INVITATION TO SUBSCRIBE FOR UNITS IN SANIONA AB (PUBL)

Please note that the unit rights may have an economic value.
In order not to lose the value of the unit rights, the holder must either:

- Exercise the received unit rights to subscribe for units no later than 5 February 2024, or
- By 31 January 2024 at the latest, sell the received unit rights not intended to be exercised for subscription of units.

Note that shareholders with nominee-registered holdings must subscribe for units through the nominee.

Distribution of this prospectus and subscription of units are subject to restrictions in certain jurisdictions, see section "*Important information*".

IMPORTAND INFORMATION

In this prospectus (the "**Prospectus**"), "**Saniona**", the "**Company**" or the "**Group**" refers to, depending on the context, Saniona AB, corporate registration number 556962-5345, the group in which Saniona AB is the parent company or a subsidiary in the group. The Prospectus has been prepared by reason of the resolution by the board of directors of Saniona on 14 December 2023 to carry out an issue of units with preferential rights for the Company's existing shareholders (the "**Rights Issue**" or the "**Offering**"), which issue resolution was approved by the extraordinary general meeting of the Company on 16 January 2024, as well as the admission to trading of shares and warrants series TO 4 on Nasdaq Stockholm (including any shares and warrants series TO 4 that may be issued as guarantee compensation to guarantors in the Rights Issue). "**Euroclear**" refers to Euroclear Sweden AB, corporate registration number 556112-8074. "**Vator Securities**" refers to Vator Securities AB, corporate registration number 556795-7260. For definitions of other terms used in this Prospectus, please see section "*Definitions*".

Information for investors

This Prospectus has been prepared in accordance with the rules set out in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). A Swedish version of the Prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the provisions of the Prospectus Regulation. The approval and registration of the Prospectus does not mean that the Swedish Financial Supervisory Authority guarantees that the information in the Prospectus is complete or correct. Swedish law governs the Prospectus and the Rights Issue. Disputes arising from the Prospectus, the Rights Issue and related legal matters shall be settled exclusively by Swedish courts. The English version of this Prospectus is a translation. In the event of any discrepancies between the different language versions, the Swedish language version shall take precedence. The Prospectus has after the approval been passported to Denmark.

No action has been taken, or will be taken, by the Company to allow a public offering in any country other than Sweden and Denmark. Neither the unit rights in the Rights Issue, paid subscribed units ("**BTU**") nor units subscribed for in the Rights Issue (altogether the "**Securities**") have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Securities may not be offered or sold, directly or indirectly, in or into the United States or to persons residing there. Moreover, the Offering is not made to persons resident in the United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, or to persons whose participation would require additional prospectuses, registration, or other measures than those imposed by Swedish law. The Prospectus may not be distributed in any country or any jurisdiction where the distribution or the Rights Issue would require such measures or would be in conflict with the applicable regulation of such jurisdiction. Application for subscription of units in violation of the restrictions above may be considered void. Persons who receive copies of the Prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of securities regulations.

In the member states of the European Economic Area ("**EEA**") – with the exception of Sweden and Denmark – an offer of Securities may be made only in accordance with an exception in the Prospectus Regulation.

An investment in securities involves certain risks, see section "*Risk factors*". When investors make an investment decision, they must rely on their own assessment of the Company and the Securities, including applicable facts and risks, and investors may not rely on any information other than contained in this Prospectus and any possible supplements to the Prospectus. Prior to making an investment decision, potential investors should engage their own professional advisors and carefully evaluate and consider their investment decision. No person is authorized to provide any information or make any statements other than those made in this Prospectus, and should such information or statements nevertheless be made, they should not be considered to have been approved by the Company and the Company is not responsible and assume no liability for such information or statements. Neither the publication of this Prospectus nor any transaction made in respect of the Prospectus shall under any circumstances imply that the information contained herein is accurate or applicable at any time other than on the date of publication of this Prospectus, or that there have been no changes in the Company's business since this date. If significant changes to the information in this Prospectus occur after the Prospectus has been published, which may affect an investor's assessment of the Company or the securities, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Prospectus Regulation.

Information for investors in the United States

No unit rights, BTU or units issued by Saniona have been registered or will be registered under the Securities Act or securities laws in any state or jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or transferred, directly or indirectly, in or into the United States, except in accordance with any applicable exception to, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. The Securities are offered outside the United States in reliance of Regulation S under the Securities Act. No offer will be made to the public in the United States. Any offer of Securities in the United States will only be made pursuant to an exception to, or in a transaction not subject to, the registration requirements of the Securities Act to a limited number of existing shareholders who (i) are qualified institutional buyers as defined in Rule 144A of the Securities Act (QIBS), and (ii) have signed and provided a so-called investor letter to Saniona. Recipients of this Prospectus are hereby notified that Saniona may rely on an exception to the registration requirements under section 5 of the Securities Act.

Up to 40 days after the commencement of the Rights Issue, an offer or transfer of Securities in the United States conducted by a securities broker (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

The Securities have neither been approved nor rejected by the US Securities and Exchange Commission (SEC), any state securities authority, or any other US authority. Nor has any such authority assessed or commented on the Offering in this Prospectus or the accuracy and reliability of this document. Claiming the opposite is a criminal offense in the United States.

Presentation of financial information

Unless otherwise indicated, "**SEK**" refers to the official currency of Sweden. All financial amounts are stated in Swedish kronor (SEK) unless otherwise expressly stated. "**MSEK**" means millions of kronor and "**TSEK**" means thousands of kronor. "**USD**" means US dollars, "**MUSD**" means millions of dollars, "**EUR**" means Euro and "**MEUR**" means millions of Euros. Unless otherwise indicated, the financial information presented in this Prospectus has been derived from the Company's financial statements. The Company's audited consolidated financial statements for the financial year 2022, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, and the Company's reviewed interim report for the period January–September 2023, which has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act (1995:1554), and the Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, are incorporated by reference into the Prospectus and constitute part of the Prospectus. To make the information easily accessible to the reader, certain financial and other figures presented in the Prospectus have been rounded off. Consequently, the numbers in certain columns do not exactly correspond to the total amount specified. Except when expressly stated, no information in this Prospectus has been reviewed or audited by the Company's auditor.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the units, unit rights and BTU in Saniona have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Target Market Assessment**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the Target Market Assessment, distributors should note that: the price of the units, unit rights and BTU in Saniona may decline and investors could lose all or part of their investment; the units, unit rights and BTU in Saniona offer no guaranteed income and no capital protection; and an investment in the units, unit rights and BTU in Saniona is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the units, unit rights and BTU in Saniona is not compatible with investors who need full capital protection or full repayment of the amount invested, have no risk tolerance or require a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the units, unit rights and BTU in Saniona.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the units, unit rights and BTU in Saniona and determining appropriate distribution channels.

Forward-looking statements

This Prospectus contains certain forward-looking statements that reflect the Company's current views or expectations with respect to future events as well as financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or other expressions regarding indications or forecasts of future developments or trends that are not based on historical facts constitute forward-looking information. Although the Company believes that these statements are based on reasonable assumptions and expectations, the Company cannot guarantee that such forward-looking statements will be realized. Forward-looking information is inherently associated with both known and unknown risks and uncertainties since it depends on future events and circumstances. Forward-looking information does not constitute a guarantee of future results or performance, and the outcome may differ materially from what is set out in the forward-looking information. Factors that could cause the Company's future results or performance to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "*Risk factors*". Forward-looking information in this Prospectus applies only to the date of the publication of the Prospectus. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or similar circumstances, other than as required by applicable law.

Industry and market information

This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which the Company operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus, the Company has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately and, as far as the Company's board of directors is aware and can ascertain from information that has been published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company operates are not based on published statistics or information from independent third parties, but rather reflect the Company's best estimates based on information obtained from industry and business organizations and other contacts. Although the Company is of the view that its internal analyses are reliable, these have not been verified by any independent source.

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The Prospectus is valid for up to twelve months from the date of approval, provided that it is supplemented as required under article 23 in regulation (EU) 2017/1129 the Prospectus Regulation. After that period, Saniona is not obligated to provide supplements to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies.

THE RIGHTS ISSUE IN SUMMARY

Preferential rights

Each existing share in Saniona entitles to eight (8) unit rights and fifteen (15) unit rights entitle to subscription of one (1) unit consisting of two (2) shares and one (1) warrant series TO 4.

Subscription price

SEK 4.12 per unit.

Record date for participation in the Rights Issue

18 January 2024.

Subscription period

22 January – 5 February 2024.

Trading in unit rights

22 January – 31 January 2024.

Trading in BTU

22 January 2024 – until the Rights Issue has been registered by the Swedish Companies Registration Office.

Subscription and payment with preferential rights

Subscription with unit rights will take place during the subscription period through simultaneous cash payment.

Subscription and payment without preferential rights

Subscription without preferential rights shall be made to Vator Securities no later than 5 February 2024 on a separate application form which can be obtained from Saniona's website, www.saniona.com, and from www.vatorsecurities.se. Payment for allotted units shall be made in cash in accordance with the instructions on the notice of allotment. Custody account holders shall instead apply with, and according to instructions from, the custodian.

Other information

Trading venue:	Nasdaq Stockholm
Short name (ticker):	SANION
ISIN code share:	SE0005794617
ISIN code unit right:	SE0021310935
ISIN code BTU:	SE0021310943
ISIN code TO 4:	SE0021310927
LEI code:	549300XO4L9XNOCFCZ84

Financial calendar

Year-end report 2023:	29 February 2024

SUMMARY

INTRODUCTION AND WARNINGS

The securities

The Prospectus has been prepared by reason of the invitation to subscribe for units in the Company consisting of shares (ISIN code SE0005794617) and warrants series TO 4 (ISIN code SE0021310927), as well as the admission to trading of shares and warrants series TO 4 on Nasdaq Stockholm (including any shares and warrants series TO 4 that may be issued as guarantee compensation to guarantors in the Rights Issue). The Company's shares have the short name (ticker) SANION and are admitted to trading on Nasdaq Stockholm.

