before the respective utilization period commences.
UTALIZATION PERIODS FOR THE WARRANTS	The utilization periods are 11-25 Maj 2020 for warrants of series TO 1, 7-21 September 2020 for warrants of series TO 2 and 6-20 April 2021 for warrants of series TO 3.
RECALCULATION DUE TO CERTAIN CORPORATE EVENTS	The warrant terms contains customary provisions on recalculation of the subscription price and the number of shares that can be subscribed for in the event of certain corporate events, including bonus issue, merger or split, new issue, extraordinary dividend, reduction of the share capital, etc.
DIVIDEND	The warrants do not entitle dividends. Shares acquired through the exercise of warrants entitle to dividends from the first record date for dividends that occur after the subscription has been executed to the extent that the share is included as an interim share in the Company's share register.
CHANGE OF TERMS	The Company has the right to decide on modification of the terms to the extent required by law, court decision or authority decision or if it is otherwise, in the Company's judgment, appropriate or necessary for practical reasons and the warrant holder's rights are in no way impaired.
DISUPTES AND GOVERNING LAW	Disputes arising from the terms or related legal issues shall be settled by a general court with Malmö District Court as the first instance. Terms and related legal issues shall be interpreted and applied in accordance with Swedish law.

BUSINESS OVERVIEW

SANIONA IN BRIEF

Saniona is a research and development company focused on drugs for diseases of the central nervous system and eating disorders. The Company has five pharmaceutical programs in clinical development. The research is focused on ion channels and the Company has a broad portfolio of preclinical programs. Saniona has partnerships with Boehringer Ingelheim International GmbH (”**Boehringer Ingelheim**”), Productos Medix, S.A de S.V (”**Medix**”), Cadent Therapeutics (”**Cadent Therapeutics**”) and the Treatment Research Center (“**TRC**”) at the University of Pennsylvania.

Saniona is also developing product candidates internally with the aim of attaining market approval itself in the U.S. and Europe for certain orphan indications where the required investments are limited, and the commercial opportunities substantial. Saniona is currently developing the product candidate Tesomet for Prader-Willi syndrome (”**PWS**”) and hypothalamic obesity with emphasis on the U.S. and Europe. The market for such a product may be significant despite relatively few number of patients. Furthermore, the required investments for developing Tesomet in these indications are comparatively small and the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable.

In general, the majority of Saniona’s internal development programs may potentially be developed and commercialized for both orphan indications by Saniona and for larger indications in collaboration with partners. One of Saniona’s short term objectives is to develop at least one of its preclinical programs to Phase 2, with the aim of positioning the product for a potential orphan indication itself or to out-license it to a pharmaceutical company to treat a more common disease.

Saniona has yet not commercialized any products but has generated income through its partnerships. The structure of Saniona’s collaboration agreements depend on the product, the indication, the investment and the risk as well as the interest and capabilities of Saniona’s partners. In general, when Saniona decides to develop a product in collaboration with a pharmaceutical company, Saniona grants its partners commercial license to a limited territory or on a world-wide basis. In exchange, Saniona’s partners typically finance future research and development activities and pay Saniona upfront payments, research funding, milestone payments and royalties on product sales when the product candidates are commercialized.

Ion channels are cell membrane proteins which affects different biological functions of the body, inter alia brain functions and cell signaling. Since the Company’s operations are focused on ion channels, the Company conducts research and development of pharmaceutical candidates for treatment of diseases where such physiological processes are impaired or limited and with a mode of action that inhibits or activates the relevant ion channels. Saniona’s ion channel platform, which consists of the Company’s proprietary technology, research and compound library, is the foundation of the Company’s R&D activities and has provided the Company with unique opportunities to develop its programs internally as well as through a number of partnerships.

Saniona’s pharmaceutical programs are described more in-depth under the section “Pipeline” below. The markets for the products and the indications that Saniona considers relevant for each product candidate are described in the following chapter, “Market overview”. In the last part of the Prospectus, there is a glossary which describes certain industry related words and expressions which occur in the chapters “Company description” and “Market overview”, such as inter alia “pre-clinical studies”, “ion channels” and “proof-of-concept”.

HISTORY IN BRIEF

2011

- Saniona A/S (formerly Aniona A/S and Aniona ApS) is established.

2012

- In September, the subsidiary Saniona A/S started its operations in connection with the buyout of pharmaceutical projects and a collaboration agreement from the listed company NeuroSearch. The collaboration agreements included the collaboration agreements with Janssen Pharmaceutica NV ("**Janssen**").

2013

- In July 2013, Saniona enters into a new collaboration agreement with Janssen.
- Saniona’s ataxia programs are spun off into a new company, Ataxion, together with Atlas Ventures and Biogen.

2014

- In January, Saniona AB, the Group’s parent company, is formed.
- In February, Saniona enters into a collaboration with Pfizer for the research and development of therapeutics for neurological diseases.
- In March, Saniona is listed on the Spotlight Stock Market and received total proceeds of SEK 17 million through an initial public offering.
- In July, Saniona initiates preclinical development of the drug candidate AN363 for the treatment of neuropathic pain.
- In October, Saniona acquires the clinical program tesofensine, for the treatment of obesity, from NeuroSearch.

2015

- In February, Saniona closes a rights issue and raises SEK 24.3 million.
- In February regains Saniona all rights to the GABA-α5-program under the previous collaboration with Janssen.
- In June, Saniona grants TRC rights to perform a Phase 2 trial with the pharmaceutical candidate NS2359 for treatment of cocaine addiction.

- In September, Saniona informs that the Company will perform additional studies on a finding seen at higher doses in a toxicological animal model before deciding upon initiating Phase 1 studies for AN363.
- In September, Saniona informs that the Company plans to initiate a Phase 2a study for Tesomet for treatment of patients with type 2 diabetes.
- In September, Saniona and Pfizer terminate the research collaboration and Saniona maintains the rights to the program.
- In October, Saniona closes a rights issue and raises SEK 48.8 million.

2016

- In January, Saniona enters into a collaboration with Proximagen (later acquired by Benevolent AI) for the research and development of therapeutics for neurological disorders.
- In February, Saniona and Medix sign collaboration for development of the pharmaceutical candidates tesofensine and Tesomet for obesity in Mexico and Argentina.
- In February, The Michael J. Fox Foundation awards Saniona a research grant of SEK 5.1 million for Saniona's Parkinson's disease program.
- In April, Saniona initiates recruitment of patients in the Phase 2a clinical study for Tesomet in type 2 diabetes.
- In May, Saniona initiates preclinical research studies on backup compounds to AN363 and that the studies on AN363 is put on hold.
- In May, Saniona participates in formation of Initiator Pharma A/S ("**Initiator Pharma**") and announces that Saniona intends to distribute its shareholding in Initiator Pharma of 60 percent to Saniona's shareholders before Initiator Pharma is listed on Spotlight.
- Saniona is listed on Nasdaq First North Premier on May 19.
- In June, Saniona's partner TRC initiates a Phase 2a study for NS2359 for treatment of cocaine addictions.
- In July, Saniona is awarded three public grants for research programs totalling SEK 5.3 million.
- In August, Saniona and Boehringer Ingelheim sign collaboration agreement regarding a project for treatment of schizophrenia. Saniona may receive up to EUR 90 million in milestone payments including an upfront payment of EUR 5 million. Furthermore, Saniona is eligible to receive royalties on the worldwide net sales of any resulting products under the collaboration.
- In October, a spin-out of a number of pharmaceutical candidates and all of Saniona's shares in the newly found company Initiator Pharma A/S are distributed to Saniona's shareholders

2017

- In January, Saniona reports positive top line results from the Tesomet Phase 2a study in type 2 diabetes.
- In March, Saniona announces a merger of its spinout company Ataxion Inc. with Luc Therapeutics. The company later changed its name to Cadent Therapeutics.
- In April, Saniona initiates Phase 2a study for the pharmaceutical candidate Tesomet in PWS.
- In May, Saniona participates in formation of Scandion Oncology and spins out clinical program and related ion channel platform.
- In May, Saniona completes a private placement of SEK 35 million.
- In June, Saniona is listed on Nasdaq Stockholm.
- In July, Saniona buys out future payment obligation to NeuroSearch.
- In August, Saniona's partner, Medix, initiates a Phase 3 study for the pharmaceutical candidate tesofensine in obesity.
- In October, Saniona decides to perform interim analysis of the Phase 2a study for the pharmaceutical candidate Tesomet in adult patients with PWS.
- In December, Saniona selects a preclinical pharmaceutical candidate in GABA-A a3 program for neuropathic pain and chronic itching.
- In December, Saniona establishes financing of up to SEK 144 million, sufficient to fund planned activities until 2020.

2018

- In January, Saniona reports topline results from the Tesomet Phase 2a interim study in PWS, indicating clinical meaningful reduction in weight and hyperphagia.
- In January, extraordinary shareholders' meeting resolves to elect J. Donald deBethizy and Anna Ljung as new ordinary board members and to elect J. Donald deBethizy as new chairman of the board of directors.
- In February, Saniona's partner, Medix, completes recruitment of Phase 3 obesity study (272 patients) of tesofensine for obesity.
- In February, Saniona initiates and completes recruitment of the 60 volunteers in Phase 1 study with the new Tesomet tablet.
- In March, Saniona's partner Cadent Therapeutics initiates a Phase 1 trial for CAD-1883 for the treatment of spinocerebellar ataxia and essential tremor.
- In April, Saniona progresses to second part of Phase 2a study for Tesomet in PWS based on positive results in adult patients.
- In May, Saniona successfully completes a Phase 1 study with the new Tesomet tablet.
- In May, Saniona regains full rights to BenevolentAI program (previous Proximagen program) following termination of collaboration.
- In June, Saniona successfully completes the preclinical toxicology studies for Tesomet opening op for long-term clinical studies.
- In, June, Saniona is awarded a grant of SEK 1.4 million for the Kv7 program.

- In July, Saniona receives research milestone payment of EUR 4 million as a result of the candidate selection by Boehringer Ingelheim. Under the agreement, Saniona can receive up to EUR 90 million in up-front and milestone payments and a gradual increase in royalties on net sales of any commercial products from Boehringer Ingelheim as a result of this cooperation. To date, Saniona has received a total of EUR 9 million in the up-front and milestone payments within the framework of cooperation.
- In October, Saniona completes recruitment of adolescents for the second part of its Phase 2a study of Tesomet in patients with PWS. The trial is expected to be completed in early 2019.
- In November, Saniona's partner Cadent Therapeutics secures USD 40 million financing anchored by Atlas Ventures, a leading US-based investor, and initiated a Phase 2 study for its lead compound, CAD-1883, in essential tremor, which was discovered under the collaboration with Saniona.
- In November, Saniona's spin-out company Scandion Oncology is listed on the Spotlight Stock Market and received total proceeds of SEK 26 million before issue costs through an initial public offering.
- In December, Saniona's partner Medix successfully completes a Phase 3 registration trial for tesofensine in obesity. The trial meets its primary endpoints with a statically and clinically significant weight loss for both doses of tesofensine compared to placebo. Patients achieved an average weight loss of ten percent in the highest dose group and more than half of the patients lost more than ten percent in weight. The trial also met other secondary endpoints with statistically significant reduction in key obesity-related risk factors.

2019

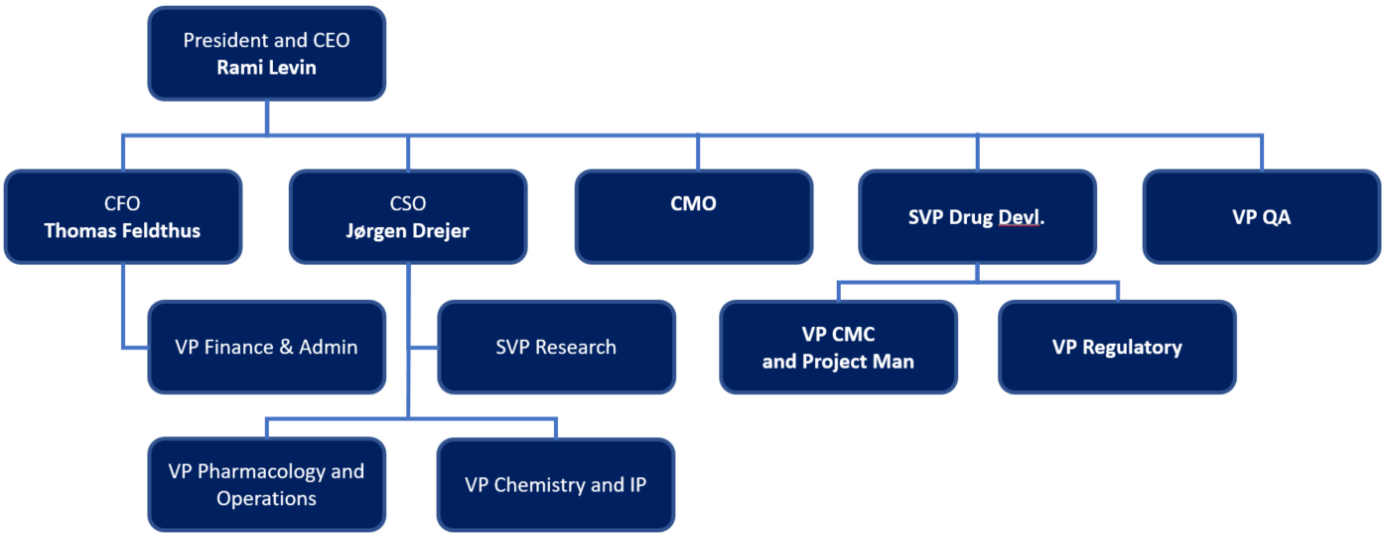
- In January, Saniona initiates an open label extension study in the second part of its Phase 2a study of Tesomet comprising nine adolescent patients with PWS. The treatment with a dose of 0.125 mg/day appeared to be well tolerated but did not achieve sufficient plasma levels known to be efficacious in previous Phase 2 and Phase 3 studies. Saniona has received approval to increase the dose to 0.25 mg/day.
- In January, Saniona's partner TRC informs that it plans to continue the investigator-initiated study with NS2359 for cocaine addiction at a higher dose following their interim analysis.
- In February, Saniona successfully completes a full regulatory toxicological program for its first in candidate drug, SAN711, which offers a new treatment paradigm for itching and neuropathic pain. Saniona has scaled-up the manufacturing process, produced the material for clinical studies and the program is now ready for Phase 1 studies.
- In March, Saniona initiates a Phase 2a study for Tesomet in patients with hypothalamic obesity.
- In May, Saniona announces that the Company has appointed a scientific advisory board for the development of Tesomet for the treatment of PWS.
- In May, the annual general meeting resolves to elect Ed Salzman as new Board member.
- In June, Saniona completed a rights issue that provided the Company with a gross proceed of SEK 66.5 million (SEK 53.7 million after transaction costs). The rights issue secured Saniona's short-term financing needs and enabled the completion of the Phase 2a studies for the treatment of PWS and hypothalamic obesity. In addition, the funding meant that the Company could initiate discussions with regulatory authorities to start Phase 2b/3 studies in 2020.
- In July, Saniona selects a development candidate, SAN903, within the IK program. In light of the work done so far, Saniona has chosen to initially focus on SAN903 for the treatment of Crohn's disease and colitis. The program may be ready for Phase 1 clinical trials within 18 months.
- In September, Saniona reports positive clinical results for Tesomet in the Phase 2a study in adolescent patients with PWS. Saniona's conclusion is that a broad spectrum of patients with PWS is likely to have significant benefits on body weight, BMI and hyperphagia at a dose of 0.25 mg/day.
- In November, Saniona announces that the Company will complete the recruitment of patients for the Phase 2a study of hypothalamic obesity. The press release states that the last patient was recruited in the Phase 2a clinical trial with Tesomet in hypothalamic obesity. Saniona expects to be able to report the preliminary results from the double-blind part of the study during the second quarter of 2020.
- In December, Saniona announced that its partner Medix has submitted a new drug application to the Mexican regulatory authority for approval of tesofensine for the treatment of patients with obesity.