Identity and contact details of the issuer

Saniona AB
Corporate registration number: 556962-5345
LEI code: 549300XO4L9XNOCFCZ84
Address: Smedeland 26B, DK-2600 Glostrup, Denmark
Telephone: +45 7070 5225
www.saniona.com

Competent authority

The Swedish Financial Supervisory Authority (*Sw.* Finansinspektionen)
Address: P.O. Box 7821, SE-103 97, Stockholm, Sweden
Telephone: +46 (0)8 408 980 00
www.fi.se

Date of approval of the Prospectus

18 January 2024

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor.

Investors can lose all or parts of their invested capital.

If a claim related to the information in this Prospectus is brought before a court of law, the investor who is plaintiff under national law may be obliged to pay the cost of translating the Prospectus before the legal proceedings commence.

Liability under civil law covers only those persons who have issued the summary, including the translations of it, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if the summary, taken together with the other parts of the Prospectus, does not provide key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer's domicile, legal form and law

The Company is a public limited liability company established in Sweden with its registered office in the municipality of Malmö, Sweden. The Company was formed in 2014 and registered with the Swedish Companies Registration Office (*Sw.* Bolagsverket) the same year. The Company is regulated by, and its operations are conducted in accordance with, the Swedish Companies Act (*Sw.* aktiebolagslagen (2005:551)). The Company's LEI code is 549300XO4L9XNOCFCZ84.

The issuer's principal business

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of medicines modulating ion channels. Saniona's epilepsy pipeline includes the product candidate SAN711 which is ready for Phase 2 studies positioned for treatment of absence seizures (a form of epileptic seizures), the preclinical development compound SAN2219 for acute repetitive seizures and the preclinical development compound SAN2355 for refractory focal onset seizures. Outside epilepsy, Saniona has four clinical programs, which are positioned for partnering. The most advanced candidate, tesofensine, has progressed towards regulatory approval for obesity in Mexico by Saniona's partner Medix. Tesomet™ is ready for Phase 2b studies for rare eating disorders, whereas SAN903 is ready for Phase 1 studies for inflammatory bowel disease and SAN2465 is ready for preclinical development for major depressive order. Saniona has research and development partnerships with Boehringer Ingelheim GmbH, Productos Medix, S.A de S.V, AstronauTx Limited and Cephagenix ApS.

The issuer's major shareholders

The table below shows the shareholders who directly or indirectly have a shareholding in the Company that corresponds to five (5) per cent or more of the number of shares and votes, according to information from Modular Finance AB as per 31 December 2023 and changes thereafter known to the Company as per the date of the Prospectus.

Name	Number of shares	Percentage of share capital and votes
Avanza Pension	5,102,595	7.96%
Other shareholders	*59,024,383*	*92.04%*
Total	**64,126,978**	**100.00%**

To the board of directors' knowledge, there are no shareholders' agreements, other agreements or corresponding arrangements between the Company's shareholders intended to exercise joint control of the Company. Nor is the Company's board of directors aware of any agreements or equivalent that could lead to a change in the control over the Company. There are no controlling shareholders, and the Company is not directly or indirectly controlled by an individual party.

Board of directors, senior management and auditor

The Company's board of directors comprises the chairman of the board Jørgen Drejer and board members Anna Ljung, Carl Johan Sundberg and Pierandrea Muglia.

The Company's senior management comprises Thomas Feldthus (Chief Executive Officer), Anita Milland (Chief Financial Officer), Janus Schreiber Larsen (Chief Development Officer), Karin Sandager Nielsen (Chief Scientific Officer) and Palle Christophersen (Executive Vice President, Research).

At the annual general meeting 2023, Öhrlings PricewaterhouseCoopers AB was elected as the Company's new auditor. Cecilia Andrén Dorselius is the auditor in charge. Cecilia Andrén Dorselius is an authorized public accountant and member of FAR, the institute for the accountancy profession in Sweden.

Key financial information regarding the issuer

The audited financial information below for the financial year 2022 has been derived from Saniona's annual report for the financial year 2022, which has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU and has been audited by the Company's auditor. The unaudited financial information below for the period January – September 2023 has been derived from the Group's interim report for the period January – September 2023, which has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act (1995:1554) and the Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The interim report has not been audited but has been reviewed by the Company's auditor.

The Group's consolidated income statement

TSEK	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022	1 Jan – 31 Dec 2022
Total operating income	11,466	11,977	15,283
Operating profit/loss	-61,289	-203,113	-225,719
Profit/loss before tax	-67,069	-204,408	-245,357
Earnings per share (SEK)	-1.05	-3.28	-3.93

The Group's consolidated statement of financial position

TSEK	30 Sep 2023	30 Sep 2022	31 Dec 2022
Total assets	94,405	192,628	153,696
Total equity	6,670	91,333	52,708
Total debt	87,735	101,295	100,988

The Group's consolidated statement of cash flow

TSEK	1 Jan – 30 Sep 2023	1 Jan – 30 Sep 2022	1 Jan – 31 Dec 2022
Cash flow from operating activities	-65,362	-263,287	-281,537
Cash flow from investing activities	-83	7,518	6,843
Cash flow from financing activities	-6,695	-19,598	-20,521

Remark from the Company's auditor

In the auditor's report regarding the annual report for the financial year 2022, the Company's auditor has left the following remark under the heading "Material uncertainty related to going concern": "*We would like to draw attention to the board of directors' report, the group's consolidated financial statements, consolidated statement of cash flow for the group and note 2 in the financial statements, which state that the group 2022 had a negative result of MSEK -245.4 and a negative cashflow from operating activities of MSEK -281.5 and that current cash position is expected to fund the planned activities until January 31, 2024 when a loan from Formue Nord of MSEK 74.2 becomes payable. There is a risk that the company will not be able to retain or obtain additional partnerships or obtain other co-financing on acceptable terms or at all. This could result in a*

temporary halt to the Company's development programs or that the Company is forced to run operations at a lower rate than desired, which could adversely affect the Company´s operations. In summary, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

In the auditor's report regarding the interim report for the period January – September 2023, the Company's auditor has left the following remark under the heading "Material Uncertainty Related to Going Concern": "*We would like to draw attention to the section "Financial position, share, share capital and ownership structure" on page 16 in the interim report where it is described that the company does not, at the time of issuing the report, have secured funding. This condition indicates that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matte*r."

Key risks that are specific to the issuer

Market and industry-related risks

- Macroeconomic effects can negatively affect the Company's earnings capacity, growth and opportunities and operating profit. The general demand for medicines is affected by various macroeconomic factors and trends, such as inflation, deflation, recession, trade barriers and currency fluctuations. An economic downturn can also affect healthcare payers and for this reason result in a reduced willingness to pay for medicines. The demand for pharmaceutical products is also affected by the political development in relevant markets, such as initiatives to curb rising pharmaceutical costs, which could affect future sales for pharmaceutical companies, including Saniona.

- The pharmaceutical industry is highly competitive and is characterised by rapid technological development and extensive investment needs. Competitors 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, here is a risk that competitors will succeed in commercialising 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.

Business-related risks

- Saniona has not completed the clinical development of any product candidate to date and there is no guarantee that the Company will ever have marketable drug products. All of the Company's programs require continued research and development and are thus subject to customary risks associated with drug development, such as product development being delayed and costs being higher than expected or that the product candidates at some stage of the development prove not to be sufficiently effective or secure.

- Before a product candidate can be launched on the market, the Company or its partners 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 clinical processes are usually extensive, costly and time-consuming, and the outcome is inherently uncertain. The Company 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 the Company's direct control that may affect this. Furthermore, any adverse events, undesirable side effects or other unexpected properties of such product candidates could cause the interruption, delay or halting of the Company's clinical trials.

- The Company is largely dependent on future commercialization to generate revenue. The Company has never commercialized an approved product before and there is a risk that the Company may lack the necessary expertise, personnel or resources to successfully commercialize its products on its own or together with its partners. The degree of sales depends on several factors, and the potential market opportunities for the Company's current or future product candidates are difficult to estimate. Failure to achieve commercial success for one or several products may adversely affect the Company's ability to generate revenue and become profitable in the future.

- The Company relies in substantial part on certain independent organisations, advisors and consultants to provide certain services, including substantially all aspects of regulatory approval, clinical trial management and manufacturing. If future or current external parties fail to meet their commitments, deadlines or quality requirements set by the Company, as well as regulatory requirements, or choose to terminate their partnerships with the Company, this may delay or hamper the development of the Company's programs.

Regulatory risks

- The Company needs to obtain, maintain and comply with regulatory approvals and other requirements or approvals from relevant authorities for the continued development and potential commercialization of its product candidates. The regulatory approval processes are expensive, time-consuming and inherently unpredictable as to their outcome. Furthermore, obtaining and maintaining regulatory approval of the Company's product candidates in one jurisdiction does not guarantee regulatory approval in any other jurisdiction. The development of the Company's programs may be delayed or prevented if, for example, 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 the Company and its partners in evaluating clinical study data.

- The Company is to a large extent subject to compliance with various laws and regulations, which are subject to change over time, such as new legislative initiatives to broaden the availability of healthcare and contain or lower healthcare costs. There is a risk that the Company fails to comply with laws and regulations because its interpretation of the regulations is incorrect or that the Company has not been able to adapt its business to new laws and regulations.

Legal risks

- As the Company conducts research and development of pharmaceuticals, the Company faces an inherent risk of product liability exposure related to the testing of its current product candidates or any future product candidates in human clinical trials. Any product liability claims made against Saniona 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, liability to affected patients, reputational damage, delay or termination of clinical trials, decreased demand for any of the Company's product candidates, loss of revenue and difficulties in successfully commercialising its product candidates in the future. The Company's insurance coverage may be insufficient to cover any costs associated with product liability claims.

Financial risks

- The Company has incurred significant operating losses since the beginning of its operations in 2011 and expects to continue to incur significant operating losses for the foreseeable future and does not know whether or when it will become profitable. The Company 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 Company's cash flow. There is a risk that the Company will not be able to raise additional capital, retain or enter into new partnerships or obtain other co-financing on acceptable terms or at all. This could result in a temporary halt to the Company's development programs or that the Company is forced to run operations at a slower rate than planned, which could adversely affect the Company's operations.

KEY INFORMATION ON THE SECURITIES

The main features of the securities

Type, class and ISIN of the securities

The Rights Issue refers to an issue of a maximum of 34,201,054 units, consisting of shares and warrants series TO 4. The Company's shares have ISIN code SE0005794617 and are admitted to trading on Nasdaq Stockholm under the ticker SANION. The Company has one share class.

Currency, nominal value and number of securities

The shares are denominated in Swedish kronor (SEK). As per the date of the Prospectus, the Company's registered share capital amounts to SEK 3,206,348.90 divided into 64,126,978 shares. All shares are fully paid up and have a quota value (nominal value) of SEK 0.05 per share.

Rights attached to the securities

Each share entitles to one (1) vote on Saniona's general meeting. At the general meeting, each person entitled to vote may vote for the full number of shares owned and represented without limitation to the voting rights. Each share entitles equal rights to dividends, share in the Company's profits and assets and to any surplus in the event of liquidation. The Company's shares are issued in accordance with Swedish law and the shareholders' rights may only be changed by changing the articles of association in accordance with the Swedish Companies Act.

The Company's shareholders normally has preferential rights to subscribe for new shares, warrants and convertibles in relation to existing holdings. However, the general meeting or the board of directors, with authorization from the general meeting, may resolve on deviation from the shareholders' preferential rights in accordance with the Swedish Companies Act. The new shares entitle to the right to dividends on the first record date for dividends after the shares have been registered with the Swedish Companies Registration Office and recorded in the share register maintained by Euroclear.

Transferability of the securities

There are no restrictions of the right to freely transfer shares in the Company.

Dividend policy

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

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

Where will the securities be traded?

The Company's shares are traded on Nasdaq Stockholm. The shares and warrants issued in connection with the Rights Issue will thus be subject to application for admission to trading on Nasdaq Stockholm after the Rights Issue.

Key risks that are specific to the securities

- Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management and entered into guarantee commitments with a number of existing and external investors, amounting to a total of MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. Apart from subscription undertakings and guarantee commitments of approximately MSEK 20, that shall be fulfilled by set-off of loans, received subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledge or similar arrangement, and there is thus a risk that the Offering is not subscribed for as planned, which would lead to the Company being provided with less capital than calculated to finance its business.
- The price at which the Company's share have been traded has historically been volatile and the share has from time to time been subject to limited trading with a low daily turnover. The Company cannot predict to which extent investor interest will lead to the development and maintenance of an active and liquid trading of the Company's shares going forward. The liquidity of the Company's share may be affected by a number of different factors, and a continued volatile stock market may have a negative impact on investors' willingness and ability to invest in the Company, which may negatively affect the share price of the Company's share but also cause the subscription rate in the Rights Issue to be lower than otherwise had been the case.
- Until such time as the Company can generate significant revenue from product sales, if ever, the Company expects to fund its operations primarily through a combination of equity offerings, debt financings, collaborations, or other strategic transactions. Any future new issues of shares or other instruments may result in a dilution of ownership for shareholders who do not participate in such issue or choose not to exercise their right to subscribe for shares.

KEY INFORMATION ON THE RIGHTS ISSUE

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

General

Saniona's board of directors resolved on 14 December 2023, subject to the subsequent approval of the general meeting, to carry out an issue of units with preferential rights for the Company's shareholders. At the extraordinary general meeting in the Company held on 16 January 2024 it was resolved to approve the board of directors' proposal. The Rights Issue comprises a maximum of 34,201,054 units, consisting of shares and warrants series TO 4.

Unit rights

The shareholders of the Company have preferential rights to subscribe for units in the Rights Issue in relation to the number of shares they own on the record date on 18 January 2024. Each existing share entitles to eight (8) unit rights. Fifteen (15) unit rights entitle to subscription of one (1) unit in Saniona. Each unit consists of two (2) shares and one (1) warrant series TO 4. In addition to this, investors are offered the possibility to apply for subscription of units without unit rights. Subscription may only be made of entire units, which means that shares and warrants cannot be subscribed for separately.

Subscription price

The subscription price has been set to SEK 4.12 per unit, which corresponds to a subscription price of SEK 2.06 per share. The warrants are issued free of charge. Brokerage is not paid.

Subscription period

Application for subscription of units through exercise of unit rights shall be made during the period from and including 22 January 2024 up to and including 5 February 2024 or such later date determined by the board of directors. Application for subscription of units without exercise of unit rights shall be made during the same period. The issuer does not impose any costs on investors in connection with the Rights Issue.

Trading in unit rights

Trading in unit rights takes place on Nasdaq Stockholm during the period 22 January 2024 – 31 January 2024.

Trading in BTU

Trading in BTU will take place on Nasdaq Stockholm from and including 22 January 2024 up to the Swedish Companies Registration Office has registered the Rights Issue, which is expected to take place around week 8, 2024.

Allotment principles

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: firstly, 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; secondly, to those 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 units the subscriber in total has applied for; and thirdly, to those who have provided guarantee commitments with regard to subscription of units, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Dilution as a result of the Rights Issue

Upon full subscription in the Rights Issue, the total number of outstanding shares in the Company will increase from 64,126,978 to 132,529,086 shares. Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their ownership diluted by approximately 51.6 per cent, but are able to financially compensate for this dilution by selling their unit rights. Provided that the Rights Issue is fully subscribed and provided that the warrants TO 4 are exercised in full, the number of shares will increase additionally by 34,201,054 shares, resulting in that the total number of shares in the Company will increase further from 132,529,086 shares to 166,730,140 shares. Shareholders who choose not to exercise their warrants will, provided that the Rights Issue is fully subscribed and the warrants are fully exercised, have their ownership diluted by additionally approximately 20.5 per cent. The total dilution, upon full subscription in the Offering and full exercise of all warrants, thus amounts to a maximum of approximately 61.5 per cent of the total number of shares in the Company after the Rights Issue.

Costs relating to the Offering

The costs relating to the Rights Issue are upon full subscription estimated to amount to approximately MSEK 16.1 and consist mainly of costs for guarantee commitments as well as remuneration to financial and legal advisors in relation to the Rights Issue and costs related to marketing material and other presentations.

Costs imposed on investors

No costs are imposed on investors participating in the Offering. When trading in unit rights and BTU, however, brokerage is normally paid in accordance with applicable terms for securities trading.

Why is this Prospectus being produced?

Proceeds and costs relating to the Rights Issue

Upon full subscription in the Rights Issue, the Company will initially be provided MSEK 140.9 before deduction of costs related to the Rights Issue, which upon full subscription are estimated to amount to approximately MSEK 16.1.

Reasons for the Offering and use of the proceeds

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of medicines modulating ion channels. Saniona's most advanced patented ion channel modulator is SAN711, which is being developed for treatment of absence seizures. In July 2022, the Company reported positive results from a Phase 1 clinical study of SAN711 in healthy volunteers. In order to secure the development of SAN711 towards proof-of-concept (studies conducted with the aim of demonstrating clinical relevance), Saniona has decided to carry out the Rights Issue.

The Company's board of directors' assessment is that the existing working capital, as per the date of the Prospectus, is not sufficient to meet the Company's needs during the coming twelve-month period. An extraordinary general meeting in Saniona on 16 January 2024 approved the board of directors' resolution of 14 December 2023 to carry out the Rights Issue.

Upon full subscription in the Rights Issue, the Company will initially receive approximately MSEK 140.9 before issue costs, which upon full subscription are expected to amount to approximately MSEK 16.1 (of which no more than approximately MSEK 8.6 are costs for guarantee commitments). Thus, the net proceeds from the Rights Issue are estimated to approximately MSEK 124.8 and are intended to be used in accordance with the below:

- Approximately 16 per cent (MSEK 20) to finance the repayment of part of the outstanding loan from Formue Nord Fokus A/S through set-off or payment in cash.
- Approximately 33 per cent to finance the development of SAN711 for treatment of patients with seizures.
- Approximately 36 per cent to finance the development of other candidates in the project portfolio, including SAN2219 and SAN2355 for treatment of patients with epilepsy.
- Approximately 15 per cent to finance the Company's operational costs.

In the event that all warrants series TO 4 that are issued in the Offering are exercised for subscription of new shares during April 2025 and the subscription price amounts to the quota value (SEK 0.05) as a minimum, the Company will receive an additional amount of approximately MSEK 1.7 before deduction of issue costs, which are expected to amount to approximately MSEK 0.1. If, under the same conditions, the subscription price instead would amount to, for example, between SEK 3.0–5.0, the Company will receive an amount between approximately MSEK 102.6–171.0 before deduction of issue costs, which are estimated to amount to between approximately MSEK 2.6–4.3. The additional net proceeds are intended to be used with 50 per cent to finance repayment of the outstanding loan from Formue Nord Fokus A/S, and with 50 per cent to finance the Company's operational costs.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and executing planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned. Should all alternative financing opportunities fail, there is a risk that the Company to a substantial degree would be forced to revise current development plans, which would adversely affect the Company's development, or, in the worst-case scenario, lead to the Company going into reconstruction or bankruptcy.

Subscription undertakings and guarantee commitments

In connection with the Offering, Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management of a total of approximately MSEK 5.6, corresponding to approximately 4 per cent of the Rights Issue. No remuneration is paid for subscription undertakings. In addition, the Company has entered into agreements on guarantee commitments with a number of existing and external investors amounting to approximately MSEK 78.4, corresponding to approximately 56 per cent of the Rights Issue. In total, the Offering is thus covered by subscription undertakings and guarantee commitments amounting to MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. Subscription undertakings include senior executives and all board members, including Thomas Feldthus, chief executive officer, with MSEK 0.75, and Jørgen Drejer, chairman of the board, with MSEK 0.4 Apart from subscription undertakings and guarantee commitments of approximately MSEK 20, that shall be fulfilled by set-off of loans, received subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledge or similar arrangement, and there is thus a risk that the Offering is not subscribed for as planned, which would lead to the Company being provided with less capital than calculated to finance its business.