2020

- In January, Saniona announces that the Company will appoint Rami Levin as Group President and CEO and that the current CEO, Jørgen Drejer, will continue in the role of CSO.
- In January, Saniona announces that the Company has completed a directed issue of 1,000,000 shares to Formue Nord at a price of SEK 25 per share and at the same time entered into a loan agreement with a loan facility of up to SEK 25 million and decided on the Rights Issue and the Directed Unit Issue subject to approval from the extraordinary general meeting in February 2020.

ORGANIZATION

Saniona AB is the parent company of a group comprising the wholly owned subsidiary Saniona A/S, where the main operations are conducted, and the newly established subsidiary Saniona, Inc. Saniona is based in Ballerup just west of Copenhagen, where the research facility also is located. As of 31 December 2019, Saniona had a total of 24 employees of which 19 worked in Saniona's research and development operation. Saniona's executive management team consists of the CEO Rami Levin, CSO Jørgen Drejer and CFO and deputy CEO Thomas Feldthus. The CEO leads the work of the daily operations and has the mandate to execute decisions adopted by the board of directors. The CFO handles business issues for the daily operations in finance, investor relations, law and IT. Saniona's business development operations are managed jointly by the CEO and CFO. The Company's CSO defines Saniona's research strategy and has the mandate to carry out research projects. The CSO is also responsible for Saniona's scientific publications, maintenance and development of the Company's technical platform and scientific networks.



VISION AND OBJECTIVE

Saniona aims to be a leading biotech company focusing on treatment of diseases of the central nervous system and eating disorders. Saniona's overall objective is to develop, both in-house and together with partners, new treatments that address significant unmet medical needs. Strategically, the Company intends to develop and commercialize treatments for orphan indications on its own and engage in partnerships with larger pharmaceutical companies for development programs aiming at treating large indications such as obesity.

STRATEGY AND BUSINESS MODEL

Saniona has a broad product pipeline, which is developed both internally and in collaboration with pharmaceutical companies.

The Company is developing products internally with the aim of attaining market approval in the U.S. and Europe for certain orphan indications where the required investments are limited and the commercial opportunities can be highly attractive. For example, Saniona is currently developing the pharmaceutical candidate Tesomet for PWS and hypothalamic obesity (intractable weight gain due to brain injury) in the U.S. and Europe. The required investments for developing Tesomet in these indications are comparatively small, while the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable.

In addition to this, Saniona has entered into and will engage in research collaborations with pharmaceutical companies and is about to develop pharmaceutical candidates internally with the aim of entering into a collaboration with a pharmaceutical company at a later stage. The structure of Saniona's collaboration agreements depends on the pharmaceutical candidate, the indication, the investment and the risk, as well as the interest and capabilities of Saniona's partners. Saniona can either grant its partners commercial license to a limited territory or globally. In exchange, the partners typically finance future research and development activities and pay Saniona upfront payments, research funding, milestone payments and royalties on product sales when the pharmaceutical candidates are commercialized.

Saniona's short term strategic priorities are set-out below:

- To develop and attain market approval for the pharmaceutical candidate Tesomet in the U.S. and Europe in orphan indications by themselvs.
- To develop Tesomet in rest of the world through partnerships with pharmaceutical companies for metabolic diseases.
- To attain market approval for the pharmaceutical candidate tesofensine in Mexico and Argentina in collaboration with Medix.
- To develop at least one drug candidate internally from the Company's ion channel research platform.
- To leverage from the Company's competence within ion channel research in partnership with pharmaceutical companies.

DEVELOP AND ATTAIN MARKET APPROVAL FOR TESOMET INTERNALLY IN EUROPE AND THE U.S. IN ORPHAN INDICATIONS

Saniona's most advanced internal program is Tesomet. Saniona believes that due to Tesomet's mode of action, it has tremendous potential for the treatment of obsessive eating disorders such as PWS, hypothalamic obesity and binge eating.

Saniona has conducted clinical studies to explore the possibility for developing Tesomet for two orphan indications, PWS and hypothalamic obesity. In September 2019, Saniona reported positive Phase 2a clinical results in adolescent patients with PWS. Furthermore, the Company is currently conducting a Phase 2a study of Tesomet to treat hypothalamic obesity. The double-blind part of the study is expected

to be completed in the first half of 2020, while the full study is expected to be completed in the second half of 2020.

The clinical pathway for the development of Tesomet in eating disorders appears to be faster and less expensive than in metabolic indications in the U.S. and Europe. By pursuing orphan indications such as PWS and hypothalamic obesity, the Company has an opportunity to develop and bring their own product to the market in the U.S. and Europe.

DEVELOP TESOMET IN THE REST OF THE WORLD THROUGH PARTNERSHIPS WITH PHARMACEUTICAL COMPANIES FOR METABOLIC DISEASES

Tesomet may potentially also be used for the treatment of large pandemic metabolic diseases (i.e. diseases which affect the body's metabolism) such as obesity, type 2 diabetes and fatty liver diseases (hepatic steatosis). For these indications Saniona would partner with pharmaceutical companies, since the required clinical Phase 3 studies tend to be very large, expensive and long. This is particularly the case in the U.S. and Europe. Initially, Saniona expects to partner for these indications in countries outside the U.S. and Europe.

There is a substantial medical need for effective and safe weight loss products in countries outside the U.S. and Europe, as obesity becomes an increasing global problem. The cost of developing Tesomet for metabolic diseases is often lower in countries outside the U.S. and Europe as large long-term cardiovascular clinical studies typically would not be required for market approval. In these countries, Saniona may out-license the Tesomet program for limited territories. Saniona has already signed an agreement with Medix for the rights relating to Tesomet to Mexico and Argentina.

ATTAIN MARKET APPROVAL FOR TESOFENSINE IN MEXICO AND ARGENTINA IN COLLABORATION WITH MEDIX

In December 2018, Saniona's partner Medix completed a Phase 3 registration clinical trial for the pharmaceutical candidate tesofensine regarding treatment of obesity. During the end of 2019, Medix filed a new drug application for approval of tesofensine as a new drug for the treatment of obesity in Mexico, with potential market approval and launch in 2020.

Medix has an exclusive license to commercialize tesofensine in Mexico and Argentina, and Saniona is entitled to receive double digit royalties on product sales. Saniona retains all rights to tesofensine including the exclusive rights to use the clinical data developed by Medix in the rest of the world.

DEVELOP AT LEAST ONE DRUG CANDIDATE INTERNALLY FROM THE COMPANY'S ION CHANNEL RESEARCH PLATFORM

Saniona intends to develop selected drug candidates internally with the aim of adding value to these programs before out-licensing to third parties. In the short term, it is Saniona's objective to develop at least one drug candidate internally to achieve concept validation, so-called "proof-of-concept" in a Phase 2 study, and then to out-license the program to a major pharmaceutical company for further development.

Saniona expects to receive upfront payments upon out-licensing of its internally developed programs to partners following completion of Phase 2 clinical studies. In addition to this, Saniona expects to receive clinical milestone payments and royalties on product sales when the product candidates are commercialized.

LEVERAGE THE COMPANY'S LEADING POSITION IN ION CHANNEL RESEARCH IN PARTNERSHIP WITH PHARMACEUTICAL COMPANIES

Saniona's research strategy is also based on the establishment of partnerships on early stage drug discovery programs with pharmaceutical companies, by joint ventures or spin-outs. One example of a joint venture and a spin-out is Scandion Oncology. The company was founded based on Saniona's proprietary ion channel research technology and inventions from the University of Copenhagen. Thereafter, Scandion Oncology was listed on Spotlight Stock Market in November 2018. As of the date of the Prospectus, Saniona owns 18.23 percent of Scandion Oncology.

Saniona aims to effectively utilize its key competences in focused/specific research areas while simultaneously leveraging its partners' expertise in clinical development and marketing of medicines in a wide range of disease areas. This strategy also enables Saniona to manage the risks and upside potential on a relatively large number of pharmaceutical programs.

Saniona's research activities in early stage collaborations will traditionally be fully funded by Saniona's partners. It is Saniona's objective that most of its internal operational costs shall be financed through revenues from collaboration agreements. Therefore, the income from Saniona's research collaborations represents an important contribution to the Company's short-term operations. However, the majority of Saniona's income from research collaborations with pharmaceutical companies (e.g. Boehringer Ingelheim) is expected to be clinical milestone payments and royalties on product sales when the product candidates are commercialized.

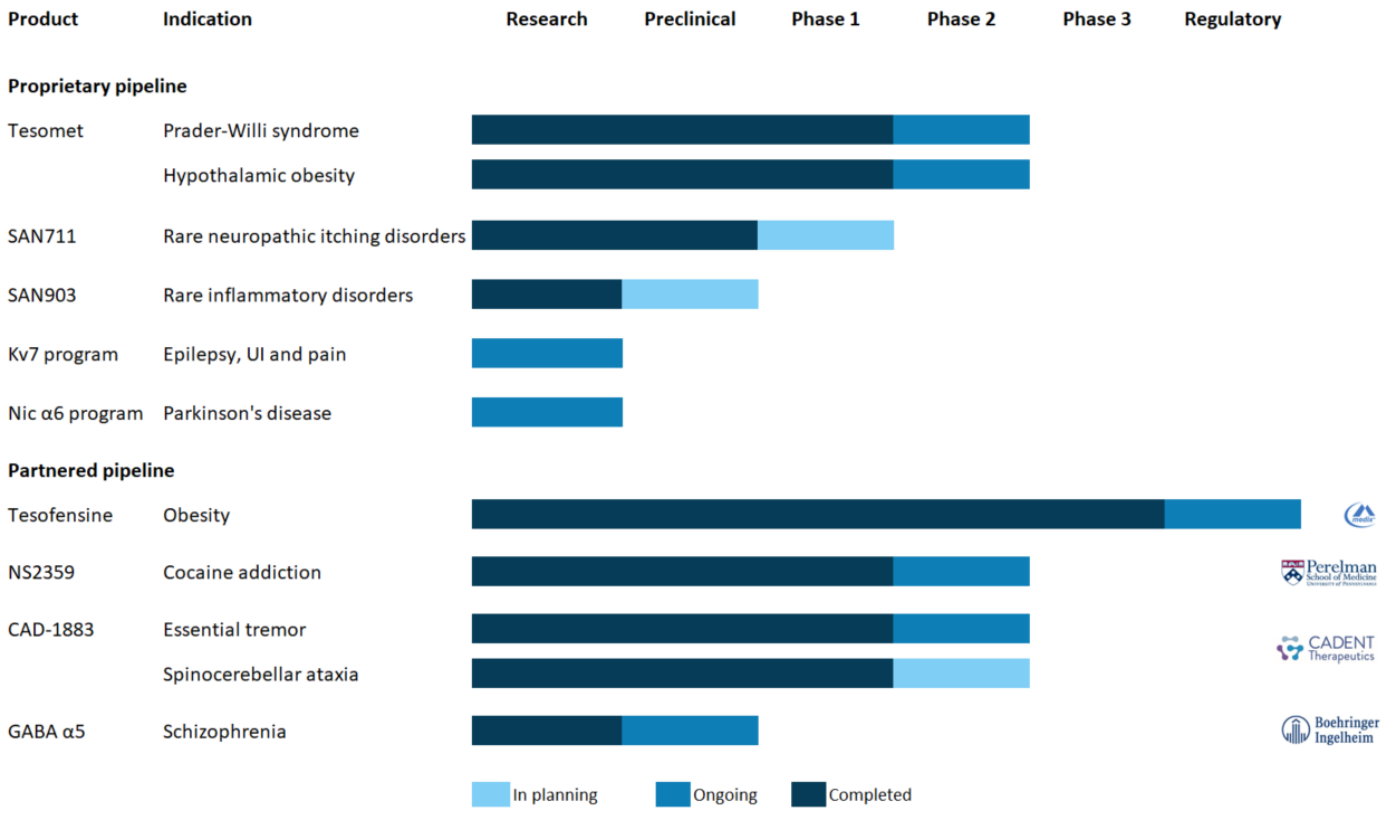
If a program is developed through spin-outs or joint ventures, the majority of Saniona's income will be payable upon exits, for example the sale of the spin-out or program to a third party. The proceeds from significant exits and income from milestones and royalty payments will be used for the continued development of Saniona or be payable as dividends to Saniona's shareholders.

PROJECT PIPELINE

Saniona has a portfolio of nine active drug development programs in clinical and pre-clinical stages, four of which are financed through partnerships or grants.

In September 2019, Saniona reported positive Phase 2a clinical results for Tesomet in adolescent patients with PWS. Furthermore, the Company is currently conducting a Phase 2a study of Tesomet to treat hypothalamic obesity. The double-blind portion of the study is expected to be completed by the end of the first quarter of 2020, while the full study is expected to be completed in the second half of 2020. At the same time, the Company is now preparing for the next step in these indications, with the potential start of Phase 2B/3 clinical studies during 2020. In addition, Saniona is preparing to start a Phase 1 study for SAN711 for the treatment of chronical pain/itch and preclinical development of the drug candidate SAN903 for the treatment of inflammatory diseases. Saniona's two research programs, which are targeting the Kv7 and Nicotinic α6 ion channels, are focused on certain neurological diseases including epilepsy and Parkinson's diseases.

Saniona's partner Medix has successfully completed a so-called pivotal Phase 3 study (i.e. a clinical study in later phase which is carried through to provide data in support of the application for market approval of a pharmaceutical candidate) for tesofensine in December 2018 and filed in the end of 2019 a new drug application for registration of tesofensine as a new pharmaceutical drug for treatment of obesity in Mexico. Cadent Therapeutics is conducting Phase 1 and Phase 2 studies for movement disorders, and Boehringer Ingelheim is preparing for Phase 1 studies on schizophrenia. In addition, the University of Pennsylvania is conducting an investigator-initiated clinical Phase 2a study with NS2359 for the treatment of cocaine addiction to obtain proof-of-concept.



Clinical programs

Saniona's most advanced program is tesofensine, which is being developed for obesity in collaboration with Medix. Medix completed a Phase 3 registration trial for tesofensine in December 2018 and filed during the end of 2019 a new drug application for registration of tesofensine as a new pharmaceutical drug for treatment of obesity in Mexico, with planned subsequent market approval and commercial launch in 2020. Medix holds an exclusive license to commercialize tesofensine in Mexico and Argentina, while Saniona is entitled to milestone payments and royalties on product sales. Saniona retains commercial rights in the rest of the world and rights to use any data generated in the Phase 3 trial.

Tesomet is Saniona's most advanced internal program and is being developed for the treatment of eating disorders. Tesomet is a fixed-dose combination tablet of tesofensine and metoprolol, which is currently being tested in late clinical stage for treatment for PWS and hypothalamic obesity. Saniona is currently conducting a Phase 2a study in hypothalamic obesity in order to receive proof-of-concept. In September 2019, Saniona reported positive Phase 2a clinical results in adolescent patients with PWS. The study was designed as a randomized, double-blind, placebo-controlled phase 2a study. The Company's goal is now to prepare Tesomet for pivotal Phase 2b/3 studies in at least one of the two indications, and start pivotal studies in 2020.