Interests and conflicts of interests

Vator Securities is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to the Company in connection with the Offering. Vator Securities is also issuing agent in connection with the Offering. Vator Securities receives a pre-agreed compensation, which to a certain extent is dependent om the outcome of the Offering, for services provided in connection with the Offering and Setterwalls Advokatbyrå AB receives compensation for services provided on an ongoing basis. Vator Securities has provided, and may in the future provide, various financial, investment, commercial and other services to Saniona, for which they have received, and may come to receive, compensation. Other than that, Vator Securities and Setterwalls Advokatbyrå AB have no financial or other interests in the Rights Issue.

Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management and has entered into agreements on guarantee commitments with a number of existing and external investors. In total, subscription undertakings and guarantee commitments amount to MSEK 84, corresponding to approximately 60 per cent of the Offering.

In addition to the abovementioned parties' interest in the Offering being successful, and with regard to guarantors that the agreed compensation is paid in accordance with the guarantee commitments entered into, there are no financial or other interests or conflicts of interest between the parties who have financial or other interests in the Offering according to the above.

RISK FACTORS

An investment in securities is associated with risks. This section describes the risk factors and significant circumstances considered to be material to the Company's business and future development. In accordance with the Prospectus Regulation, risk factors contained in this section are limited to risks which are specific to the Company and/or the Company's shares and which are deemed material for an investor to make a well-informed investment decision. The Company has thus assessed the materiality of the risk factors on the basis of the probability of their occurrence and the expected extent of their negative effects on the Company's business, earnings and/or financial position. The risks have therefore, in cases where a risk could not be quantified, been graded on a qualitative scale as low, medium and high. The risk factors have been divided into the categories Market and industry-related risks, Business-related risks, Regulatory risks, Legal risks, Financial risks and Risks related to the shares and the Rights Issue. Those risk factors deemed most material on the date of this Prospectus are presented first in each category, followed by the subsequent risk factors which are not ranked in any particular order of importance. The presentation below is based on the Company's assessment and information available on the date of this Prospectus.

MARKET AND INDUSTRY-RELATED RISKS

Risks related to macroeconomic trends and the demand for pharmaceutical products

Macroeconomic effects, such as the Covid-19 pandemic and other economic factors around the world such as the ongoing situation in Ukraine, may negatively affect the Company's earnings capacity, growth opportunities and operating profit. The general demand for medicines is affected by various macroeconomic factors and trends, such as inflation, deflation, recession, trade barriers and currency fluctuations. An economic downturn can also affect healthcare payers, such as patients, hospitals, authorities and insurance companies, and for this reason result in a reduced willingness to pay for medicines. In addition, uncertain market conditions, for example as a result of the consequences of Covid-19 and the uncertain situation in Ukraine, may have a negative impact on the Company's opportunities to enter into collaborations with third parties or suppliers. Furthermore, there is uncertainty about the impact that the Covid-19 pandemic, or any future pandemic, may have on the Company in the future. Based on the above, there is a risk that the Company's clinical studies will be delayed or become more expensive than the Company has planned and that the results from the clinical studies will be delayed for this reason, which could have an adverse impact on the Company's operations and future prospects.

The demand for pharmaceutical products is also affected by the political development in relevant markets. Several initiatives to curb rising pharmaceutical costs have been or are being implemented in the EU/EEA and the United States, as well as in other relevant markets, which could affect future sales for pharmaceutical companies, including Saniona. If any of the above risks would occur, it could lead to the market acceptance and pricing of the Company's product candidates being negatively affected at any future market launch, which could lead to the Company receiving lower remuneration in the event of a successful commercialization of one or more of the Company's product candidates. This could in turn have a negative impact on the Company's ability to generate revenue in the future and result in poorer remuneration opportunities and lower remuneration levels in certain markets.

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 competition and technological development

The pharmaceutical industry is highly competitive and is characterised by rapid technological development and extensive investment needs. 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 Consynance Therapeutics Inc., Soleno Therapeutics Inc., Levo Therapeutics Inc., Rhythm Pharmaceuticals Inc., Harmony Biosciences LLC and Radius Health Inc., which conduct research and development of drugs for the treatment of hypothalamic obesity ("**HO**") and/or Prader-Willi syndrome ("**PWS**") and which are thus potential competitors for the Company's product candidate Tesomet™. In the epilepsy field, examples of the Company´s competitors are Cerevel Therapeutics Holdings Inc., Engrail Therapeutics Inc., Avenue Therapeutics Inc. and Marinus Pharmaceuticals Inc., which conduct research and development of drugs that modulates the GABA receptors[1], as well as Xenon Pharmaceuticals Inc. and Biohaven Pharmaceuticals Inc., which conduct research and development of drugs that modulate the Kv7 channels[2]. Additionally, outside the GABA and Kv7 fields, the

[1] The GABA receptors are a class of receptors that bind gamma-aminobutyric acid with high affinity and trigger processes that influence the behavior of cells.
[2] Kv7 ion channels are potassium channels that play a critical role in brain function by inhibiting the repetitive electrical signaling of neurons, potentially leading to epileptic seizures.

Belgian pharmaceutical company UCB Biopharma SRL is conducting a study assessing the efficacy of a drug in childhood absence seizures and is consequently a potential competitor to the Company's product candidate SAN711.

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. Saniona anticipates that several of its competitors may succeed in commercialising products earlier than Saniona. Saniona is in general attempting to develop products which are more effective or have a better side effect profile than its known competitors. However, there is a risk that competitors will succeed in commercialising products with similar profiles to Saniona's potential 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 abilities 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.

BUSINESS-RELATED RISKS

Risks related to pharmaceutical development

The Company's most advanced product candidate, tesofensine, has progressed towards regulatory approval for obesity by Saniona's partner Productos Medix, S.A de S.V ("**Medix**"). Saniona is advancing six product candidates, including Tesomet and the ion channel modulators SAN711, SAN903, SAN2219, SAN2355 and SAN2465. Tesomet has progressed to mid-stage clinical trials for rare eating disorders. SAN711 has completed Phase 1 studies for absence seizures and neuropathic pain conditions. SAN903 is ready for Phase 1 studies for inflammatory and fibrotic disorders. SAN2219, SAN2355 and SAN2465 are in preclinical development for epilepsy. Apart from the potential regulatory approval of tesofensine, Saniona and its partners have not completed the clinical development of any product candidate to date and there is no guarantee that the Company will ever have marketable drug products. All of the Company's programs require continued research and development and are thus subject to customary risks associated with drug development, such as product development being delayed and costs being higher than expected or that the product candidates at some stage of the development prove not to be sufficiently effective or secure. Any negative, unclear or insufficient result increases the risk that the Company will not obtain the necessary regulatory approvals to launch completed products on the market, or if approvals are obtained, that these are associated with conditions that can make the products more difficult to commercialize. It can therefore be difficult to evaluate and predict time and cost aspects as well as the 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 could result in significant delays and materially harm the Company's business. The Company's near-term prospects, including its ability to fund its operations and generate revenue, will depend substantially on the successful development and commercialization of its product candidates.

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 high impact on the Company.

Risks related to clinical studies

Before a product candidate can be launched on the market, the Company or its partners must conduct preclinical and clinical studies to document and demonstrate that the product candidate has a significant treatment effect and an acceptable safety profile. Saniona currently has three product candidates in clinical phase and three product candidates in preclinical phase. The clinical processes are usually extensive, costly and time-consuming, and the outcome is inherently uncertain. Positive results in previously conducted preclinical and clinical studies do not guarantee positive results in later development stages and subsequent clinical studies, and interim, top-line and preliminary data from clinical studies may change as more patient data become available. Moreover, preclinical and clinical data is often subject to varying interpretations and analyses. The Company 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 the Company'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 and considerations among the Company's collaborative partners. Furthermore, any adverse events, undesirable side effects or other unexpected properties of such product candidates could cause the interruption, delay or halting of the Company's clinical trials. There is also a risk that macroeconomic trends and factors will lead to the Company's clinical studies being delayed or becoming more expensive than the Company has planned and that the results from the clinical studies will be delayed for this reason, see above under "*Risks related to macroeconomic trends and the demand for pharmaceutical products*".

It is also difficult to accurately predict the costs associated with clinical studies. The actual costs 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 unfavourable 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 that the commercialization of the product is more difficult or cannot be completed. Furthermore, the Company is dependent on its ability to identify and enrol a sufficient number of eligible patients to participate in its clinical trials. Patient enrolment is a significant factor in the timing of clinical trials and may be affected by, among other things, the size and nature of the patient population, the severity of the disease under investigation and competing clinical trials. Enrolment delays may result in additional development costs and the Company may not be able to maintain participation in its clinical studies throughout the treatment.

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 high impact on the company.

Risks related to potential future commercialization of the Company's product candidates

The Company is, inter alia, entitled to royalties for successfully developed and marketed products and milestone payments under several collaborative partnerships, including its latest partnership with the British biotechnology company AstronauTx. Thus, the Company is largely dependent on future commercialization to generate revenue. As stated above, the Company's development 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 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 Company has never commercialized an approved product before and may lack the necessary expertise, personnel or resources to successfully commercialize its products on its own or together with its partners. The degree of sales depends on several factors such as, for example, the product characteristics, competing products, distribution opportunities, marketing, market acceptance, price and availability. The Company's product candidates may be subject to unfavourable pricing regulations and reimbursement policies, which could adversely affect the Company's business. Furthermore, the potential market opportunities for the Company's current or future product candidates are difficult to estimate and will depend on the ability of relevant experts to diagnose and identify the patients, as well as the success of competing therapies. Failure to achieve commercial success for one or several products may adversely affect the Company's ability to generate revenue and become profitable 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 collaborations with third parties

The Company currently relies, and for the foreseeable future will continue to rely, in substantial part on certain independent organisations, advisors and consultants to provide certain services, including substantially all aspects of regulatory approval, clinical trial management and manufacturing. For example, the Company has entered into agreements with third parties for chemical synthetics, clinical testing and regarding the manufacture of pharmaceutical substances for clinical and commercial use. The Company also enters into agreements with third parties from time to time regarding studies of, among other things, drug absorption and efficacy in specific disease models. The Company relies on such third parties to perform under their agreements with the Company and the Company is not able to control their activities, which exposes the Company to certain risks. Since a large part of the Company's activities have been financed through partners, partners are critical to the operation of certain of the Company's projects. The Company has, inter alia, entered into partnerships with Medix, Boehringer Ingelheim GmbH, AstronauTx and Cephagenix ApS. If any of the Company´s partners choose to terminate its collaboration with Saniona, there is a risk that projects may be delayed or cancelled. The Company 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. Furthermore, any disagreements with collaborators might cause delays or termination of the research, development or commercialization of the Company's product candidates.

While the Company's need for drug development is to some extent covered by internal expertise, the Company also relies on the help of external parties, such as investigators and clinical research organisations ("**CROs**"). Moreover, the Company relies on third parties to manufacture its product candidates and for the preclinical and clinical supply of its product candidates. If current or future external parties do not meet their commitments, deadlines or the quality requirements set by the Company,

as well as relevant regulatory requirements, or choose to terminate their partnerships with the Company, this may delay or hamper the development of the Company's programs. Hiring new external suppliers, or replacing existing suppliers, can also be more costly and time-consuming than the Company expects, which can delay the Company's development work. Furthermore, the Company may not be able to enter into agreements with alternative CROs or investigators, or be able to do so on commercially reasonable terms, which in turn could delay or hamper the Company's clinical studies or development programs and adversely affect the Company's future prospects and 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 low and that the risks, if they occur, would have a high impact on the Company.

Risks related to the Company's IT system

The Company relies on well-functioning IT systems that the Company or any of its third-party providers operate to process, transmit and store electronic information in its day-to-day operations. In connection with its product development work, the Company may collect and use a variety of proprietary, sensitive and confidential information, including personal data and clinical trial information. Cyberattacks are currently increasing in their frequency and intensity, and have become increasingly difficult to detect. A successful cyberattack could result in the theft or destruction of intellectual property, data, or other misappropriation of assets, or otherwise compromise the Company's confidential or proprietary information and disrupt its operations. Faults, interruptions or breaches in the Company's IT security, including possible errors in back-up systems or faults in handling the security of the Company's confidential information, could also harm the Company's reputation, business relationships and trust, which may result in loss of business partners, increased scrutiny by supervisory authorities and a greater risk of legal actions and financial liability. Although the Company devotes resources to protect its information systems, there can be no assurance that its efforts will prevent information security breaches that would result in business, legal, financial or reputational harm, or would have a material adverse effect on the Company's results of operations and financial condition. In addition, there is a risk that the partners with whom the Company shares confidential or sensitive information lack sufficient IT security or on-site security procedures to protect the information shared by the Company with them or that such partners misuse the shared information.

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 occur, would have a medium impact on the Company.

Risks related to the Company's ability to attract and retain 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 the Company's operations. The Company's employees are employed in its Danish subsidiary Saniona A/S. Despite certain notice requirements, key individuals can terminate their employment with minimal notice, which means that the Company may need to replace key individuals with 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 programs and its operations. Furthermore, the Company's ability to compete in the highly competitive biotechnology and pharmaceutical industries is dependent on its ability to attract and retain highly qualified management, scientific and medical personnel. The Company might not be able to attract new qualified personnel or retain its key employees on conditions that are economically acceptable. Furthermore, the Company will need to recruit new qualified personnel to develop its business in order to expand into fields that will require additional competences. If the Company does not succeed in attracting qualified personnel and retain its key employees, the Company might not achieve its objectives or implement its business strategy, which could have a material adverse effect on the Company's business and prospects.

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 occur, would have a medium impact on the Company.

REGULATORY RISKS

Risks related to regulatory approvals and registration

The Company needs to obtain, maintain and comply with regulatory approvals and other requirements or approvals from relevant authorities for the development and potential commercialization of its product candidates. While the Company has received orphan drug designation in the United States for Tesomet in HO and PWS, it may also seek to obtain orphan drug designation or other regulatory designations for any of its current or future product candidates. In order to be able to carry out preclinical 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 (the "**FDA**") in the United States and the European Medicines Agency (the "**EMA**") in the EU. The regulatory approval processes of the FDA and EMA and other comparable foreign regulatory authorities are expensive, time-consuming and inherently unpredictable as to their outcome. The development of the Company's programs may be delayed or prevented if, for example, 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 the Company and its partners in evaluating clinical study data. In such events, the Company may be required to conduct additional clinical trials, provide additional data and information and meet additional standards for regulatory approval which may be costly and time-consuming. This was the case in June 2021, when the Company announced that the technical committee of the Mexican regulatory authority Comisión Federal para la Protección contra Riesgos Sanitarios ("**COFEPRIS**") was unable to provide a favourable opinion on tesofensine and cited the need for additional information regarding certain topics, which delayed the anticipated final approval decision from COFEPRIS.

Even after market approval, if obtained, the Company and its partners will be required to comply with regulatory requirements, including regulatory reviews and supervision of marketing and safety reporting requirements, as well as potential changes in existing requirements or the adoption of new requirements or policies. 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. The lengthy process towards approval as well as the unpredictability of future clinical trial results may result in the Company failing to obtain regulatory approval to commercialize any of its product candidates, which would significantly harm the Company's future prospects and earning capabilities. Furthermore, obtaining and maintaining regulatory approval of the Company's product candidates in one jurisdiction does not guarantee regulatory approval in any other jurisdiction. In order to obtain regulatory approval in several countries, the Company must comply with numerous and varying regulatory requirements of such countries. If the Company or its partners, including external manufacturers, fail to comply with relevant regulatory requirements or with the specific indications and conditions for which regulatory approval has been granted, the Company may be subject to fines, withdrawals 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 high impact on the Company.

Risks related to compliance and regulatory developments in the pharmaceutical sector

As a pharmaceutical company, Saniona is to a large extent subject to compliance with various laws and regulations. The regulatory environment comprises, among other things, laws and regulations governing clinical trials, the safety and efficacy of product candidates, as well as environmental laws governing the use, storage and disposal of harmful chemicals and such materials and specified waste products. The Company's current and future operations are also subject to healthcare-related statutory and regulatory requirements and enforcements by foreign regulatory authorities in all jurisdictions in which the Company conducts its business. There is a risk that the Company fails to comply with laws and regulations because its interpretation of the regulations is incorrect or that the Company has not been able to adapt its business to new laws and regulations. The cost of compliance may become significant and the Company may lack the resources required for compliance. If the Company does not comply with or violate applicable laws and regulations or if its interpretation of applicable laws and regulations is incorrect, it may result in sanctions or penalties from relevant authorities, exclusion from government funded healthcare programs, additional reporting requirements or reputational harm. Furthermore, local laws, regulations and administrative provisions may differ considerably from jurisdiction to jurisdiction and measures that have been taken to comply with laws in one jurisdiction may be insufficient in terms of compliance in another jurisdiction. In addition, the consequences of insufficient compliance may differ considerably between different countries and jurisdictions.

The laws, regulations and administrative provisions that the Company must adhere to are subject to change over time, such as new legislative initiatives to broaden the availability of healthcare and contain or lower healthcare costs. Changes in patent laws or the interpretation of patent laws in any jurisdiction may furthermore diminish the value of the Company's intellectual property. The Company is subsequently exposed to risks that arise due to the regulatory uncertainty and the rapidly changing and growing regulatory environment, including the risk that the basic prerequisites for the Company's operations and business offer could change or that the market access opportunities are adversely affected. There is also a risk that local authorities will not interpret laws and regulations in the same way as the Company, and the courts and authorities may apply the regulations differently than the Company. Furthermore, there is a risk that the Company's partners fail to fulfil applicable requirements or regulations, which may lead to a lower profit for the Company and damaged reputation.

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.

LEGAL RISKS

Risks related to side effects, product liability claims and insurance cover

As the Company conducts research and development of pharmaceuticals, the Company faces an inherent risk of product liability exposure related to the testing of its current product candidates or any future product candidates in human clinical trials. The Company 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. Any product liability claims made against Saniona 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, delay or termination of clinical trials, decreased demand for the Company's product candidates, loss of revenue and difficulties in successfully commercializing its product candidates in the future.

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 the insurance cover or if the claim for damages exceeds the insurance amount. In addition, these types of insurances do usually not cover reputational damage that can occur regardless of the outcome of any product liability claim. The Company believes that it will need to increase its insurance coverage as its current product candidates or any future product candidates advance through clinical trials and if the Company successfully commercializes any products in the future. Insurance coverage is increasingly expensive and the Company may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

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 high impact on the Company.

Risks related to the Company's processing of personal data

In the framework of its operations, the Company collects and processes a large amount of personal data related to, for example, patients participating in the Company's clinical studies and the Company's employees. The Company is thus subject to Regulation (EU) 2016/679 of the European Parliament and of the Council ("**GDPR**"), as well as similar laws, regulations and standards relating to privacy, data protection and data security in other jurisdictions in which the Company operates. The Company has taken measures to ensure secure personal data processing and expects to continue to allocate resources for GDPR compliance and to evaluate the need for further compliance measures. Such measures could prove to be both costly and time consuming for the Company, which could negatively impact the Company's results. There is a risk that the Company at present, or in the future, will be unable to fulfil the requirements imposed by the GDPR. In addition, there is a risk that an IT or systems disruption or breach could lead to a leak of personal data and other sensitive information. Incorrect or insufficient processing of personal data, shortcomings in the Company's obligations to those whose personal data is processed and other violations under the GDPR could entail extensive sanctions in the form of fines amounting to the higher of MEUR 20 or 4 per cent of the Company's annual sales, which could lead to considerable costs and have a material negative impact on the Company and its business, both in terms of reputation and financially. Decisions from relevant supervisory authorities in the jurisdictions in which the Company conducts business that the Company must modify its current personal data processing procedures may also result in additional costs and administration for the Company.