The University of Pennsylvania Treatment Research Center ("TRC") is conducting an investigator-initiated Phase 2a proof-of-concept study with NS2359 for the treatment of cocaine addiction. The study is financed through grants and Saniona retains commercial rights to the compound and the clinical data developed by TRC.

Saniona's partner Cadent Therapeutics has successfully finalized a Phase 2a study with the pharmaceutical candidate CAD-1883 for the treatment of essential tremor and expects to start another Phase 2a study in the first half of 2020 for the treatment of Ataxia (balance disorder due to cerebellar malfunction). Saniona holds a minor ownership stake in Cadent Therapeutics and will receive royalties on CAD-1883 if it reaches the market.

In February 2019, Saniona completed the preclinical development of the pharmaceutical candidate SAN711 for the treatment of chronic itching and neuropathic pain. The program is ready for Phase 1 clinical testing either internally or together with a potential partner.

TESOFENSINE MONOTHERAPY FOR TREATMENT OF OBESITY (MEDIX)

Tesofensine acts through neuronal inhibition of monoamine uptake. Monoamines are neurotransmitters which have essential functions in the brain, including regulation of appetite. Tesofensine is a new chemical entity and has not been made commercially available previously. Tesofensine will be provided in tablets and the formulation of tesofensine is covered by patent applications and issued patents expiring in 2036. In addition, the Company expects to be able to obtain data exclusivity, a protection in the form of competitors being prevented from using results from Saniona's clinical studies, for at least five years in Mexico and the U.S. and ten years in Europe after market approval.

Saniona's partner Medix completed a Phase 3 registration trial for tesofensine in December 2018. The trial met its primary endpoints and during the end of 2019, Medix submitted a new drug application for tesofensime in Mexico with expected approval and commercial launch during 2020. Tesofensine has demonstrated strong weight reducing effects in Phase 2 and Phase 3 clinical studies with obese patients. In the Phase 3 registration trial, patients reached an average weight loss of 10 percent over 24 weeks and more than half of the patients lost more than 10 percent in weight. Tesofensine has been administered to more than 1,700 patients and is generally well tolerated.

Saniona´s collaboration with Medix started in February 2016 for the development and commercialization of tesofensine and Tesomet in Mexico and Argentina. Medix holds an exclusive license to commercialize tesofensine in Mexico and Argentina, while Saniona is entitled to milestone payments and double-digit royalties on product sales. Saniona retains all rights to tesofensine and Tesomet including the exclusive rights to use the clinical data developed by Medix in the rest of the world.

Medix is a Mexican pharmaceutical company established in 1956, primarily focused on the treatment of excess weight and obesity. Medix is the market leader for the treatment of excess weight and obesity in Mexico, offering the most comprehensive product and service line. Medix's leading product for treatment of excess weight and obesity is among the top ten pharmaceutical products in Mexico overall. Medix has earned several recognitions for its social responsibility through its participation in philanthropic programs for the benefit of the Mexican population and for its educational efforts involving thousands of doctors in Mexico. Medix has subsidiaries in Argentina and certain other South American countries.

TESOMET FOR TREATMENT OF PRADER-WILLI SYNDROME (PWS) AND HYPOTHALAMIC OBESITY

Tesomet is a combination of tesofensine and metoprolol, which currently is being tested in late clinical phase for treatment of PWS and hypothalamic obesity. Tesomet is covered by several patent applications and certain issued patents which together may provide patent protection until 2036.

PRADER-WILLI SYNDROME (PWS)

Saniona has conducted a dose-finding Phase 2a study of Tesomet in patients with PWS.

The study was designed as an exploratory randomized, double-blind, placebo-controlled Phase 2a trial. The primary endpoint of the study was to examine the change in bodyweight over 12 weeks of treatment with Tesomet compared to placebo. Secondary objectives included eating behaviour and hyperphagia (medical symptom of exaggerated hunger or food cravings), body composition, lipids and other metabolic parameters. The study was divided into two parts.

The first part included nine adult PWS patients and was successfully concluded in 2018. The results showed that Tesomet (tesofensine 0.5 mg + metoprolol 50 mg daily) may provide clinically meaningful weight loss and an impressive significant reduction in hyperphagia in adult patients. The study also revealed that the clearance of tesofensine is slower in the adult PWS patient group than in the general population, and that the optimal dose in PWS therefore may be less than the dose used in other indications such as hypothalamic obesity.

The second part included nine adolescent PWS patients who received a lower dose of Tesomet (tesofensine 0.125 mg + metoprolol 25 mg daily), corresponding to a quarter of the tesofensine dose given to adult PWS patients during the first part of the study. The treatment was well tolerated, and eight of the nine adolescent patients decided to continue in a three-month open-label extension study at the same dose. In March 2019, Saniona doubled the dose to 0.25 mg daily in another three-month open-label extension of the study. The objective is to obtain a similar blood level of tesofensine in PWS patients as obtained in previous Phase 2 and Phase 3 studies with obese patients where tesofensine has proven to be well tolerated and highly effective in controlling appetite and reducing weight. In September 2019, Saniona reported

positive clinical results in the Phase 2a study. Saniona's conclusion is that a broad spectrum of patients with PWS are likely to have significant benefits on body weight, BMI and hyperphagia at a dose of 0.25 mg/day.

HYPOTHALAMIC OBESITY

Saniona is conducting a Phase 2a clinical study of Tesomet to treat hypothalamic obesity. The trial comprises a total of up to 25 patients and is conducted at Rigshospitalet in Copenhagen, Denmark. In this exploratory randomized, double-blind, placebo-controlled study, patients will receive either Tesomet (tesofensine 0.5 mg + metoprolol 50 mg daily) or matching placebo (2:1 randomization) for 24 weeks followed by an open-label extension study where all patients will receive Tesomet for 24 weeks, resulting in a total treatment period of 48 weeks.

Saniona expects to report the results from the double-blind part of the study during the first half of 2020 and the full study during the second half of 2020. It is believed that dose finding will be easier in hypothalamic obesity patients than in PWS patients. Therefore, if this trial is successful Saniona may be able to continue into pivotal Phase 2b/3 studies for hypothalamic obesity.

NS2359 FOR TREATMENT OF COCAINE ADDICTION (TRC)

The pharmaceutical candidate NS2359 is a so-called triple monoamine reuptake inhibitor that can block reuptake of neurotransmitters in the brain, which is relevant for treatment of cocaine addiction. The pharmacological profile of NS2359 means that it may be able to reduce cocaine withdrawal symptoms, reduce cocaine craving and reduce cocaine-induced euphoria. The salt products of NS2359 are covered by issued patents in the U.S. expiring in 2028. In addition, the Company expects to obtain data exclusivity, which provides five-year protection in the U.S. and ten years in Europe after market approval.

TRC is conducting an investigator-initiated clinical Phase 2a proof-of-concept study with NS2359 for treatment of cocaine addiction. In January 2019, TRC informed Saniona that they plan to continue the cocaine addiction study with NS2359 at a higher dose following an interim analysis of the still blinded data for the first 50 patients enrolled.

TRC is a clinical outpatient treatment center that is part of the PENN/VA Center for the Studies of Addiction. TRC has a modern treatment facility with a fully certified clinical laboratory and a state-of-the-art data management unit. The investigators have been leaders in addiction pharmacotherapy research for over 35 years. TRC has an active recruitment process and network in place for cocaine addiction. The center screens about 250 cocaine dependent patients per year of which about 100 cocaine dependent patients are randomized into research protocols.

CAD-1883 FOR TREATMENT OF ESSENTIAL TREMOR AND SPINOCEREBELLAR ATAXIA (CADENT THERAPEUTICS)

The pharmaceutical candidate CAD-1883 is a selective positive allosteric modulator of so-called SK channels (small conductance, calcium-activated potassium ion channels), meaning that the active compound may restore the impulse patterns of certain cerebellar neurons and thereby improve motor functions. CAD-1883 was discovered in a collaboration between Saniona and Cadent Therapeutics and is “first-in-class”, i.e. has a new and unique mechanism of action for the treatment of a particular indication. In preclinical disease models, CAD-1883 has demonstrated the ability to improve motor control and reduce tremor.

Cadent Therapeutics is developing CAD-1883 for the treatment of essential tremor and spinocerebellar ataxia, two neurological movement disorders. Cadent Therapeutics completed a Phase 2a study for CAD-1883 in essential tremor during the fourth quarter of 2019, which shows an improvement in the score according to the rating scale "Essential Tremor Rating Assessment Scale Performance Score". Cadent Therapeutics intends to initiate a Phase 2a trial for spinocerebellar ataxia in the first half of 2020.

In March 2017, Cadent Therapeutics merged with Saniona’s Boston based spinout Ataxion Inc. Saniona has a 3.4 percent ownership in Cadent Therapeutics as of the date of the publication of the Prospectus. In addition to ownership in Cadent Therapeutics, Saniona is eligible to receive royalties on any potential products developed and commercialized from the program, including CAD-1883.

Cadent Therapeutics leverages a unique precision neuroscience approach combining target specificity, patient selection, drug design and optimization, and novel quantitative endpoints to create first-in-class molecules to treat movement and cognitive disorders. Currently in early clinical development, Cadent Therapeutics is rapidly advancing its pipeline of therapies to treat spinocerebellar ataxia, essential tremor and schizophrenia. Investors include Atlas Venture, Cowen, Healthcare Investments, Clal Biotechnology Industries, Slater Technology Fund and Novartis.

SAN711 FOR TREATMENT OF NEUROPATHIC PAIN AND CHRONIC ITCHING (SANIONA)

SAN711 is a pain and itch-relieving compound, which has the potential to be an alternative for first treatment and for pain management for patients suffering from untreatable neuropathic pain or itching disorders, either as a standalone treatment or as an add-on medication to existing suboptimal therapies.

SAN711 acts on the receptors for gamma-aminobutyric acid (GABA-A), the most common inhibitory neurotransmitter in the nervous system. SAN711 works selectively on receptors containing GABA-A α3 proteins without acting on main GABA-A receptors. This implies that SAN711 may regulate the body's own pain and itch regulating system in the spinal cord without causing side effects. This concept has been validated by preclinical studies with the compound. SAN711 is a new chemical entity and Saniona has filed a compound patent, which may provide patent protection until 2038. The Company is not aware of any other selective GABA-A α3 modulators in clinical development which is why SAN711 is considered to be able to become first-in-class.

In February 2019, Saniona successfully completed preclinical development of SAN711, and the program is ready for Phase 1 clinical trials, either internally or together with a potential partner.

Pre-clinical programs

Saniona's early stage pipeline is based on its ion channel platform with well-established targets for drug discovery. Ion channels comprise a unique class of proteins, which, among other things, control the activity of nerves and is central to numerous other functions in the body.

Saniona currently has four pre-clinical programs of which one program is financed by its partner Boehringer Ingelheim. Boehringer Ingelheim is currently conducting a preclinical study as preparations for Phase 1 studies for treatment of schizophrenia. Saniona has one preclinical program, SAN903, where Saniona is currently planning Phase 1 studies for the treatment of inflammatory diseases. Saniona has two internal research programs, which are targeting the Kv7 and Nicotinic α6 ion channels and are focused on the treatment of epilepsy and Parkinson's diseases.

These pre-clinical programs hold immense long-term potential for Saniona while the Company works to bring its later stage programs to commercialization.

BOEHRINGER INGELHEIM PROGRAM FOR TREATMENT OF SCHIZOPHRENIA (BOEHRINGER INGELHEIM)

Saniona and Boehringer Ingelheim have partnered for the discovery and development of new small molecule therapeutics to restore brain network activity in patients with schizophrenia. By combining Saniona's expertise in ion channels and related technology platforms with Boehringer Ingelheim's expertise in research and clinical development and commercialization, they are well positioned to advance new treatment options for schizophrenia.

In July 2018, Boehringer Ingelheim selected the first candidate for preclinical and clinical development, triggering a milestone payment of EUR 4 million to Saniona. The program is in the preclinical development phase and Boehringer Ingelheim is preparing the lead candidate for clinical studies.

Boehringer Ingelheim is responsible for the preclinical and clinical development and has global commercial rights. Saniona is eligible to receive up to EUR 90 million in milestone payments and royalties on worldwide net sales of any resulting products under the collaboration. As of December 2019, Saniona has received a total of EUR 11.4 million under the collaboration including EUR 2.4 million in earned income under the research collaboration.

Boehringer Ingelheim, founded in 1885, is one of the world's 20 leading pharmaceutical companies. The focus of the family-owned company is on researching, developing, manufacturing and marketing new medications of high therapeutic value for human and veterinary medicine.

SAN903 FOR TREATMENT OF INFLAMMATORY INTESTINAL DISORDERS (SANIONA)

Saniona has identified compounds which acts as inhibitors of the ion channel IK, which effectively dampen immune cell activation and may thereby be used for the treatment of inflammatory bowel diseases, like Crohn`s disease and ulcerative colitis. Saniona selected the final candidate for preclinical development in July 2019. Saniona assesses that it likely will be the first ion channel modulator medicine for inflammatory bowel diseases and thus become first-in-class.

The IK potassium channel is very important for controlling immune cell functions in both peripheral tissues and the brain. A precise pharmacological modulation of the IK channel can thus be used for treatment of multiple diseases which involve overactive or mistimed immunological reactions, such as inflammatory bowel diseases, and potentially attenuation of autoimmune diseases like rheumatic arthritis and multiple sclerosis, the prevention of organ rejection after transplantation, and reducing brain damage after a stroke.

KV7 PROGRAM FOR TREATMENT OF EPILEPSY, PAIN, AND URINARY INCONTINENCE (SANIONA)

Saniona's Kv7 channel activator programs are in the late stage drug discovery. The programs focus on developing effective new treatments for neurological diseases, such as treatment-resistant partial epilepsy, and various pain disorders. Furthermore, Saniona has demonstrated that the compounds that activates the ion channel Kv7 are also highly efficacious for relaxation of overactive bladder smooth muscle cells, a characteristic of urinary incontinence. Therefore, one of Saniona's Kv7 channel activator programs aims at finding new treatment options for patients suffering from urinary incontinence, which currently is not optimally treated, and interstitial cystitis (chronic pain that affects the urine bladder), which is without any dedicated treatment options.

NICOTINIC A6 PROGRAM FOR TREATMENT OF PARKINSON'S DISEASE (SANIONA)

Saniona's Nicotinic α6 Program for treatment of Parkinson's disease is in the drug discovery phase.

Nicotinic acetylcholine receptors are ligand-gated ion channels that are activated by the neurotransmitter acetylcholine. The α6 subtype (α6-nicotinic acetylcholine receptor) exhibits an extremely localized expression mainly confined to neurons in the area of the brain affected in Parkinson's disease patients where they act as important regulators of dopamine signaling.

As a result of a focused screening campaign, Saniona has identified compounds (selective positive allosteric modulators) which affects α6 containing receptors and furthermore demonstrated that these compounds increase the interaction with acetylcholine. Given the specific expression pattern of α6-nicotinic acetylcholine receptors, modulation of these could provide a novel therapy to increase the release of dopamine in Parkinson's disease patients. In addition, such α6 selective compounds have the potential to slow or stop degradation of dopaminergic neurons (dopamine-producing neurons) which occurs in Parkinson's disease; this could result in stabilization of symptoms and disease progression. The identified compounds offer a novel approach to counteract degeneration of dopaminergic neurons in patients and could optimally be used as a disease modifying therapy in Parkinson's disease.

MARKETING AND COMPETITORS – TESOMET FOR PWS AND HYPOTHALAMIC OBESITY

Saniona intends to establish an organization that will actively promote Tesomet for PWS and hypothalamic obesity in the U.S. and Europe. The target group for these activities are patients with PWS and hypothalamic obesity, their families, specialist doctors, patient organizations and insurance companies. The end user comprises the patients and their families.

There is currently no approved pharmacological treatment of the hyperphagia and resulting obesity for patients with PWS or hypothalamic obesity. Saniona's competitors in PWS and hypothalamic obesity are other biotech companies that develop products for these diseases. In PWS, the main competitors are Millendo, Levo and Soleno. These biotech companies are currently conducting Phase 2 and Phase 3 clinical studies based on very short Phase 2 studies. The reported Phase 2 results from these three companies generally show that their products provide a partial and relatively modest decrease in hyperphagia without significant weight loss. Saniona's product has been shown to control hyperphagia very effectively and that it can provide a significant and clinically relevant weight loss in PWS. Saniona is not aware of any company that develops competing products for hypothalamic obesity.

MARKETING AND COMPETITORS – OTHER PROGRAMS

Saniona's management and board have built up a strong network of key decision-makers, business developers and researchers in the international pharmaceutical industry with a focus on biotechnology as well as other operative and financial stakeholders in this industry. Saniona uses the network as its primary marketing channel to seek partnerships and buyers for their pharmaceutical programs and drug candidates. Contact with these stakeholders takes place either directly or through international conferences. To disseminate information about Saniona's pharmaceutical programs, Saniona's researchers attend international scientific conferences, at which formal and informal meetings with researchers from pharmaceutical companies are arranged. Marketing is also done through scientific publications disseminating relevant research results regarding Saniona's pharmaceutical programs. The Company's website serves as a focal point for, among other things, company information, programs, drug candidates and research results and is therefore an important marketing tool in parallel with strengthened presence in different social media.

The development of Saniona's current and future assets in the form of pharmaceutical programs are to be completed by major pharmaceutical companies and development consortia with adequate financial muscle and sufficient skills in clinical development, registration, marketing and sales. These major pharmaceutical companies and development consortia are therefore Saniona's primary target group today. Saniona has already entered into significant agreements with Boehringer Ingelheim, Medix and Cadent Therapeutics. The Company intends to continue its efforts to attract additional partners for the development of drug candidates.

Many of the major pharmaceutical companies, such as Pfizer, Astra Zeneca, Merck MSD, GlaxoSmithKline, Janssen, Novartis, Roche, Bristol-Myers, Boehringer Ingelheim and Sanofi, have a well-developed research on ion channels. However, Saniona sees these companies more as potential partners than competitors. Hence, during the last five years Saniona has had collaborations with Pfizer, Janssen and Boehringer Ingelheim. There are a few other smaller companies, which conduct research focused on ion channels. However, Saniona's management has not identified any active competitors for several of the Company's pharmaceutical programs.

SUPPLIERS

Saniona has a small and specialized team that covers the Company's key disciplines with research and pharmaceutical development. The Company's strategy is to retain this team and complement it with consultants and specialized CRO companies. The Company has entered into an agreement with the Indian service providers Syngene International Limited and Aurigen regarding chemical synthesis, KLIFO for clinical testing and Cambrex Karlskoga for the manufacture of pharmaceutical substances for clinical and commercial use. In addition, the Company has less extensive agreements with other companies concerning studies of, among other things, drug absorption and efficacy in specific disease models. None of these CRO agreements are critical for Saniona's operations and the suppliers/agreements and could be exchanged with other CRO companies that provides similar services at similar costs.

PATENTS

Saniona has an active patent strategy that includes submitting new patent applications to protect the Company's innovations and improvements related to product candidates that are considered important for the development of the Company. The patent families transferred from NeuroSearch to Saniona in September 2012 mainly include positive and negative modulators for GABA-A receptors, potassium channel modulators, Nicotine receptor agonists and positive allosteric modulators, as well as monoamine reuptake inhibitors, which establish a high degree of patent protection around important chemical compositions and their related compounds.
In October 2014, two additional valuable patent families were brought in by the acquisition of tesofensine. Currently, Saniona's patent portfolio includes 33 active patent families and a total of 209 individual patents and patent applications. Saniona's most important patent families and patent applications in main regions of interest are summarized in the table below.

Patent	Region	Status	Estimated expiry date	Priority date
Tesofensine (use patent)	US	Granted	2029-11-19	2008-09-04
Tesofensine (use patent)	US	Granted	2026-10-31	2005-10-31
Tesofensine (formulation)	US	Granted	2037-09-07	2016-09-07
	AR, AE, AU, BR, CA, CL, CO, CR, CU, DO, EC, EG, EP, GT, HN, IL, JP, KR, MX, NZ, PA, PE, RU	Pending	2037-09-07	2016-09-07
TesoMet (combination)	US, JP, EA, AU, EP	Granted	2033-02-14	2012-02-16
	US, IN, CA, HK, CN	Pending	2033-02-14	2012-02-16
TesoMet (formulation)	US, ZA SG, KR,	Granted	2036-03-02	2015-03-03
	US, AR, AU, BR, CA, CL, CN, EA, EP, IN, ID, IL, JP, MY, MX, PH, UA, HK, CO, EC, EG, GT, PE, SA, AE, CR, DO, PA	Pending	2036-03-02	2015-03-03
TesoMet (use patent)	US, EP	Pending	2036-12-30	2016-01-15
NS2359 (salt patent)	US	Granted	2028-02-28	2007-03-01
IK modulator (compound)	US	Granted	2029-09-07	2007-08-24
IK modulator (compound)	US, EP, CN, JP	Granted	2033-06-25	2012-06-25
GABA modulator (compound)	EP, JP, MX, US	Granted	2033-06-25	2012-06-26
GABA modulator (compound)	US	Granted	2033-10-19	2012-06-26
	EP, JP, US	Granted	2033-06-25	2012-06-26
GABA modulator (compound)	US	Granted	2028-01-02	2006-03-24
	US, EP, MX	Granted	2027-03-22	2006-03-24
Nicotine modulators (compound)	US	Granted	2027-09-10	2006-05-30
	US, EP, CN, JP, MX, NZ	Granted	2027-05-29	2006-05-30
AN788 (compound)	US	Granted	2026-07-04	2004-09-30
	US, EP, IL, JP	Granted	2025-09-28	2004-09-30

MARKET OVERVIEW

This Prospectus contains market and industry information related to Saniona's operations and the market on which Saniona is present. Unless otherwise stated, such information is based on the Company's analysis of several different sources, among others medical research publications and statistic from among others Datamonitor and the Company's partners. Descriptions of the Company's competitive position are based on the Company's own assessments and knowledge of market conditions. Other sources are indicated where required. As a general rule, industry and market publications state that, while the information in the publication has been obtained from sources deemed reliable, the accuracy and completeness of such information cannot be guaranteed. Information in the Prospectus from third parties has been accurately reproduced and, as far as the Company can ascertain through other information published by these third parties, no factual circumstances have been omitted that could render the reproduced information inaccurate or misleading. However, the Company has not made any independent verification of the information provided by third parties, so the completeness or accuracy of the information from third parties presented in the Prospectus cannot be guaranteed.

Market and industry information includes estimates of future market developments and other so-called forward-looking statements. Forward-looking statements is not a guarantee of future performance or development and the actual results may differ significantly from those shown in the forward-looking statements.

MARKET SEGEMENTS

Saniona's drug development programs address the following major market segments:

Product	Indication	Market estimate[1]
Tesomet	Prader-Willi syndrome (PWS) Hypothalamic obesity	Orphan indication > USD 1 billion[2] Orphan indication > USD 1 billion [3]
Tesofensine	Obesity	USD 200 million in Mexico[4]
NS2359	Cocaine addiction	> USD 1.8 billion[5]
SAN711	Neuropathic pain	> USD 6 billion[6]
Boehringer Ingelheim-program	Schizophrenia	> USD 4.8 billion[7]
SAN903	Inflammatory bowel disease (IBD)	> USD 5.9 billion[8]
Nicotinc-α6 program	Parkinson's disease	> USD 2.8 billion[9]
Kv7-program	Pain, epilepsy, Urinary Incontinence	> USD 6 billion[5]
Cadent Therapeutics-program	Ataxia Essential tremor	Orphan indication NA

Obesity – the market for tesofensine

Obesity is a condition in which a person accumulates body fat to the point that it has a negative effect on health and can give rise to a shorter life span.

Mexico ranks among the most obese countries in the world. It is estimated that more than 70 percent of the 128 million Mexicans are overweight or obese. Eight of ten deaths are caused by chronic, non-communicable diseases that are strongly linked to the overweight and obese population. Standardized mortality rates for diabetes, acute myocardial infarction, and hypertension have increased dramatically. The World Health Organization has published that diabetes in 2016 was the main cause of death in Mexico, accounting for 14.7 percent of Mexico's deaths.[10]

According to information from Medix, the current market for prescription medicine for obesity in Mexico is about USD 200 million of which Medix has about 50 percent by volume and value. The current market for prescription medicine for obesity in Mexico is dominated by old generics. Tesofensine is believed to be more efficacious and better tolerated than the existing products.

Prader-Willi Syndrome (PWS) and hypothalamic obesity – the market for Tesomet

PRADER-WILLI SYNDROME (PWS)

PWS is recognized as the most common genetic cause of life-threatening obesity. The disease results from a deletion or loss of function of a cluster of genes on chromosome 15,

1 Unless otherwise stated, the market estimate refers to the global market for the candidate drug within the given indication.
2 LEERINK estimates that there were 7,500 patients with PWS in the U.S. and 12,000 patients with PWS in Europe in 2014. To 2022, the number of patients with PWS are expected to increase to 8,000 in the U.S. and 12,900 patients in Europe. LEERINK estimates that the obtainable price per PWS patient is 150,000 USD in the U.S. and 90,000 USD in Europe (LEERINK Partners, Zafgen INC, Initial coverage, 23 July 2014).
3 LEERINK estimates that there were 6,260 patients with craniopharyngioma in the U.S. and 18,850 patients with craniopharyngioma in Europe in 2014. To 2022, the number of patients with craniopharyngioma are expected to increase to 6,725 in the U.S. and 15,950 in Europe. LEERINK estimates that 50 percent of the craniopharyngioma patients develop hypothalamic obesity. LEERINK estimates that the obtainable price per patient is 150,000 USD in the U.S. and 90,000 USD in Europe (LEERINK Partners, Zafgen INC, Initial coverage, 23 July 2014).
4 Estimates of drugs for obesity in Mexico by Medix 2020.
5 Estimates by TRC.
6 Major markets 2012, Decision Resources.
7 Schizophrenia Forecast 7 major market 2014, Datamonitor.
8 Major markets 2014, Datamonitor.
9 The market for Parkinson's disease is estimated to be USD 2.8 billion in the 7 major markets in 2014, Datamonitor.
10 www.bu.edu/globalhealthtechnologies/2017/04/18/diabetes-leading-cause-of-death-in-mexico/.

which among other things leads to dysfunctional signalling in the brain's appetite/satiety centre (hypothalamus). Patients suffer from a constant, extreme, ravenous insatiable appetite which persists no matter how much the patients eat. As a result, many of those affected with PWS become morbidly obese and suffer significant mortality. Compulsive eating and obsession with food usually begin before the age of six. The hyperphagia affects the quality of life for the patients as well as their families.

PWS is a genetic disorder that occurs in approximately one out of every 15,000 births.[11] The point prevalence is lower because the average life-age is significantly lower than in the general population due to fatal accidents related to the patients' hyperphagia och obesity-related diseases. Based on published statistics from e.g. patient organizations Saniona estimates that there are about 20,000 known patients in the U.S. and Europe combined, equivalent to a prevalence of known and confirmed PWS patients of 1:40,000. There is no cure for this disease and there is no approved pharmacological treatment for the life-threatening hyperphagia and resulting obesity in these patients. The costs for payors are estimated to be USD 100–300 thousand per patient per year in the U.S. comprising assistance to families, residential homes in adulthood, medications as well as breathing devices and hospitalizations due to complications of hyperphagia and obesity[12]

There is a significant medical need for treatments that can reduce the hyperphagia and provide a weight loss in these patients. PWS is a significant commercial opportunity for Tesomet, with 20,000 patients in the U.S. and Europe combined and potential premium pricing as an orphan drug.

HYPOTHALAMIC OBESITY

Like PWS, hypothalamic obesity is a rare disease characterized by a constant craving for food with severe consequences for the patients. Hypothalamic obesity can be the result of damage to the hypothalamus e.g. from the growth or surgical removal of a rare brain tumor and from other types of injury to the hypothalamus including stroke, brain trauma or radiation for cancer patients. The hypothalamus is a small nucleus in the brain that controls important biological functions including body temperature, hunger and body weight. A rare brain tumor, craniopharyngioma, or the treatment therefore, is the most common cause of hypothalamic obesity. The point prevalence of craniopharyngioma is approximately 1: 50 000 in the U.S.[13] and it is estimated that the up to 75 percent of the patients develop hypothalamic obesity.[14]

Cocaine addiction – the market for NS2359

Cocaine addiction is a major public health problem. In 2016, it was estimated that approximately 0.9 million people aged 12 years or older in the U.S. had a cocaine use disorder.[15] Cocaine use and dependence leads to high morbidity and mortality. Other problems associated with cocaine use are increased levels of crime, violence, poverty, and family disruption. The standard treatment for cocaine dependence consists of individual and group psychotherapy as well as self-help groups. Although progress has been made in developing new psychosocial treatments, psychotherapy alone does not provide substantial benefit for many patients. Dropout rates in outpatient treatment programs are very high. Even among patients who complete treatment, relapse is common. Thus, medications have been sought to augment psychosocial treatment. Currently, there are no medications approved for the treatment of cocaine dependence. According to TRC, the market value for an effective medication for cocaine addiction may exceed USD 1.8 billion in the U.S.[16]

Ataxia and essential tremor– the market for the Cadent Therapeutic program

Essential tremor is a neurological disorder characterized by uncontrollable shaking in different parts of the body, including the head, arms, hands, neck, and chin. It is the most common movement disorder, affecting 10 million people in the United States alone.[17]

Spinocerebellar ataxia is a genetic, degenerative neurological condition that affects approximately 6,000 people in the U.S.[18] Patients are readily identified through genetic testing and most often carry genetic abnormalities called "poly-Q expansions," similar to those found in patients with Huntington's disease. The disease is progressive and over time results in ongoing damage to the cerebellum, a part of the brain that regulates motor control and balance.