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 the Company's ability to obtain and maintain intellectual property rights

Patents, trademarks and trade secrets in the countries in which the Company operates with respect to its proprietary product candidates, Tesomet, SAN711, SAN903, SAN2219, SAN2355 and SAN2465, as well as with respect to its ion channel drug discovery engine, are key assets in the Company's operations. The Company's potential success depends on its ability to obtain and retain the required patent protection for individual projects, technology and production methods. As of 31 December 2023, the Company's patent portfolio consisted of 20 different patent families and a total of 159 individual patents and patent applications. If the Company does not adequately protect its intellectual property rights, competitors may be able to erode, negate or use any competitive advantage the Company may have, which could harm its business and ability to achieve profitability. The patent application process is expensive and time-consuming and the Company may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Furthermore, laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe, which could make it difficult for the Company to stop any infringement of its patents or misappropriation of its other intellectual property rights.

Even if the Company obtains patent protection, there is a risk that an approved patent will not provide satisfactory commercial protection in the future. For example, if the scope of the patent protection the Company obtains is not sufficiently broad, it may not be able to prevent others from developing and commercializing technology and products similar or identical to the Company's. The same applies to any intellectual property rights that the Company may license. 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. Moreover, patents have a limited lifespan and given the amount of time required for the development, testing and regulatory review of new product candidates, patens protecting such candidates might expire before or shortly after such candidates are commercialized.

There is no assurance that all potentially relevant prior technology relating to the Company's patents and patent applications has been discovered. Publications of discoveries in the scientific literature is often released after the actual discoveries, and patent applications are typically not published until several months after filing or, in some cases, not at all. Therefore, the Company cannot know with certainty whether it was the first to make the inventions claimed in its patents or pending patent applications, or that it was the first to file for patent protection of such inventions. Any challenges of the Company's patents or patent applications may result in loss of the patent or in patent or patent application claims being restricted, invalidated or held unenforceable, in whole or in part, any of which could limit the Company's ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of its technology and products.

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 occur, would have a medium impact on the Company.

Risks related to potential infringements of intellectual property rights of third parties

The Company's research, development and commercialization activities may be subject to claims that the Company infringes or otherwise violates patens or other intellectual property rights owned or controlled by third parties. Since a patent application can take many years to issue, there may be currently pending patent applications that may later result in issued patents that the Company may be accused of infringing. There is also a risk that third parties infringe the Company's patent protection, which may result in the Company being subject to legal proceedings. Litigation is expensive and time-consuming and the risk associated with patent protection means that the outcome of such proceedings is difficult to predict. Furthermore, there is a risk that a court will decide that the asserted patents are invalid or unenforceable. Negative outcomes of intellectual property disputes can lead to reduced or lost protection or obligation for the Company to pay damages. In addition, the cost of a dispute, even in the case of a favourable outcome for Saniona, may be substantial. If the Company is found to infringe a third party's intellectual property rights it could also be prohibited to continue to use the current right and may thus be required to obtain a license from such third party in order to use the relevant technology or product. There is no guarantee that any such license will be available on acceptable terms or at all.

Furthermore, any of the Company's employees, consultants or contractors may assert a claim of inventorship of inventions made on behalf of that person, as they consider the intellectual property their own. While the Company typically requires employees, consultants and contractors who may develop intellectual property on the Company's behalf to execute agreements assigning such intellectual property to the Company (so-called assignment agreements), the Company may be unsuccessful in obtaining execution of assignment agreements with each party who in fact develops intellectual property that it regards as its own. If the Company is unsuccessful in entering into and executing assignment agreements from an employee, consultant or contractor who develops intellectual property on its behalf, such person may later claim ownership of the invention, which could lead to the Company losing the contested intellectual property or having to pay monetary damages.

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 occur, would have a medium impact on the Company.

Risks related to trade secrets and know-how

In addition to patents, the Company is dependent on confidential proprietary information such as trade secrets and know-how related to its product candidates, which cannot be protected by registration in the same way as other intellectual property rights. For example, this concerns knowledge of concepts, methods, and processes. The Company uses confidentiality agreements and invention assignment 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, and it cannot be certain that such agreements have been entered into with all relevant parties. If the Company's trade secrets and know-how would be disclosed and spread without the Company's consent or control, there is a risk that competitors will be able to access and benefit from trade secrets and know-how developed by the Company. Such uncontrolled disclosure of confidential information may adversely affect the development of the Company's product candidates as well as its business and results of operations 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 or otherwise being able to benefit from this. Furthermore, the enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction and the Company may not be able to obtain adequate remedies for misappropriation (wilful or unintentionally) of its confidential proprietary information.

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 occur, would have a low impact on the Company.

FINANCIAL RISKS

Risks related to the Company's financial position and future financing needs

Saniona is a clinical-stage biopharmaceutical company and has incurred significant operating losses since the beginning of its operations in 2011. The Company expects to continue to incur significant operating losses for the foreseeable future and does not know whether or when it will become profitable. If the Company's operational losses continue or increase, and the Company is not able to raise additional capital when needed, the Company's working capital and equity will decrease, which may have a negative effect on the Company's operations and its shareholders.

Saniona's research and development requires significant investments. The Company is thus dependent on its ability to raise capital in the future to finance its planned activities. In addition, and after the completion of the Rights Issue, the Company will have an outstanding loan with Formue Nord Fokus A/S as well as outstanding convertibles, which will fall due and require repayment on 31 July 2025 at the latest. Possible delays regarding clinical trials or product development, or early terminations of partnerships, may have a negative impact on the Company's cash flow. There is a risk that the Company will not be able to raise additional capital, retain or enter into additional partnerships or obtain other co-financing on acceptable terms or at all. This could result in a temporary halt to the Company's development programs or that the Company is forced to run operations at a slower pace than planned, which could adversely affect the Company's operations. Furthermore, the Company's ability to raise additional funds may depend on financial, economic and market conditions and other factors, over which the Company may have no or limited control. Market volatility or other factors could present additional challenges and adversely impact the Company's ability to raise capital when needed. If Saniona is unable to raise additional capital, repay outstanding loans, enter into additional partnerships or other co-financing, there is also a risk that the Company will not be able to further finance its clinical programs and the 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 high impact on the Company.

Risks related to changes in exchange rates

Due to the international scope of the Company's operations, its assets, earnings and cash flows are affected by fluctuations in the exchange rates of several currencies. Saniona is based in Sweden and reports results and financial position in SEK. However, most of the Company's operations take place in the Danish subsidiary Saniona A/S, whose functional currency is DKK. Revenue from the Company's partnerships mainly consist of EUR, USD and DKK. Internal operation costs mainly consist of DKK and to a certain extent also SEK, while the external development expenditures mainly consist of EUR and USD. Consequently, the Company's outflows mainly consist of DKK, EUR and USD and to a minor extent SEK while the Company's inflows from the operations mainly consist of EUR, USD and DKK. Cash flows in connection with purchase and sale of goods and services in difference currencies cause a so-called transaction exposure. As per the date of the Prospectus, the Company does not hedge its transaction exposure, why there is a risk that exchange rate fluctuations could affect the Company's accounts, for example through increased costs for the Group, which in turn could have a negative impact on the Company's cash flow, income statement and balance sheet. In addition, the assets in Saniona A/S constitute a significant part of the Company's total assets, therefore the Company is thus subject to balance exposure due to the recalculation of DKK to SEK.

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.

Tax risks

Saniona is based in Sweden, but most of its operations are conducted in the Danish subsidiary Saniona A/S. The tax considerations that the Company 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, and other countries where the Company may conduct its business. The Company's tax considerations are subject to changes in tax laws, regulations and treaties, or, in each case, the interpretation thereof. The Company's tax considerations are also subject to tax policy initiatives and reforms under consideration and the practice of tax authorities in jurisdictions in which the Company operates, as well as tax policy initiatives and reforms related to the European Commission's state aid investigations and other initiatives. Tax treaties and other tax regulation have historically been subject to recurring changes which are expected to continue in the future. Such changes may include, but are not limited to, the taxation of operating income, investment income, dividends received or, in the specific context of withholding tax, dividends paid. The Company is unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on the Company's business. To the extent such reforms are adopted into tax legislation, regulations, policies or practice, such changes could affect the Company's financial position and overall or effective tax rates in the future in countries where the Company operates, reduce post-tax returns to its shareholders, and increase the complexity and cost of tax compliance.

If the Company'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 change, or if practice in relation thereto is changed, including with retroactive effect, the Company's past and present tax position may be subject to review by the tax authorities. For example, a tax authority could challenge the Company's allocation of income by tax jurisdiction and the amounts paid between its affiliated companies pursuant to the Company's intra-group arrangements and transfer pricing. Contesting such an assessment could be costly and lengthy, and should the Company be unsuccessful in disputing such an assessment, an increased tax expense may be incurred, including fees and interest costs.