Neuropathic pain and itching – the market for SAN711

Pruritus or itch is the most frequent symptom seen in skin disease, including atopic dermatitis, urticaria and psoriasis. Pruritus is often defined as an unpleasant sensation associated with the desire to scratch and significantly reduces the quality of life of the affected individuals. With a lifetime prevalence of up to 22 percent and a high rate of therapeutic failure due to suboptimal treatment options, chronic itch imposes a significant socio-economic burden. Antihistamines have traditionally been the first-line treatment option for most pruritic conditions despite low efficacy in the substantial number of pruritic diseases characterized by histamine-independent pruritus. Certain systemic diseases have long been known to cause pruritus that ranges in intensity from a mild annoyance to an intractable, disabling condition. Generalized pruritus may be classified into the following categories based on the underlying causative disease: renal pruritus, cholestatic pruritus, hematologic pruritus, endocrine pruritus, pruritus related to malignancy, and idiopathic generalized pruritus. The global combined market for treatment of atopic dermatitis and psoriasis amounts to approximately USD 15 billion and is expected to double over the next 10 years.[19]

Neuropathic pain is caused by a lesion or dysfunction of the central or peripheral nervous system in diseases such as diabetes, varicella zoster, cancer and HIV, or following mechanical lesion and trauma or the use of drugs such as chemotherapy. Neuropathic pain is often chronic, irreversible and notoriously difficult to manage. According to industry estimates, neuropathic pain is believed to affect about 40 million people in seven major markets. Major indications include chronic lower-back pain, painful diabetic neuropathy, post herpetic neuralgia (following shingles), neuropathic cancer pain and HIV related neuropathic pain. Well-known painkillers, such as Aspirin®, Panodil®, and ibuprofen have no or little effect on neuropathic pain. Apart from narcotic analgesics (where tolerance development is a further complication), patients are typically treated with drugs developed for other indications including anti-epileptic drugs and antidepressants. Furthermore, the existing drugs typically have significant and

[11] www.fpwr.org/about-prader-willi-syndrome.
[12] LEERINK Partners, Zafgen INC, Initial coverage, 23 July 2014.
[13] www.ncbi.nlm.nih.gov/pmc/articles/PMC1855047/.
[14] www.ncbi.nlm.nih.gov/pmc/articles/PMC3356006/.
[15] Key Substance Use and Mental Health Indicators in the United States: Results from the 2016 National Survey on Drug Use and Health.
[16] Estimates by TRC.
[17] www.ghr.nlm.nih.gov/condition/essential-tremor#statistics.
[18] Cadent Therapeutics: www.cadenttx.com/pipeline/.
[19] Atopic Dermatitis Treatment Market: Global Industry Analysis 2012-2016 and Opportunity Assessment 2017-2027 och Psoriasis Treatment Market: Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2016 – 2024.

dose-limiting side effects such as drowsiness, dizziness and somnolence. The market for neuropathic pain is estimated to be approximately USD 6 billion with an anti-epileptic drug being the current market leader. It is estimated that up to 50 percent of the treated patients do not respond to existing drugs and that those who do only achieve partial pain relief, creating a significant medical need for more effective treatments.[20]

Schizophrenia – the market for the Boehringer Ingelheim program

Schizophrenia is a mental disorder characterized by persistent defects in perception of reality, which in severe cases may be classified as psychosis. According to the World Health Organization, mental ill-health along with drug addiction is the leading cause of handicaps worldwide. In the EU, at least 164 million people (38 percent) suffer from mental problems.[21] People who suffer from schizophrenia often have several problems with regard to cognition, which severely influences their ability to live and function normally. One consequence of this is that many people with schizophrenia live in isolation, are unemployed and/or homeless.[22] The global market for medicinal products that treat schizophrenia amounted to USD 4.8 billion in 2012.[23]

Inflammatory diseases – the market for the SAN903 program

Inflammatory bowel disease (IBD) is a group of inflammatory conditions in the large intestine and small intestine. It is estimated that more than 3.5 million patients are diagnosed with IBD (colitis and Crohn's patients) in Europe and the U.S.[24] The prevalence and incidence of IBD is increasing worldwide, especially in countries with an established or newly adopted Western lifestyle. Unfortunately, IBD requires frequent interventions with strong systemic anti-inflammatory treatments (steroids, anti-cancer type medicines, cytokine neutralizing antibodies), which have numerous side-effects. In addition to this, IBD patients often face a gradual worsening of their condition due to chronic fibrotic changes, which may lead to life-threatening obstructions that can only be resolved by acute gut-shortening surgery. There is preclinical evidence that IK inhibition both reduces ongoing intestinal inflammation and may have an independent effect on the chronic complications of the disease without having any of the side effects observed with the traditional IBD medicines.

Epilepsy and painful urine bladder syndrome – the market for the KV7 program

Epilepsy occurs as a result of an error in the control of the brain cells. It may be due to an innate or hereditary (genetic) coding of brain cell activity or because of damage to the brain, where the nerve cells have lost their normal control. Most epileptic episodes involve completely or partially losing control of the body, because the brain associated with the attack loses control of the body's functions. The brain's integrated functions break down for a few seconds or minutes and are rebuilt with greater or lesser speed afterwards. If frequent and prolonged seizures occur, they will sooner or later damage the brain. Therefore, it is important to prevent seizures.

Interstitial cystitis (IC), also known as painful bladder syndrome (PBS), is a debilitating chronic pain syndrome and a chronic inflammatory state by unknown etiology. Symptoms include feeling the urgent need to urinate (despite that the bladder is almost empty), needing to urinate often, bladder pain and sometimes pelvic pain. So far, its incidence is estimated to be in the range of 45 per 100,000 women and 8 per 100,000 men. The current treatment recommendations follow five steps and begins with the simple clinical principles of education and lifestyle modifications and progress through various levels of physical, pharmacological and ultimately surgical therapies for those who fail the less invasive therapies. Despite these well-defined treatment steps, IC/PBS is still poorly treated (which means that patients still experience pain and urgency).[25]

Parkinson's Disease – the market for Nicotin-α6 program

Parkinson’s disease is a chronic and progressive neurological disorder that is characterized by well-known motor symptoms including tremors, stiffness of limbs, slowness of movements, and difficulties with posture and balance. In addition to motor symptoms, many Parkinson’s disease patients experience non-motor symptoms, including sleep disorders, sensory symptoms, depression and gastrointestinal symptoms. It is the second most common neurological disorder and it is estimated to affect seven to ten million people worldwide.[26]

[20] Pain Ther (2017) 6:s1-s3.
[21] Eur Neuropsychopharmacol (2011) 21:655-679.
[22] Sheffield JM, et al. Common and specific cognitive deficits in schizophrenia: relationships to function. Cogn Affect Behav Neurosci. 2014;14:161–74., Kooyman I, et al. Outcomes of public concern in schizophrenia. Br J Psychiatry. 2007;191 (Suppl.50):s29–s36.
[23] Schizophrenia Forecast 7 major market 2014, Datamonitor.
[24] www.ncbi.nlm.nih.gov/pubmed/26323879.
[25] J. Quentin Clemens et al. Prevalence and incidence of interstitial cystitis in a managed care population, 2005.
[26] www.parkinsonsnewstoday.com/parkinsons-disease-statistics/.

TRENDS AND TENDENCIES

The Company believes that the key trends that drive the markets for the Company's product candidates include the following:

Tesomet

Saniona's lead program, Tesomet, is developed for the two rare diseases, Prader-Willi syndrome and hypothalamic obesity.

- As it is the case for PWS and hypothalamic obesity, many rare diseases remain without effective treatments today. However, the combination of scientific advances, along with a growing commitment by policy makers through various incentive programs for drug developers, is fueling the increased number of orphan therapies. EvaluatePharma estimates that the market for orphan drugs will grow by 11.1 percent per year between 2017 and 2022 or more than the double of the overall prescription drug market. According to EvaluatePharma, this means that the orphan drug market will reach USD 209 billion in 2022 and account for more than 21 percent of the global prescription sales. There are significant pricing incentives for orphan drugs. According to EvaluatePharma of the top 100 drugs in the US the average cost per patient per year for an orphan drug was USD 140,443 in 2016, compared with USD 27,756 for a non-orphan.[27]
- There is generally an inverse relationship between the price of orphan therapies and the number of patients. This is in particular the case for orphan drugs, which are developed for treatment of diseases with less than 10,000 patients in the U.S. As an example, after having analyzed the pricing of 65 orphan drugs from 47 indication, LifeSci Capital concluded that most drugs for diseases with 10,000 or more patients in the U.S. are priced between USD 25,000 and USD 150,000 per year, whereas the majority of drugs for indications with less than 10,000 patients in the US are priced at or above USD 200,000 per year.[28]

Tesofensine

Saniona's most advance program is in the registration phase for treatment of obesity in Mexico

- Obesity has become one of the major global economic problems. Obesity imposes significant costs on healthcare systems; around the world, 2 to 7 percent of all healthcare spending relates to measures to prevent and treat this condition, with up to 20 percent of all healthcare spending attributable to obesity, through related diseases such as type 2 diabetes and heart disease. These healthcare costs place a burden on government finances. Furthermore, overall economic gains and employers are affected by impaired productivity.
- The global economic impact of obesity is increasing. The prevalence of obesity is still rising in developed economies, and now, as emerging markets become richer, they, too, are experiencing rising prevalence. More than 2.1 billion people are overweight or obese. Obesity, which should be preventable, is now responsible for about 5 percent of all deaths worldwide. If its prevalence continues on its current trajectory, almost half of the world's adult population will be overweight or obese by 2030. Left unchecked, rising prevalence is very likely to have an even more significant economic impact than it does today.
- The market for obesity prescription drugs is growing but is still relatively small despite of the significant medical need. Many of the existing products are not very effective and/or have significant side effects. The new generation of products have a better safety profile, but comes with a costs, which will be out of reach for many patients without reimbursement. Obesity is, however, not considered as a disease in many countries and it is consequently not possible for patients to obtain reimbursement. Given that patients need to pay for the treatment themselves in many countries, there is a significant need for well tolerated and effective products, which can be obtained at an affordable price.[29]

Other programs

In addition to the above-mentioned programs, Saniona is developing a broad pipeline of product candidates, which are positioned for partnering. Saniona will be dependent on the large pharmaceutical companies' interest to acquire, develop and commercialize projects from Saniona's pipeline of preclinical and clinical pharmaceutical candidates. The pharmaceutical industry is in great need of new and innovative products. For innovative companies such as Saniona, this creates an attractive opportunity to license ground-breaking programs. It is important that there are few biotech companies that can offer valuable research and development project to large pharmaceutical companies within the area of ion channels. These factors combined should provide Saniona extensive business opportunities.

In addition to what is stated in the Prospectus, Saniona currently has no information on trends, uncertainties, potential claims or other requirements, commitments or events that could have a significant impact on the Company's business prospects. In addition to what is stated in the Prospectus, Saniona does not currently have any information on any public, economic, fiscal, monetary policy or other policy measures which, directly or indirectly, significantly affected or substantially would affect the Company's operations.

[27] EvaluatePharma, Orphan Drug Report 2018, http://info.evaluategroup.com/rs/607-YGS-364/images/EPOD17.pdf.
[28] LifeSci Capital, Orphan Drug Pricing, http://www.lifescicapital.com/analysis/orphan-drug-pricing/.
[29] The obesity crises, McKinsey Global Institute. https://www.mckinsey.com/mgi/overview/in-the-news/the-obesity-crisis.

CAPITAL STRUCTURE AND OTHER FINANCIAL INFORMATION

EQUITY AND LIABILITIES

Total equity and liabilities, SEK thousand	31 December 2019
Current liabilities	35,416
Guaranteed	-
Secured	-
Unguaranteed/unsecured	35,416
Long-term liabilities	2,147
Guaranteed	-
Secured	-
Unguaranteed/unsecured	2,147
Equity	58,437
Share capital	1,421
Additional paid in capital	239,592
Retained earnings	-192,268
Currency translation reserve	9,693

NET DEBT

	Net debt, SEK thousand	31 December 2019
A	Cash	40,428
B	Cash and cash equivalents	-
C	Trading securities	-
D	**Total liquidity A + B + C**	**40,428**
E	**Current receivables**	**13,636**
	Current liabilities	
F	Short-term bank debt	-
G	Current portion of long-term debt	-
H	Convertible loan	-
I	Other current liabilities	35,416
J	**Total short-term debt F + G + H + I**	35,416
K	**Net current gearing J - E – D**	-18,648
	Long-term liabilities	
L	Long-term bank loans	-
M	Bonds issued	-
N	Other long-term loans	2,147
O	**Long-term debt L + M + N**	2,147
P	**Net debt K + O**	-16,501

WORKING CAPITAL STATEMENT

The board of directors assesses that the Company's existing working capital is sufficient to meet the Company's needs over the next twelve months. In this context, working capital refers to the Company's access to liquid funds in order to fulfil its payment obligations as they fall due.

LOAN FACILITY

In January 2020, Saniona entered into a financing agreement with Formue Nord, which includes a loan facility of up to SEK 25 million. The Company's right to utilize the loan facility is conditional upon approval of the Directed Unit Issue and the Rights Issue at the extraordinary general meeting, which was made on 7 February 2020. Loans raised under the loan facility are subject to market interest rates and shall be repaid no later than the twelve months after extraordinary general meeting the 7 February 2020.

INVESTMENTS

The Company has not made any significant investments since 31 December 2019, nor has it made any firm commitments regarding significant investments since then.

THE LATEST DEVELOPMENTS AND CURRENT TRENDS

In 2019, Saniona's net sales decreased compared to the previous year. In 2019, revenues consisted of research funding in accordance with the agreement with Boehringer Ingleheim, while the revenues in 2018 consisted of research funding from Boehringer Ingleheim as well as BenevolentAI. For the same period, operating profit driven by, among other things, increased external costs and personnel costs.

Other than what is stated above and in the section "Risk factors", and apart from general uncertainty related to research and development activities and delays in clinical studies, there are no to Saniona known trends, uncertainty factors, potential claims or other requirements, commitments or events which can be expected to have a material impact on the Company's future prospects.

With the exception of what is stated in the section "Market overview" and the section "Trends and tendencies", Saniona is not aware of any public, economic, tax, monetary or other policy measures that, directly or indirectly, could have a significant impact on the Company's operations.

SIGNIFICANT CHANGES AFTER 31 DECEMBER 2019

In January 2020, the Company's board of directors completed a directed issue of shares to Formue Nord, which provided the Company SEK 25 million before issue expenses, and entered into an agreement for a loan facility of up to SEK 25 million. In connection therewith, the Company's board of directors, conditional upon approval from the extraordinary general meeting, decided to carry out the Directed Unit Issue and the Rights Issue. The resolutions were approved at the extraordinary general meeting on 7 February 2020.
The Directed Unit Issue and the Rights Issue may, upon full subscription and subsequent full exercise of the warrants, provide the Company with SEK 111-133 million before issue expenses.

Other than what is the above, no events have taken place after 31 December 2019 that significantly changed the Company's financial position.

BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITOR

BOARD OF DIRECTORS

Pursuant to the Company's articles of association, the board of directors shall consist of at least 3 and at the most 8 board members. Currently, the Company's board of directors consists of 6 board members, including the chairman. The current board of directors was appointed at the annual general meeting on 29 May 2019 for the period until the end of the annual general meeting to be held 2020.

Name	Position	Member since	Independent in relation to		Holdings*
			Major shareholders	The Company	
J. Donald deBethizy	Chairman	2018	Yes	Yes	217,625 options
Jørgen Drejer	Board member and CSO	2014	Yes	No	2,344,711 options
Anna Ljung	Board member	2018	Yes	Yes	8,000 options
Claus Bræstrup	Board member	2014	Yes	Yes	735,700 options
Carl Johan Sundberg	Board member	2015	Yes	Yes	8,000 options
Edward C. Saltzman	Board member	2019	Yes	Yes	4,000 options

* Options mean allotted options in different incentive programs with employee stock options and warrants implemented by the Company between 2015 and 2020. For more information about these incentive programs, see the section "Share capital and ownership structure – Share based incentive programs".

J. Donald deBethizy. Born 1950. Chairman since 2018.

Education and background: Ph.D. and M.Sc. in toxicology from Utah State University and a B.Sc. in biology from the University of Maryland. J. Donald deBethizy is also a co-founder and former CEO of Targacept, Inc., an American biotech company listed on Nasdaq, 1997–2012, and CEO of Santaris Pharma A/S, from January to October 2014, when the company was sold to Roche Holdings.

Other ongoing assignments: Chairman in Albumedix Ltd. and Saniona A/S. Board member in argenx N.V., Newron Pharmaceuticals SpA, Noxxon NV and Proterris, Inc. Member of management (direktion) of Albumin Holding ApS and White City Consulting ApS.

Previous assignments completed within the past five years: Executive chairman of Contera Pharma A/S. Chairman of Novozymes Biopharma DK A/S and Rigontec GmbH. Board member of Asceneuron SA, Biosource Inc., Enbiotix Inc., LigoCyte Pharmaceuticals Inc., Serenova A/S (previously named Serendex Pharmaceuticals A/S) and Targacept, Inc. CEO and group chief executive of Roche Innovation Center Copenhagen A/S (previously named Santaris Pharma A/S).

Independence: Independent in relation to both the Company and its management as well as major shareholders.

Holdings in Saniona: 217,625 warrants, in the warrant program 2018/2024.

Jørgen Drejer. Born 1955. Board member since 2014. Board member of Saniona A/S since 2012. CSO since 2020. Previous CEO of Saniona AB and Saniona A/S. Co-founder of Saniona A/S and Saniona AB.

Education and background: Ph.D. in neurobiology from the University of Copenhagen. One of the co-founders of NeuroSearch A/S and long operated as the Company's deputy CEO and head of research. Member of the Danish Academy of Engineering Science and previous member of the board of Danish Research Council for Independent Research. Author of more than 75 scientific articles.

Other ongoing assignments: Board member of Saniona A/S. Board member of 2CureX AB and 2CureX A/S.

Previous assignments completed within the past five years: Chairman of Delta Reader A/S. Board member of Atonomics A/S, Azign Bioscience A/S, Ellegaard Göttingen Minipigs A/S, Force Technology and Monta Biosciences A/S. CEO of Saniona AB and Saniona A/S.

Independence: Not independent in relation to the Company and its management but independent in relation to major shareholders.

Holdings in Saniona: 2,344,711 shares.

Anna Ljung. Born 1980. Board member since 2018.

Education and background: M.Sc. in Economics and Business Administration from Stockholm School of Economics. Current CFO of Moberg Pharma AB and previous experience from different positions as CFO at Athera Biotechnologies AB, Moberg Pharma AB and Lipopetide AB as well as independent consultant within in the field of technology licensing.

Other ongoing assignments: Chairman of Moberg Derma Incentives AB. Board member of Moberg Pharma 2019 AB and Saniona A/S. CEO of Moberg Pharma AB.

Previous assignments completed within the past five years: Board member of MPJ OTC AB. Deputy board member of Moberg Derma Incentives AB.

Independence: Independent in relation to both the Company and its management as well as major shareholders.

Holdings in Saniona: 4,000 warrants in the warrant program 2018/2022 and 4,000 warrants in the warrant program 2019/2023.

Claus Bræstrup. Born 1945. Board member since 2014 (Chairman of Saniona AB 2014-2018 and of Saniona A/S since 2012). Co-founder of Saniona A/S and Saniona AB.

Education and background: Doctor of Medicine and graduate in biochemistry from the University of Copenhagen. Previous deputy CEO of research and development and CEO of H. Lundbeck A/S, listed on Nasdaq Copenhagen. Previous professor in neuro science at the University of Copenhagen. Author and co-author of more than 125 scientific articles.

Other ongoing assignments: Board member in Saniona A/S. CEO of Kastan ApS.

Previous assignments completed within the past five years: Chairman of Probiodrug AG and Saniona A/S. Board member of Ataxion Inc., Bavarian Nordic A/S, Evolva Holding SA, Gyros Protein Technologies AB, Evotec AG and Roche Innovation Center Copenhagen A/S (previous Santaris Pharma A/S).

Independence: Independent in relation to both the Company and its management as well as major shareholders.

Holdings in Saniona: 735,700 shares.

Carl Johan Sundberg. Born 1958. Board member since 2015 (board member of Saniona A/S since 2016).

Education and background: Medical degree and Ph.D. from Karolinska Institutet, Stockholm. Professor in molecular and applied exercise physiology at Karolinska Institutet. Co-founder to, and previous Investment Manager of, Karolinska Investment Fund – a EUR 60 million biomedicine venture capital fund. Head of research at the department of Bioentrepreneurship at Karolinska Institutet, member of the Royal Swedish Academy of Engineering Sciences, previous member and previous chairman of Swedish Professional Associations for Physical Activity and the foundation Forska!Sverige and member of the International Olympic Committee Medical Commission. Many years of experience from board work within the academy and the business community. Professor at the department of Physiology and Pharmacology at Karolinska Institutet. Head of the department of Learning, Informatics, Management and Ethics at Karolinska Institutet.

Other ongoing assignments: Board member of Arne Ljungqvist Anti - doping Foundation AB, Cobra Biologics Holding AB, Medkay Konsulting AB and Saniona A/S. Deputy board member of Symbiont Law AB.

Previous assignments completed within the past five years: Board member of Hypercure Medical AB and Karolinska Development AB. Partner of Medkay Konsulting HB.

Independence: Independent in relation to both the Company and its management as well as major shareholders.

Holdings in Saniona: 4,000 warrants in the warrant program 2018/2022 and 4,000 warrants in the warrant program 2019/2023.

Edward C. Saltzman. Born 1955. Board member since 2019.

Education and background: Degree from New York University. Executive chairman of Cello Health BioConsulting ("CHBC"), previously Defined Health, after having led the sale of Defined Health to Cello Health in 2017. CHBC is a leading strategic business development advisory firm serving senior executives in pharma, biotech and investment. Edward C. Saltzman possesses a vast knowledge of the pharmaceutical and biotechnology industry accumulated over Defined Health's 25 years of consultancy to pharma, biotech, specialty pharma and investors. From this breadth and depth of experience, he provides guidance to CHBC's senior project leadership who work with clients across multiple therapeutic areas.

Other ongoing assignments: Chairman and member of management of Cello Health BioConsulting.

Previous assignments completed within the past five years: Board member of Vidac Pharmaceuticals Ltd.

Independence: Independent in relation to both the Company and its management as well as major shareholders.

Holdings in Saniona: 4,000 warrants in the warrant program 2019/2023.

GROUP MANAGEMENT

Name	Position	Group management since	Employed since	Holdings
Rami Levin	CEO	2020	2020	710,313 employee stock options
Jørgen Drejer	CSO	2014*	2012	2,344,711 shares
Thomas Feldthus	Deputy CEO and CFO	2014	2012	1,870,000 shares

* Jørgen Drejer is CSO since 2020 and has been the CEO since 2014.

Rami Levin. Born 1969. CEO since 2020.

Education and background: Bachelor's degree in Biology and an MBA. Has previously held commercial leadership roles of increased strategic importance at Merck Serono in a number of countries, including the United States, Sweden, Switzerland and Israel.

Other ongoing assignments: Member of the board of advisors, Life Science Cares.

Previous assignments completed within the past five years: President of Sobi Inc., Vice President Marketing of EMD Serono, Inc., Managing Director of the Merck Group in Scandinavia, Global Marketing Director of the Merck Group.

Holdings in Saniona: 710,313 employee stock options in the employee stock option program 2020/2025.

Jørgen Drejer. Born 1955. Board member since 2014. Board member of Saniona A/S since 2012. CSO since 2020. Previous CEO in Saniona AB and Saniona A/S. Co-founder of Saniona A/S and Saniona AB.

Please see the section "Board of directors" for further information.

Thomas Feldthus. Born 1960. CFO since 2012 and Deputy CEO since 2015. Co-founder of Saniona A/S and Saniona AB and previous board member.

Education and background: M.Sc. in Engineering from the Technical University of Denmark and MBA from London Business School. Co-founder and previous CFO at the biotech company Symphogen A/S. Previous CFO at the pharmaceutical company WntResearch AB (publ). Has raised more than EUR 200 million in venture capital and negotiated several comprehensive cooperation agreements with pharmaceutical companies containing up front and milestone payments in intervals of USD 50-300 million. Previous Investment Manager at Novo A/S and Corporate Development Manager at Novo Nordisk A/S.

Other ongoing assignments: Board member of Scandion Oncology A/S. CEO of Fertilizer Invest ApS. Member of management (direktion) of Saniona A/S.

Previous assignments completed within the past five years: Board member of Saniona A/S.

Holdings in Saniona: 1,870,000 shares.

OTHER INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

Jørgen Drejer was during the period from March 2001 to and including 25 August 2018 a board member of Azign Bioscience A/S. On 25 August 2018, Azign Bioscience A/S entered into compulsory dissolving (*Dk*. tvangsopløsning) due to the Company not having filed its annual report for 2017. On 6 November 2018, Azign Bioscience A/S entered into bankruptcy.

Except from what is stated above, none of the Company's board members or senior executives have during the past five years (i) been convicted of fraud-related offenses, (ii) represented a company which has been declared bankrupt, filed for mandatory liquidation or undergone corporate restructuring, (iii) been incriminated or sanctioned for a crime by regulatory authority (including recognized professional associations) or (iv) been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory body or from holding any senior or overarching position in an issuer.

There are no family ties between any board members or senior executives. None of the board members or senior executives have any other conflicts of interest or potential conflicts of interest that could conflict with Saniona's interest. However, as stated above, several board members and senior executives have financial interests in the Company through holding of shares and warrants. Apart from standard severance pay for members of the group management, none of the board members or members of the group management have entered into agreements that entitle them to benefits upon termination of their assignment. Saniona has not set aside or accrued amounts for pensions or similar benefits for board members or senior executives upon termination of employment or assignment.

All board members and senior executives can be reached via the Company's address: Balltorpvej 154, DK2750 Ballerup, Denmark.

AUDITOR

Deloitte AB is Saniona's auditor since the founding in 2014. Elna Lembrér Åström was the auditor in charge to and including the annual general meeting 2018 and was thereafter replaced by Jeanette Roosberg. Both Elna Lembrér Åström and Jeanette Roosberg are authorised public accountants and members in FAR, the trade association for auditors and advisors. The auditor is reached via Deloitte AB, Rehnsgatan 11, SE-113 79 Stockholm.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

SHARES AND SHARE CAPITAL

According to Company's articles of association, the share capital shall be no less than SEK 1,000,000 and no more than SEK 4,000,000 and the number of shares shall be no less than 20,000,000 shares and no more than 80,000,000 shares. The Company has only one share class. The registered share capital of the Company as per the date of the issuance of the Prospectus amounts to SEK 1,470,625.95 divided between 29,412,519 shares. Each share has a quota value of SEK 0.05.

THE DIRECTED UNIT ISSUE AND THE RIGHTS ISSUE

On 10 January 2020 the board of directors of Saniona resolved, subject to the approval of the extraordinary general meeting, to carry out a directed issue of 465,518 units, consisting of a total of 1,396,554 warrants of the series TO 1, TO 2 and TO 3, to Formue Nord (the Directed Unit Issue), and to carry out a Rights Issue of 1,014,224 units consisting of a total of 3,042,672 warrants in the same series (the Rights Issue). The board of directors' resolution was approved at the extraordinary general meeting on 7 February 2020.

If the Rights Issue is fully subscribed and all warrants issued in the Rights Issue and the Directed Unit Issue are exercised for subscription of new shares in the Company, the share capital will increase by SEK 221,961.30 to SEK 1,692,587.25 and the number of shares by 4,439,226 to 33,851,745 which entails a dilution of approximately 13.1 percent in relation to the number of shares in the Company per day of the Prospectus. The Directed Unit Issue will result in dilution of approximately 4.5 percent for existing shareholders. The dilution is calculated by dividing the total number of shares that will accrue upon full exercise of the warrants by the total number of shares in the Company after the exercise.

TERMS AND CONDITIONS FOR THE WARRANTS IN THE DIRECTED UNIT ISSUE AND THE RIGHTS ISSUE

For a summary of the terms for the warrants in the Rights Issue and the Directed Unit Issue, see the section "Terms for the warrants in brief". Full warrant terms are available on the Company's website, www.saniona.com.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The shares in Saniona have been issued in accordance with the provisions of the Swedish Companies Act (2005: 551) and are denominated in SEK. Saniona is affiliated with Euroclear Sweden AB's ("Euroclear") account-based securities system, which is why no physical share certificates are issued. The ISIN code for the Company's shares is SE0005794617.

All shares are issued and fully paid and freely transferable. All rights attached to the share are added to the one registered in the share book kept by Euroclear. There are no restrictions on the transferability of the shares. The Company's share is listed on Nasdaq Stockholm under the short name SANION.

Voting rights and general meeting

Each share entitles to one (1) vote at Saniona's annual general meeting. Each shareholder entitled to vote may vote at the annual general meeting for the full number of such shares owned and represented.

Preferential right to subscribe for new shares etc.

Shareholders normally have preferential rights to subscribe for new shares, warrants and convertibles in accordance with the Swedish Companies Act, unless the annual general meeting or the board of directors, supported by the authorization of the annual general meeting, decide to deviate from the shareholders' preferential right.

Right to dividend and surplus upon liquidation

Each share gives equal rights to the share of the Company's assets and profits. In case of liquidation of the Company, shareholders are entitled to a share of profits in relation to the number of shares held by the shareholder.

Any dividend is decided by the annual general meeting on a proposal from the board of directors. The right to dividend accrues to the person who is registered in the share register kept by Euroclear at the record date set for the annual general meeting. All of the Company's shares are entitled to dividends. If shareholders cannot be reached through Euroclear, the claim on the Company with respect to the dividend amount remains and is limited only by rules for limitation. Upon limitation, the dividend is accrued to the Company. Neither the Swedish Companies Act nor Saniona's articles of association contain any restrictions regarding the right to distribute to shareholders outside Sweden. In addition to any restrictions resulting from banking or clearing systems in the relevant jurisdictions, payment to such shareholders is made in the same way as to shareholders domiciled in Sweden. Tax legislation in both Sweden and the shareholder's home country can affect the income from any dividends paid, see more under the section "Taxation" below. However, for shareholders who are not tax resident in Sweden, Swedish coupon tax is normally paid.

TAXATION

The tax legislation in the investor's home country and Sweden may have an impact on any income received from the Company's securities.

Taxation of any dividend as well as capital gains, capital losses on the sale of securities, depends on the specific situation of each individual shareholder. Special tax rules apply to certain types of taxpayers, such as investment companies and insurance companies, and certain types of investments. Each securities holder should, therefore, consult with a tax advisor for information on the specific consequences that may arise in the individual case, including the applicability and effect of foreign tax rules and tax treaties.

INFORMATION ON PUBLIC TAKE-OVER OFFERS

The Company's shares have not been subject to any public takeover bids during the current or previous financial year. The Company's shares are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation.

The Act (2006: 451) on public takeover bids in the stock market (*Sw.* Lagen om offentliga uppköpserbjudanden på aktiemarknaden) ("**LUA**") applies to public takeover bids regarding the Company's shares. According to LUA, those who

submit a public takeover offer must undertake to comply with the Takeover rules for Nasdaq Stockholm. Through the undertaking, the person submitting a public takeover bid undertakes to comply with both the Takeover rules and the decisions of the Swedish Capital Markets Board (Sw. Aktiemarknadsnämnden) and statements on interpretation and application.

AUTHORIZATIONS

The annual general meeting on 29 May 2019 resolved to authorize the board of directors to decide, on one or more occasions during the period leading up to the next annual general meeting, with or without deviation from the shareholders' preferential right, to issue shares and/or convertibles. Issuance shall be possible with or without a prescription regarding compensation, set-off or other conditions.

The authorization can be used partly for the issue of shares or convertibles in relation to the Company's previous financing agreement with Nice & Green SA, and in other cases for the purpose of acquiring working capital, to be able to execute and finance corporate acquisitions and to enable issues with industrial parties within the framework of partnerships and alliances.

The Company's board of directors has partially utilized the authorization in January 2020 to issue 1,000,000 shares to Formue Nord. Of the authorization, 10,961,240 shares remain that can be issued, or may be issued upon conversion, to be executed for the purpose of acquiring working capital, to be able to execute and finance corporate acquisitions and to enable issues with industrial parties within the framework of partnerships and alliances.