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 THE SHARES AND THE RIGHTS ISSUE

Subscription undertakings and guarantee commitments are not secured

Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management and entered into guarantee commitments with a number of existing and external investors. In total, subscription undertakings and guarantee commitments amount to MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. Apart from subscription undertakings and guarantee commitments of approximately MSEK 20, that shall be

fulfilled by set-off of loans, received subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledge or similar arrangement. Thus, if all or part of these commitments are not fulfilled, there would be a risk that the Offering is not subscribed for as planned, which would lead to the Company being provided with less capital than calculated to finance its business. Furthermore, there is a risk that any of the guarantors who have provided guarantee commitments to secure the Rights Issue may exceed ten per cent of the votes in Saniona after the Rights Issue. In that case, the guarantors' fulfilment of such guarantee may be subject to notification in accordance with the Swedish Screening of Foreign Direct Investments Act (*Sw*. lagen (2023:560) om granskning av utländska direktinvesteringar), according to which companies with essential services need to report certain investments to the Inspectorate of Strategic Products (the "**ISP**"). If the fulfilment of any of the guarantors' guarantee commitments turns out to be notifiable, there is a risk that the notification of the transaction is not left without action or approved by the ISP, which may lead to the guarantor not being able to fulfil its guarantee commitment on time or at all. If the guarantee commitments are not fulfilled on time, it may have an adverse effect on the Company's working capital, which may have a negative impact on the Company's financial position and the Company's ability to conduct its business according to plan. There is also a risk that non-financing through the fulfilment of subscription undertakings and guarantee commitments will result in the Company being put into reconstruction or, in the worst case, bankruptcy.

Share price development, volatility and limited liquidity in the share

Saniona's share is traded on Nasdaq Stockholm. The price at which the Company's share has been traded has historically been volatile. In addition, the turnover in the Company's share has been low at certain periods. During the 12-month period which ended on 31 December 2023, an average of approximately 480,000 shares were traded per day in Saniona with an average daily turnover of approximately MSEK 3.3. During the corresponding period, the Company's share has had a highest closing price of SEK 11 and a lowest closing price of SEK 2.955. Consequently, the share price of the Company's share has been volatile, and the share has also from time to time been subject to limited trading. The volatility risk is particularly high in companies that, like Saniona, have not launched any drugs on the market, which means that the share price is largely based on expectations of the Company's future performances. Saniona cannot predict to which extent investor interest will lead to the development and maintenance of an active and liquid trading of the Company's shares going forward. The liquidity of the Company's share may be affected by a number of different internal and external factors. Internal factors include, inter alia, the development of the Company's product candidates and quarterly variations in, for example, operating profit as well as forecasts regarding profit and revenue. External factors include, inter alia, general economic and macroeconomic conditions, industry factors and expectations in the pharmaceutical industry in general, the economic activity as well as additional external conditions that are not related to the Company's operations. As an example, external factors such as the Covid-19 pandemic and the ongoing situation in Ukraine as well as increased inflationary pressure and interest rate increases have led to higher volatility in the world's stock markets and also created relatively large fluctuations in the share price of the Company's share during the period immediately preceding the publication of the Prospectus. A continued volatile stock market may have a negative impact on investors' willingness and ability to invest in the Company's shares, which may negatively affect the share price of the Company but also cause the subscription rate in the Rights Issue to be lower than otherwise had been the case. Furthermore, there is a risk that an active and liquid trading in the Company's shares will not develop in the future, or will not prove to be sustainable, which may cause difficulties for the shareholders to dispose of their shares in the Company at the desired time or at price levels that would prevail if the liquidity in the share was good, and the share price of the Company's share after the completion of the Rights Issue may differ significantly from the subscription price in the Rights Issue. It is not possible to predict future price movements in advance and it is possible that the factors above, alone or in conjunction, may have an adverse effect on the value of an investor's invested capital and there is a risk that an investor may lose all or part of the invested capital.

Future new issues and dilution

The Company does not have any guaranteed external sources of funds or other support for its development efforts, and it cannot be certain that additional funding will be available on acceptable terms or at all. Until such time as the Company can generate significant revenue from product sales, if ever, the Company expects to fund its operations primarily through a combination of equity offerings, debt financings, collaborations, or other strategic transactions. Any future new issues of shares or other instruments may result in a 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 others than the Company's shareholders. Shareholders who choose not to participate in the Rights Issue by subscribing for units will, provided that the Rights Issue is fully subscribed and all warrants series TO 4 are exercised in full, have their ownership diluted by

approximately 61.5 per cent in relation to the number of shares in the Company after the Rights 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. The Company may resolve on such issues also in the future, for example the Company has, as part of the restructuring of its outstanding loan from Formue Nord (which is further described under section "*Legal considerations and supplementary information – Material agreements*" below) undertaken to carry out a directed issue of convertibles to Formue Nord in a total amount of MSEK 10, which shall take place no later than five banking days after registration of the Rights Issue with the Swedish Companies Registration Office. Such future issues may lead to a dilution for existing shareholders and adversely affect the Company's share price.

Associated warrants

In the present Offering, the instrument consists of so-called units, where each unit consists of two (2) shares and one (1) warrant series TO 4. The warrants entail a right to, during a specified period in the future, acquire a certain number of newly issued shares in the Company at a predetermined price. The warrants included in the Offering are transferable and are intended to be admitted to trading on Nasdaq Stockholm. The price development of the Company's share may affect trading in the warrants issued in the Offering. A warrant is only valuable if the predetermined subscription price is below the market price of the Company's underlying share at the time of subscription. This means that the probability that the warrants may lose their entire value is greater than for shares, for example. Thus, there is a risk that the warrants included as part of the units covered by the Offering will not increase in value or that they do not represent a value at the time they expire. Furthermore, there is a risk that the liquidity in the trading of these warrants is not good enough for them to be disposed of at terms acceptable to the holder.

Trading in unit rights and BTU

Unit rights and BTU are intended to be subject to trading on Nasdaq Stockholm. There is a risk that an active trade in the unit rights and BTU does not develop, that there will not be sufficient liquidity or that the unit rights cannot be sold. If an active trade does not develop, the market price of the unit rights and BTU will depend on, among other things, the price development of the Company's shares and may be subject to greater volatility than for the said shares. The price of Saniona's shares may be less than the subscription price in the Rights Issue due to reasons attributable to the Company as well as a general decline in the stock market.

Specific risks for shareholders outside of Sweden

Saniona has a large number of shareholders domiciled in Sweden and Denmark and in other jurisdictions. The Company's share is denominated in SEK and any future dividends will be paid in SEK. This means that shareholders outside of Sweden can experience a negative effect on the value of their holdings and possible dividends when these are converted into other currencies should SEK decrease in value against the relevant currency. Furthermore, tax legislation in both Sweden and the shareholder's country of residence may affect the income from any potential dividend that is paid.

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. Shareholders in other jurisdictions outside Sweden may also be affected in a similar manner depending on local regulatory requirements. Saniona has no obligation to, in future issues of new shares, apply for registration or similar approval under the legislation of another country outside of Sweden. To the extent foreign shareholders are unable to exercise their rights to subscribe for new shares in any new issue, their proportionate ownership in the Company will be reduced.

INVITATION TO SUBSCRIBE FOR UNITS IN SANIONA

The board of directors in Saniona resolved on 14 December 2023, subject to approval by an extraordinary general meeting, to carry out the Rights Issue. The board of directors' resolution on the Rights Issue was approved by the extraordinary general meeting on 16 January 2024. The Rights Issue comprises a maximum of 34,201,054 units, consisting of shares and warrants series TO 4, at a subscription price of SEK 4.12 per unit, corresponding to a subscription price of SEK 2.06 per share. Provided that the Rights Issue is fully subscribed, the Company will receive an initial capital raise of approximately MSEK 140.9 before deduction of issue costs.

The Company's shareholders have preferential rights to subscribe for units in the Rights Issue in relation to the number of shares that they hold on the record date on 18 January 2024. Each existing share entitles to eight (8) unit rights. Fifteen (15) unit rights entitle to subscription of one (1) unit in Saniona. Each unit consists of two (2) shares and one (1) warrant series TO 4.

The subscription period runs from and including 22 January 2024 up to and including 5 February 2024 or such later day determined by the board of directors and otherwise according to what is stated under section "*Terms and conditions*". The Rights Issue will, if subscribed in full, provide Saniona with initial proceeds of approximately MSEK 140.9, before deduction of issue costs.

Upon full subscription in the Rights Issue, the total number of outstanding shares in the Company will increase from 64,126,978 to 132,529,086 shares. Shareholders who choose not to participate in the Rights Issue will, provided that the Rights Issue is fully subscribed, have their ownership diluted by approximately 51.6 per cent, but are able to financially compensate for this dilution by selling their unit rights. Upon full subscription in the Rights Issue and full exercise of all warrants series TO 4, the number of shares will increase additionally by 34,201,054 shares, resulting in that the total number of outstanding shares in the Company will increase further from 132,529,086 shares to 166,730,140 shares. Shareholders who choose not to exercise their warrants will, provided that the Rights Issue is fully subscribed and the warrants are fully exercised, have their ownership diluted by additionally approximately 20.5 per cent. The total dilution, upon full subscription in the Offering and full exercise of all warrants, thus amounts to a maximum of approximately 61.5 per cent of the total number of shares in the Company after the Rights Issue.

If all units are not subscribed for with unit rights, allotment of the remaining units shall be made within the maximum amount of the Rights Issue: firstly, 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; secondly, to those 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 units the subscriber in total has applied for; and thirdly, to those who have provided guarantee commitments with regard to subscription of units, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

In connection with the Offering, Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management of a total of approximately MSEK 5.6, corresponding to approximately 4 per cent of the Rights Issue. No remuneration is paid for subscription undertakings. In addition, the Company has entered into agreements on guarantee commitments with a number of existing and external investors amounting to approximately MSEK 78.4, corresponding to approximately 56 per cent of the Rights Issue. In total, the Offering is thus covered by subscription undertakings and guarantee commitments amounting to MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. Subscription undertakings include senior executives and all board members, including Thomas Feldthus, chief executive officer, with MSEK 0.75, and Jørgen Drejer, chairman of the board, with MSEK 0.4. Apart from subscription undertakings and guarantee commitments of approximately MSEK 20, that shall be fulfilled by set-off of loans, received subscription undertakings and guarantee commitments are not secured by advance transaction, bank guarantee, blocked funds, pledge or similar arrangement. Consequently, there is a risk that one or more parties will not fulfil their undertakings and commitments, respectively. For further description, see section "*Risk factors – Subscription undertakings and guarantee commitments are not secured*".