CONVERTIBLES

Saniona has previously issued convertibles under a financing agreement with Nice & Green S.A. which was entered into in December 2017 and subsequently extended. The agreement initially meant that Saniona could issue convertibles for up to SEK 72 million in individual tranches of SEK 6 each for a twelve-month period. The agreement was subsequently extended for an additional SEK 72 million. The agreement has expired in 2019 and as of the date of the Prospectus there are no convertibles outstanding in Saniona. As of 31 December 2018, convertibles with a total nominal amount of SEK 6 million were outstanding.

SHARE BASED INCENTIVE PROGRAMS

Saniona has issued warrants under seven incentive programs for board members, employees and consultants. The conditions for the incentive programs are described below. The maximum number of shares that can be issued in total for all programs, without taking into account any future recalculation under the warrant terms for each program, amounts to 1,137,744 shares, which corresponds to a dilution of approximately 3.72 percent based on the assumption that all programs are fully utilized and calculated on the number of shares in the Company per day of the Prospectus. As of 31 December 2019, the maximum number of shares that could be issued for all existing incentive programs was 427,431 shares.

Program	Maximum number of shares that can be issued	Dilution
Employee option program 2020/2025	710,313	2.33%
Employee option program 2019/2024	34,500	0.11%
Option program 2019/2023	15,770	0.05%
Employee option program 2018/2023	35,190	0.12%
Option program 2018/2022	10,723	0.04%
Option program 2018/2024	291,723	0.95%
Option program 2017/2022	39,525	0.13%
Total	**1,137,744**	**3.72%**

Employee option program 2020/2025

The extraordinary general meeting on 7 February 2020 decided to establish an employee option program for the CEO. In the employee option program 2020/2025, a total of 710,313 employee options are outstanding. Each employee option entitles the holder to acquire a new share in the Company at a strike price of SEK 29.42 per share. The options are exercisable for 30 days from the day following the publication of the Company's quarterly reports, or as regards full year, year-end report, the first time after the publication of the quarterly report for the fourth quarter of 2022 and the last time after the publication of the quarterly report for the third quarter of 2025. If the Company does not render any quarterly report, or year-end report, after the end of any calendar quarter, the employee options will instead be exercised during the last month of the following calendar quarter, the first time in March 2023 and the last time in December 2025. In order to secure employee option program 2020/2025, a total of 710,313 warrants have been issued in option program 2020/2025. Upon full exercise of the warrants, a total of 710,313 new shares will be issued and the share capital will increase by SEK 35,515.65. The warrants will be subject to customary conversion terms in connection with issues etc.

Employee option program 2019/2024

The annual general meeting on 29 May 2019 resolved of an employee option program for certain employees and key consultants in the Group in Denmark and was establish during September 2019. In employee option program 2019/2024 a total of 34,500 employee options are outstanding. Each employee option entitles the holder to subscribe for one new share in the Company at a subscription price of SEK 17.86 per share. The employee options can be exercised during 30 days from the day following after the announcement of the Company’s quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2023 and the last time after the announcement of the quarterly report for the third quarter of 2024. If the Company does not render any quarterly report or year-end report after the end of any calendar quarter, the employee options will instead be exercisable during the last month of the following calendar quarter, the first time in June 2023 and the last time in December 2024. In order to secure employee option program 2019/2024, a total of 34,500 warrants have been issued. Upon full exercise of the employee options, 34,500 new shares will be issued and the share capital will increase by SEK 1,725. The warrants are subject to customary recalculation terms in connection with issues etc.

Option program 2019/2023

The annual general meeting on 29 May 2019 resolved of an option program for the board members Anna Ljung, Carl Johan Sundberg and Edward C. Saltzman which was established during September 2019. Option program 2019/2023 comprises of 12,000 options. Each option entitles the holder

to subscribe for one new share in the Company at a subscription price of SEK 17.86 per share. The options can be exercised during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the second quarter of 2022 and the last time after the announcement of the quarterly report for the second quarter of 2023. If the Company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested options will instead be exercisable during the last month of the following calendar quarter, the first time in September 2022 and the last time in September 2023. In order to secure option program 2019/2023 (including social security contributions), a total of 15,770 options have been issued. Upon full exercise of the options, 15,770 shares will be issued and the share capital will increase by SEK 788.50. The warrants are subject to customary recalculation terms in connection with issues etc.

Employee option program 2018/2023

The annual general meeting on 24 May 2018 resolved to establish an employee option program for certain employees and key consultants in the Group in Denmark. In employee option program 2018/2023, 34,500 employee options are outstanding. After recalculation as a result of the rights issue completed in June 2019, each employee stock option entitles the holder to acquire 1.02 new shares in the Company at a strike price of SEK 29.77 per share. The employee options can be exercised during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2022 and the last time after the announcement of the quarterly report for the third quarter of 2023. If the Company does not render any quarterly report or yearend report after the end of any calendar quarter, the employee options may instead be exercised during the last month of the following calendar quarter, the first time in June 2022 and the last time in December 2023. In order to secure employee option program 2018/2023, a total of 34,500 warrants have been issued. Upon full exercise of the options, a total of 35,190 new shares will be issued and the share capital will increase with SEK 1,759.50. The warrants are subject to customary recalculation terms in connection with issues etc.

Option program 2018/2022

The annual general meeting on 24 May 2018 resolved to establish an option program for the board members Anna Ljung and Carl Johan Sundberg. In option program 2018/2022, a total of 8,000 options are outstanding. After recalculation as a result of the rights issue carried out in June 2019, each option entitles the holder to acquire 1.02 new shares in the Company at a strike price of SEK 29.77 per share. The options can be exercised during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2021 and the last time after the announcement of the quarterly report for the first quarter of 2022. If the Company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested options may instead be exercised during the last month of the following calendar quarter, the first time in June 2021 and the last time in June 2022. In order to secure option program 2018/2022 (including social security contributions), a total of 10,723 options have been issued. Upon full exercise of the options, 10,513 shares will be issued and the share capital will increase by SEK 536.15. The warrants are to customary recalculation terms in connection with issues etc.

Option program 2018/2024

Extraordinary general meeting on 19 January 2018 resolved to establish an option program for the chairman of the board of directors, J. Donald deBethizy. In option program 2018/2024, a total of 217,625 options are outstanding. After recalculation as a result of the rights issue completed in June 2019, each option entitles the holder to acquire 1.02 new shares in the Company at a strike price of SEK 33.26 per share. Each option entitles the participant to acquire a new share in the Company at a subscription price amounting to SEK 33.60 per share. The options can be exercised during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the first quarter of 2021 and the last time after the announcement of the quarterly report for the first quarter of 2024. If the Company does not render any quarterly report or year-end report after the end of any calendar quarter, the allotted and vested options may instead be exercised during the last month of the following calendar quarter, the first time in June 2021 and the last time in June 2024. In order to secure option program 2018/2024 (including social security contributions), a total of 286,003 options have been issued. Upon full exercise of the options, 291,723 shares will be issued and the share capital will increase by SEK 14,586.15. The warrants are subject to customary recalculation terms in connection with issues etc.

Employee option program 2017/2022

The annual general meeting on 23 May 2017 resolved to establish an employee option program for certain employees and key consultants in Denmark. In option program 2017/2022, a total of 38,750 employee options are outstanding. After recalculation as a result of the rights issue completed in June 2019, each option entitles the holder to acquire 1.02 new shares in the Company at a strike price of SEK 40.71 per share. Each employee option entitles the holder to acquire one new share in the Company at a subscription price amounting to SEK 41.13 per share. The employee options can be exercised during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the yearend report, the first time after the announcement of the quarterly report for the first quarter of 2021 and the last time after the announcement of the quarterly report for the third quarter of 2022. If the Company does not render any quarterly report or year-end report after the end of any calendar quarter, the employee options may instead be exercised during the last month of the following calendar quarter, the first time in June 2021 and the last time in December 2022. In order to secure employee option program 2017/2022, a total of 38,750 warrants have been issued. Upon full exercise of the options, a total of 39,525 new shares will be issued and the share capital will increase with SEK 1,976.25. The warrants are subject to customary recalculation terms in connection with issues etc.

DIVIDEND POLICY

Saniona may generate revenue through upfront payments, milestone payments, royalties, and exit procedures related to the sale of spin-outs. The board of directors has decided on a dividend policy based on residual values. This means that Saniona only pays dividends on net income and internally generated equity after the Company has reserved capital to finance continued development and expansion of the business, including its pipeline. The board of director´s intention

is at present to use all future profits that Saniona makes to finance the continued development and expansion of the business. A regular dividend will only be paid out when the Company has a product on the market and reports annual net revenues through royalties. Consequently, the board of directors does not intend to propose any dividend for the foreseeable future.

The board of directors may, on the other hand, propose a distribution of Saniona's shareholding in a spinout company to the shareholders as a dividend if such spinout company aims to achieve an independent listing on the stock market. This could be the case if Saniona's shares can be distributed as tax-free dividends in accordance with the Lex Asea rules in Sweden, and the board of directors considers that the tax consequences for shareholders in other geographical areas can be financed through the sale of the shares in the listed spinout company.

At the annual general meeting on 29 May 2019, it was decided that no dividend would be distributed for the 2018 financial year.

OWNERSHIP STRUCTURE

As of 31 December 2019, the Company had 6,108 shareholders. The following table shows the Company's five largest shareholders per day for the Prospectus. The compilation is based on ownership data from Euroclear as of 31 December 31 2019 and thereafter changes known to the Company.

Shareholders	Number of shares	Ownership and percentage of votes
BNY Mellon SA/NV (Former BNY), W8IMY*	2,677,790	9.10%
Insurance company Avanza Pension	1,731,810	5.89%
Feldthus, Thomasf	1,870,000	6.36%
Formue Nord	1,000,000	3.40%
Leif Andersson Consulting ApS	950,000	3.23%
Other shareholders	21,832,919	74.23%
Total	**29,412,519**	**100%**

* Includes Jørgen Drejer's, board member and CSO, share holdings of 2,344,711 shares.

SHAREHOLDERS' AGREEMENTS

The board of directors is not aware of any shareholders' agreements or other understandings or corresponding agreements between the Company's shareholders intended to exercise joint control of the Company. To the board of directors' knowledge, there are no other agreements or equivalent that may lead to changes in the control of the Company.

CENTRAL SECURITIES DEPOSITORY

The shares in the Company are registered in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument). This register is kept by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. The shares are registered on person. No share certificates have been issued for the Company's shares.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

GENERAL CORPORATE AND GROUP INFORMATION

The name of the Company and its trading name is Saniona AB. The Company's corporate registration number is 556962-5345. Saniona is a public limited liability company, established in Sweden, with registered office in the municipality of Malmö, Sweden. The Company is a Swedish public limited company whose form of association is regulated by, and whose operations are conducted in accordance with, the Swedish Companies Act (2005: 551). The Company was formed and registered in Sweden in accordance with the laws of Sweden. The Company was founded on 30 January 2014 and was registered with the Swedish Companies Registration Office on 19 February 2014. The Company is a CSD-registered company and its share ledger is kept by Euroclear Sweden AB. The Company's LEI code is 549300XO4L9XNOCFCZ84. The Company's website is www.saniona.com and its telephone number is +45 70 705 225. The information on the website is not included in the Prospectus unless this information has been incorporated into the Prospectus by reference.

Saniona AB (publ) is the parent company of Saniona A/S, a Danish limited liability company with corporate registration number DK-34049610, based in Ballerup in Denmark, through which the Group's operations are primarily conducted. The Group was founded in 2014 when the parent company acquired 100 percent of the shares in Saniona A/S by an issue in kind. Saniona also has an American subsidiary, Saniona, Inc., which was formed in January 2020.

As of the date of the Prospectus, Saniona owns 18.23 percent of the shares and votes in the associated company Scandion Oncology A/S, corporate registration number DK-38613391. Scandion Oncology A/S is a spin-out which was founded based on Saniona's cancer research technology and inventions from the University of Copenhagen. Scandion Oncology was listed on Spotlight Stock Market in November 2018.

MATERIAL AGREEMENTS

Other than agreements described below, the Group has not, with the exception of agreements that are part of the ordinary course of business, entered into any agreements of major importance during the last two years. In addition to the agreements listed below, there are also, with the exception of agreements entered into in the ordinary course of business, no agreements within the Group that contain any right or obligation that is of material importance for the Group as per the date of the Prospectus.

Investment agreement with Formue Nord

In January 2020, Saniona entered into an investment agreement with Formue Nord regarding a directed issue of 1,000,000 shares at a price of SEK 25 per share and a loan facility of up to SEK 25 million. For more information on the loan facility, see section "Capital structure and other financial information - Loan Facility".

Agreement with NeuroSearch A/S

In August 2012, Saniona A/S (then Aniona ApS) entered into an agreement with NeuroSearch A/S regarding the purchase of drug projects (including intellectual property rights) and cooperation agreements (including a cooperation agreement with Janssen Pharmaceutical NV, which by now has expired). In conjunction with the purchase, Saniona A/S also took over some personnel from NeuroSearch A/S. In connection with the transfer, Saniona A/S obtained 15 drug projects that comprise more than 15,000 chemical substances, related patents and an associated generic chemical library with more than 100,000 other chemical commercially available substances. During the autumn of 2014, Saniona acquired two additional clinical programs from NeuroSearch A/S through a supplementary agreement. The purchase was finalized in July 2017. According to previous agreements, Saniona had committed to pay a milestone payment of EUR 400,000 when the first preclinical program was tested on humans. In addition, Saniona would pay royalty on its products sales as a part of the license revenue for the acquired assets including the product candidates under clinical development, Tesomet, tesofensine and NS2359. According to the agreement that was entered into in July 2017, Saniona paid NeuroSearch A/S a cash non-recurring amount of DKK 5.5 million (SEK 7.1 million) to finalize the purchase, and thus has no further payment obligations to NeuroSearch A/S.

Agreement regarding Cadent Therapeutics Inc. (previously Ataxion Inc.)

In July 2013, Saniona A/S entered into an agreement with Ataxion, Inc. whereby Saniona A/S obtained a shareholding in Ataxion, Inc. in exchange for Saniona A/S contributing the rights to the active substances included in the so-called ataxia program. In March 2017, an agreement implying that Saniona approved that Ataxion merged with Cadent Therapeutics Inc. (then Luc Therapeutics Inc. before the change of name) was concluded. The operations previously conducted by Ataxion have since then been conducted in Cadent Therapeutics Inc. An earlier option to acquire (Biogen) the Ataxia program ceased in connection with the merger. Cadent Therapeutics has confirmed taking over the relevant agreements. The cooperation with Cadent Therapeutics is aimed at research of new small molecule drugs for the treatment of ataxia. Ataxia is a general term for a group of rare genetic diseases called hereditary ataxia. The current agreement that regulates research and development is still valid and according to the agreement, Saniona shall carry out certain development work related to the ataxia program. The research and development agreement runs quarterly with automatic renewals in case the agreement is not terminated. As per the day of the Prospectus, Saniona owns 3.4 percent of the merged Cadent Therapeutics and retains rights to royalty payments for potential products that are developed and commercialized through the ataxia program. For further description of the cooperation with Cadent Therapeutics, see the section "Company description – Pipeline – Clinical programs – CAD-1883 for treatment of essential tremor and spinocerebellar ataxia (Cadent Therapeutics)".

Agreement with University of Pennsylvania

In June 2015, Saniona A/S entered into a cooperation agreement with University of Pennsylvania according to which University of Pennsylvania, at its own expense, was given the right to conduct a Phase 2 study for cocaine addiction with NS2359. For further description of the cooperation with University of Pennsylvania, see the section "Company description – Pipeline – Clinical programs – NS2359 for treatment of cocaine addiction (TRC)".

Agreement with Productos Medix, S.A de S.V

In February 2016, Saniona entered into a license and development agreement with Medix. The project, like Medix's operations in general, is mainly focused on the treatment of

overweight and obesity. The cooperation with Medix concerns development and commercialixation of tesofensine and Tesomat in Mexico and Argentina. Medix has exclusive rights to develop and commercialize tesofensine and Tesomat in the two countries and will finance and be responsible for the clinical development and the regulatory applications. Saniona keeps all the rights to tesofensine and Tesomat as well as the ownership to any results of the cooperation, including the exclusive rights to use clinical data developed or produced by Medix in the rest of the world. Medix has paid Saniona an upfront payment of USD 1.25 million in 2016. Medix will pay milestone payments related to regulatory and commercial targets and double digit royalties on product sales to Saniona.
For further description of the cooperation with Medix, see the section ”Company description – Pipeline – Clinical programs – Tesofensine monotherapy for treatment of obesity (Medix)”.

Agreement with Boehringer Ingelheim International GmbH

In August 2016, Saniona entered into a research and license agreement with Boehringer Ingelheim. The aim of the joint research efforts is to identify substances that can restore the brain’s network activity in patients with schizophrenia. Boehringer Ingelheim has exclusive rights to develop and commercialize pharmaceutical products based on the cooperation and the licensed rights and will finance and be responsible for the clinical development and relevant regulatory applications.
Saniona received an upfront payment of approximately SEK 47 million (EUR 5 million) on signing the agreement and will obtain upfront payments of up to approximately SEK 474 million (EUR 50 million) at certain research and development-related or regulatory milestones. In addition, Saniona is entitled to commercial milestone payments of up to approximately SEK 332 million (EUR 35 million) and differentiated royalties on net sales of any products that are commercialized by Boehringer Ingelheim as a result of the cooperation. In addition, Saniona has received approximately EUR 2.3 million in research payments to and including 31 March 2019. For further description of the cooperation with Boehringer Ingelheim, see the section ”Company description – Pipeline – Pre-clinical programs – Boehringer Ingelheim Program for treatment of Schizophrenia (Boehringer Ingelheim)”.

Financing agreement with Nice & Green S.A.

In December 2017, Saniona entered into a financing agreement based on convertibles with Nice & Green S.A. According to the terms of the agreement, Nice & Green S.A. undertook to subscribe for convertibles of up to SEK 72 million, in single tranches of SEK 6 million each, over an initial period of twelve months. The agreement was subsequently extended for an additional SEK 72 million at the same terms, in total SEK 144 million over a two-year period. The agreement has expired in 2019 and all convertibles issued during the agreement have been converted into shares.

INTELLECTUAL PROPERTY RIGHTS

Saniona has intellectual property rights that mainly consist of patents. For more information about the Company’s portfolio of patents, see the section ”Company description – Patents”.

DISPUTES AND LEGAL PROCEEDINGS

Over the past twelve months, Saniona has not been involved in any legal or arbitration proceedings (including cases that are pending or that Saniona is aware could arise) that have had, or may have, significant effects on Saniona’s financial position or profitability.

INSURANCE

The board of directions assesses that the Company’s current insurance coverage is adequate with regard to the nature and scope of its operations.

TRANSACTIONS WITH RELATED PARTIES

After 31 December 2019, the Company has not conducted any transactions with related parties that are individually or collectively deemed material to the Company. See also note 7 in the interim report for the period 1 January - 31 December 2019 (year-end report for the financial year 2019), which has been incorporated into the Prospectus by reference.

SUMMARY OF INFORMATION PUBLISHED IN ACCORDANCE WITH MAR

Below is a summary of information published by the Company in accordance with the Market Abuse Regulation (596/2014) (“**MAR**”) from the past twelve months that is relevant as of the date of this Prospectus.

FINANCIAL REPORTS

- On 7 February 2020, Saniona publishes its year-end report for the 2019 financial year.
- On 13 November 2019, Saniona publishes its interim report for the third quarter of 2019.
- On 21 August 2019, Saniona publishes its interim report for the second quarter of 2019.
- On 29 May 2019, Saniona publishes its interim report for the first quarter of 2019.
- On 21 February 2019, Saniona publishes its year-end report for the 2018 financial year.

OTHER REGULATORY PUBLICATIONS

- On 10 January 2020, Saniona announces that the Company will carry out a private placement of shares of MSEK 25 to Formue Nord, and enter into a loan facility of MSEK 25 conditioned upon the approval from the general meeting to carry out the Directed Unit Issue and the Rights Issue, which were approved at an extraordinary general meeting on 7 February 2020.
- On 7 January 2020, Saniona announces that Rami Levin will be appointed President and CEO and that Jørgen Drejer will continue as CSO.
- On 23 December 2019, Saniona announces that its partner Medix is filing a new drug in Mexico for tesofensine in the treatment of obesity.
- On 11 November 2019, Saniona announces that the Company´s team has recruited the last patient to the Phase 2a study for Tesomet in hypothalamic obesity and expects to be able to report preliminary results from the double-blind portion of the study in the second quarter of 2020.
- On 18 September 2019, Saniona announces positive clinical results in Tesomet's Phase 2a study in adolescent patients with Prader-Willi syndrome. The press release states that treatment of the patient group at a dose of 0.25 mg per day has been well tolerated and that the

analysis from the open extension sections of the study support the conclusion that both adolescents and adult patients with Prader-Willi syndrome are expected to receive significant reductions in body weight, BMI and hunger, hyperphagia, when treated with a daily oral dose of Tesomet.

- On 22 July 2019, Saniona announces that the Company will select SAN903, a promising preclinical candidate with broad potential in autoimmune disorders, for preclinical development with the goal of entering Phase 1 clinical trials within 18 months. Initially, SAN903 will focus on the treatment of Crohn's disease and colitis.
- On 28 June 2019, Saniona announced that the Rights Issue had been completed and provided Saniona with a gross liquidity of approximately SEK 66.5 million.
- On 28 May 2019, Saniona announced that the board of directors has resolved on a Rights Issue of SEK 78 million at a subscription price of SEK 18 per share, guaranteed up to 85 percent. The purpose of the Rights Issue was to secure Saniona's financing needs and thereby replace the call for future potential tranches under the financing agreement with Nice & Green SA.
- On 11 March 2019, Saniona announced that the Company will initiate a Phase 2a clinical trial with Tesomet in patients with hypothalamic obesity and has initiated the first patients to the study comprising up to 25 patients and is being performed at the Rigshospitalet in Copenhagen, Denmark.
- On 19 February 2019, Saniona announces an update of Tesomet's Phase 2a trial for Prader-Willi syndrome. Among other things, the press release shows that the study showed that treatment with a low dose of 0.125 mg/day was well tolerated in the patient group of adolescents with PWS.
- On 18 February 2019, Saniona announced that the candidate SAN711 has been selected for clinical trials for chronic pruritus and neuropathic pain and that the Company has initiated preparations for upcoming Phase 1 studies.

ADVISOR ETC.

Sedermera is the financial advisor and issuing agent to Saniona in connection with the Directed Unit Issue and the Rights Issue. Sedermera receives a pre-agreed compensation which will be paid for services rendered in connection with the Directed Unit Issue and the Rights Issue and may in the future also provide the Company and related parties with the Company's services in the context of daily operations in connection with other matters. Subject to that, Sedermera has no financial or other relevant interests in the Company, other than the Directed Unit Issue or the Rights Issue. Setterwalls Advokatbyrå AB is the Company's legal adviser in connection with the Directed Unit Issue and the Rights Issue. In the future, Setterwalls Advokatbyrå AB may also provide legal advice to the Company and related parties in the day-to-day operations and in connection with other transactions.

DOCUMENTS INCORPORATED BY REFERENCE

Certain parts of Saniona's financial reports for the financial year 2018 and for the period 1 January – 31 December 2019 are incorporated by reference and, as a result, form part of this Prospectus and should be read as part of this. These financial reports can be found in Saniona's annual report for the financial year 2018 and Saniona's interim report for the period 1 January – 31 December 2019 (year-end report for the financial year 2019). The references refer to the following sections:

- Interim report 1 January – 31 December 2019: income statement (page 9), balance sheet (page 10), cash flow statement (page 13).
- Annual report 2018: income statement (page 45), balance sheet (page 46), cash flow statement (page 48), supplementary information (pages 53-74), the audit report (pages 76-79).

The parts of Saniona's financial reports that are not referred to contain information that is found in other parts of the Prospectus or that is not considered relevant for investors. Saniona´s annual report for the financial year 2018 has been audited by the Company's auditor. Saniona's year-end report has neither been audited nor reviewed by the Company's auditor.

DOCUMENTS AVAILABLE

The following documents (with exception for the subsidiary's annual reports) are available in electronic form on the Company's website, www.saniona.com. Copies of all documents are also available at the Company's head office, Baltorpvej 154 in Ballerup, Denmark, on weekdays during regular office hours throughout the period of the validity of the Prospectus.

- This Prospectus.
- Current registration certificate for Saniona.
- Saniona's articles of association.
- Complete terms for warrants of series TO 1, TO 2 and TO 3.
- Saniona's annual report for the financial year 2018, including audit report.
- Saniona's interim report for the period 1 January - 31 December 2019 (year-end report for the financial year 2019).
- Saniona's subsidiaries' annual reports for the financial year 2018 (with the exception of Saniona, Inc., founded in January 2020).

GLOSSARY

ATAXIA

A neurological sign consisting of lack of voluntary coordination of muscle movements. Ataxia is a non-specific clinical manifestation implying dysfunction of the parts of the nervous system that coordinate movement, such as the cerebellum.

ESSENTIELL TREMOR

Essential tremor is the most common movement disorder with a prevalence of 4 percent for persons aged 40 and older and considerably higher among persons in their 60s, 70s, 80s and 90s. It typically involves a tremor of the arms, hands or fingers but sometimes involving the head, vocal cords or other body parts during voluntary movements such as eating and writing. Although essential tremor is often mild, people with severe tremor have difficulty performing many of their routine activities of daily living.

FIRST-IN-CLASS

A name for a drug that has a new and unique mechanism of action for treatment of a particular indication.

HYPOTHALAMIC OBESITY

A common sequel to tumors of the hypothalamic region and their treatment with surgery and radiotherapy. Weight gain results from damage to the ventromedial hypothalamus which leads, variously, to hyperphagia, a low metabolic rate, autonomic imbalance, growth hormone deficiency and various other problems that contribute to weight gain.

IK PROGRAM

A small molecule program which is designed to block (antagonize) IK channels, which are expressed by immune cells and believed to be key mediator of inflammation in auto inflammatory diseases such as inflammatory bowel disease, multiple sclerosis and Alzheimer's disease.

ION CHANNEL

Channels or pores in cell membranes which is made up of unique protein classes. Ion channels controls muscles and nerves and are central to the function of the body by governing the passage of charged ions across cell membranes.

NEUROPATHIC PAIN

Pain caused by damage or disease affecting the somatosensory nervous system. Central neuropathic pain is found in spinal cord injury, multiple sclerosis, and some strokes. Aside from diabetes (diabetic neuropathy) and other metabolic conditions, the common causes of painful peripheral neuropathies are herpes zoster infection, HIV-related neuropathies, nutritional deficiencies, toxins, remote manifestations of malignancies, immune mediated disorders and physical trauma to a nerve trunk. Neuropathic pain is also common in cancer as a direct result of cancer on peripheral nerves (e.g., compression by a tumor), or as a side effect of chemotherapy, radiation injury or surgery. Neuropathic pain is often chronic and very difficult to manage with some 40-60 percent of people achieving only partial relief.

NS2359

A triple monoamine reuptake inhibitor, which blocks the reuptake of dopamine, norepinephrine, and serotonin in a similar manner to cocaine. However, NS2359 dissociates slowly from these transporters and has a long human half-life (up to 10 days) thereby reducing abuse potential. Furthermore, human trials with NS2359 have shown that NS2359 has little or no abuse potential and does not have adverse interactions with cocaine. Thus, NS2359 is a promising clinical candidate for treatment of cocaine addiction.

PRE-CLINICAL AND CLINICAL PHASES

Pre-clinical research: refers to the activities that chemists, biologists and pharmacologists conduct in order to develop and test new substances.

Pre-clinical development: refers to the ongoing development until the pharmaceutical substance has been granted permission to be tested in humans. Before permission is granted, extensive work must be put into ensuring that the substance is sufficiently safe and stable and to clarify how it performs and leaves the body.

Phase 1: the first-in-man trials. This is usually made in a small group of healthy (5–9 persons), entirely male volunteers of normal weight. This is due to that women's reproductive ability is more sensible if it should appear that the substance is toxic. In the Phase 1 study, the safety of the drug is investigated, how the drug is broken down in the body and its effects. Only a small proportion of the dose that is given to animals are given to the subject since the effect on humans is completely unknown.

Phase 2: is conducted on a larger group of patients suffering from a disease (20-3,000 persons) to study how effective the drug is at treating the disease. During Phase, 2 it is usual to carry out dose studies that intend to find out what dose of the future drug that should be given to patients. This dose is later used in the Phase 3 studies. Some Phase 2 studies are also divided into a Phase 2a and Phase 2b, where the former is designed to determine an appropriate dose of the drug and the latter for the drug's effectiveness.

Phase 3: is conducted on a very large patient group (300-30,000 persons) to provide a final confirmation on how useful the drug is at treating the relevant disease. This patent group should, as far as possible, imitate the population to which the finished drug is to be used in, such as weight, age, sex, etc. You compare with the current standard treatment or with placebo (sugar pills) if there are no standard treatment for the relevant disease. Phase 3 can also be divided into two subcategories: Phase 3a and Phase 3b. In Phase 3a, the drug has not yet entered the open market and in Phase 3b, the drug is available on the market but new application areas are being tested.

Phase 4: new, unusual side effects will be discovered after the drug has started to be sold on the market. Phase 4 can be seen as monitoring of what is happening.

PARKINSON'S DISEASE

Parkinson's disease (PD) is a neurodegenerative disorder that affects predominately dopamine-producing neurons in a specific area of the brain called substantia nigra. Symptoms generally develop slowly over years and may include tremors, bradykinesia, limb rigidity and gait and balance problems. The cause remains largely unknown and there is still no cure.

PROOF-OF-CONCEPT

Demonstrates that the preparation actually does what the preparation is intended to do, that is, integrates correctly molecularly and thus can show that the symptoms decrease.

SCHIZOPHRENIA

A mental disorder often characterized by abnormal social behavior and failure to recognize what is real. Common symptoms include false beliefs, unclear or confused thinking, auditory hallucinations, reduced social engagement and emotional expression, and lack of motivation.

SPIN-OUTS

A distribution in kind in the form of a distribution of Saniona's holdings in other companies to Saniona's shareholders, aiming at achieving an independent listing on the stock market.

TRC

The University of Pennsylvania Treatment Research Center. TRC is a clinical outpatient treatment center that is part of the PENN/VA Center for the Studies of Addiction.

TYPE 2 DIABETES

A metabolic disorder that is characterized by hyperglycemia (high blood sugar) in the context of insulin resistance and relative lack of insulin. The classic symptoms are excess thirst, frequent urination, and constant hunger. Type 2 diabetes makes up about 90 percent of cases of diabetes, with the other 10 percent due primarily to diabetes mellitus type 1 and gestational diabetes. Obesity is thought to be the primary cause of type 2 diabetes in people who are genetically predisposed to the disease.

ADDRESSES

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