The shareholders of Saniona are hereby invited to subscribe for units in Saniona with preferential rights in accordance with the terms and conditions of the Prospectus.

Malmö on 18 January 2024

Saniona AB (publ)

BACKGROUND AND REASONS

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of medicines modulating ion channels. Saniona's internal epilepsy pipeline includes the candidate SAN711 positioned for clinical Phase 2 studies for treatment of absence seizures (a form of epileptic seizures), the preclinical development compound SAN2219 for acute repetitive seizures and the preclinical development compound SAN2355 for treatment of refractory focal onset seizures.

Outside epilepsy, Saniona has four clinical programs, which are positioned for partnering. The most advanced candidate, tesofensine, has progressed towards regulatory approval for obesity by Saniona's partner Medix. Tesomet is ready for Phase 2b studies for rare eating disorders, whereas SAN903 is ready for Phase 1 studies for inflammatory bowel disease, and SAN2465 is ready for preclinical development for major depressive disorder. Saniona has research and development partnerships with Boehringer Ingelheim GmbH, Medix, S.A de S.V, AstronauTx Limited and Cephagenix ApS.

Saniona's most advanced patented ion channel modulator is SAN711, which is being developed for treatment of absence seizures. In July 2022, the Company reported positive results from a Phase 1 clinical study of SAN711 in healthy volunteers. In order to secure the development of SAN711 towards proof-of-concept (studies conducted with the aim of demonstrating clinical relevance), Saniona has decided to carry out the Rights Issue.

The Company's board of directors' assessment is that the existing working capital, as per the date of the Prospectus, is not sufficient to meet the Company's needs during the coming twelve-month period. An extraordinary general meeting in Saniona on 16 January 2024 approved the board of directors' resolution of 14 December 2023 to carry out the Rights Issue.

Upon full subscription in the Rights Issue, the Company will initially receive approximately MSEK 140.9 before issue costs, which upon full subscription are expected to amount to approximately MSEK 16.1 (of which no more than approximately MSEK 8.6 are costs for guarantee commitments). Thus, the net proceeds from the Rights Issue are estimated to approximately MSEK 124.8 and are intended to be used in accordance with the below:

- Approximately 16 per cent (MSEK 20) to finance the repayment of part of the outstanding loan from Formue Nord Fokus A/S ("**Formue Nord**") through set-off or payment in cash.
- Approximately 33 per cent to finance the development of SAN711 for treatment of patients with seizures.
- Approximately 36 per cent to finance the development of other candidates in the project portfolio, including SAN2219 and SAN2355 for treatment of patients with epilepsy.
- Approximately 15 per cent to finance the Company's operational costs.

In the event that all warrants series TO 4 that are issued in the Offering are exercised for subscription of new shares during April 2025 and the subscription price amounts to the quota value (SEK 0.05) as a minimum, the Company will receive an additional amount of approximately MSEK 1.7 before deduction of issue costs, which are expected to amount to approximately MSEK 0.1. If, under the same conditions, the subscription price instead would amount to, for example, between SEK 3.0–5.0, the Company will receive an amount between approximately MSEK 102.6–171.0 before deduction of issue costs, which are estimated to amount to between approximately MSEK 2.6–4.3. The additional net proceeds are intended to be used with 50 per cent to finance repayment of the outstanding loan from Formue Nord, and with 50 per cent to finance the Company's operational costs.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and executing planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned. Should all alternative financing opportunities fail, there is a risk that the Company to a substantial degree would be forced to revise current development plans, which would adversely affect the Company's development, or, in the worst-case scenario, lead to the Company going into reconstruction or bankruptcy.

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 18 January 2024

Saniona AB (publ)

The Board of Directors

TERMS AND CONDITIONS

THE OFFERING

The Rights Issue is carried out by the issuance of units. In total, the Offering comprises a maximum of 34,201,054 units. Shareholders in Saniona are entitled to eight (8) unit rights for each existing share held on the record date. Fifteen (15) unit rights entitle to subscription of one (1) unit. One (1) unit consists of two (2) shares and one (1) warrant series TO 4. Subscription may only be made of entire units, which means that neither shares nor warrants may be subscribed for separately. Provided that the Offering is fully subscribed, the Company will receive initial proceeds of approximately MSEK 140.9 before issue costs, and potentially additional issue proceeds in April 2025 in connection with exercise of the warrants series TO 4.

RECORD DATE

The record date with Euroclear for the right to participate in the Rights Issue is 18 January 2024. The last day of trading in Saniona's share with the right to participate in the Rights Issue is 16 January 2024. The first day of trading in Saniona's share without the right to participate in the Rights Issue is 17 January 2024.

SUBSCRIPTION PRICE

The subscription price is SEK 4.12 per unit, which corresponds to a subscription price of SEK 2.06 per share. The warrants are issued free of charge. Brokerage is not paid.

SUBSCRIPTION PERIOD

Subscription of units in the Rights Issue shall take place through simultaneous cash payment during the period from and including 22 January 2024 up to and including 5 February 2024. Application for subscription of units without exercise of unit rights shall be made during the same period. After the expiration of the subscription period, unexercised unit rights will be void and will thereafter lose their value. After the subscription period, unexercised unit rights will, without notification from Euroclear, be removed from the shareholders' VP accounts. In order not to lose the value of the unit rights, the unit rights must either be used for subscription of units no later than 5 February 2024 or be sold no later than 31 January 2024.

The board of directors of the Company may extend the period during which application for subscription and payment shall be made. Any extension of the subscription period will be published through a press release no later than the last day of the subscription period on 5 February 2024. The press release will be available at Saniona's website, www.saniona.com.

WARRANTS

The warrants that are issued in the Right Issue are issued free of charge and entitles the holder to, during the period 18 March – 1 April 2025, subscribe for new shares in the Company. One (1) warrant series TO 4 will entitle the holder to subscribe for one (1) new share in the Company at a subscription price corresponding to 70 per cent of the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the period from and including 28 February 2025 up to and including 13 March 2025, however not less than the share's quota value. Warrants series TO 4 have ISIN code SE0021310927. The warrants are intended to be admitted to trading on Nasdaq Stockholm.

The warrants will be registered by Euroclear in a record day 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), which means that no warrant certificates will be issued.

COSTS IMPOSED ON INVESTORS

No costs are imposed on investors participating in the Offering. When trading in unit rights and paid subscribed units (BTU), however, brokerage is normally paid in accordance with applicable terms for securities trading.

UNIT RIGHTS

Each share owned on the record date entitles the holder to eight (8) unit rights. Fifteen (15) unit rights entitle to subscription of one (1) unit, consisting of two (2) shares and one (1) warrant series TO 4.

Trading in unit rights

Trading in unit rights will take place on Nasdaq Stockholm during the period from and including 22 January 2024 up to and including 31 January 2024 with trading name SANION UR. ISIN code for the unit rights is SE0021310935. Shareholders shall contact their bank or other nominee with the necessary authorization to carry out purchases and sales of unit rights. Unit

rights that are purchased during the above trade period entitle to, during the subscription period, the same right to subscribe for units as the unit rights shareholders receive based on their holding in the Company on the record date.

Non exercised unit rights

Application for subscription of units by exercise of unit rights shall be made through simultaneous cash payment during the period 22 January – 5 February 2024. Please note that unit rights which are not exercised are void after the expiration of the subscription period and thus lose their value. Unit rights that are not exercised will be deregistered from each shareholder's VP account without notice from Euroclear. In order not to lose the value of the unit rights, they must either be exercised for subscription of units no later than 5 February 2024 or sold no later than 31 January 2024. Please note that the procedure for unit rights that are not exercised may vary depending on the nominee and in some cases unit rights are automatically sold in the event the nominee is not contacted well in advance before the expiration of the subscription period. For further information about each nominee's handling of unexercised unit rights, the nominee should be contacted separately.

ISSUE STATEMENT AND APPLICATION FORMS

Directly registered shareholders

Shareholders or representatives of shareholders who, on the record date 18 January 2024, are registered in the share register kept by Euroclear on behalf of the Company, will receive a pre-printed issue statement with attached payment notice. The complete Prospectus, special application form for subscription with unit rights and application form for subscription without unit rights will be available at the Company's website www.saniona.com to download. Anyone who is included in the list of pledge holders and others, specifically kept in connection with the shareholder register, will not receive an issue statement but are noticed separately. VP notices, reporting the registration of unit rights on shareholders' VP accounts, will not be sent out.

Subscription with preferential rights

Subscription of units by exercise of unit rights shall be made through simultaneous cash payment during the period from and including 22 January 2024 up to and including 5 February 2024. Please note that it can take up to three banking days for the payment to reach the receiving account. Subscription and payment shall be made in accordance with either of the two options below:

1. *Issue statement – pre-printed payment notice from Euroclear*

In case all unit rights received on the record date are used for subscription of units, the pre-printed payment notice sent out by Euroclear shall be used as a basis for subscription through cash payment. The special application form shall in that case not be used. No additions or changes can be made to pre-printed text in the payment notice. **Application for subscription is binding**.

2. *Special application form*

In case a different number of unit rights than what appears from the pre-printed payment notice from Euroclear is used for subscription of units, the special application form shall be used. Application for subscription through cash payment shall be made in accordance with the instructions on the special application form. The pre-printed payment notice from Euroclear shall thereby not be used. The special application form can be ordered from Vator Securities by phone or e-mail in accordance with the below. The application form can also be downloaded from the Company's website www.saniona.com. The special application form shall be received by Vator Securities no later than 15.00 CET on 5 February 2024. Only one application form per person or legal entity will be considered. In case more than one application form is submitted, only the last one received will be considered. Incomplete or incorrectly completed special application forms may be discarded. **Application for subscription is binding**.

Completed application form shall be sent or handed to:

Vator Securities AB
Regarding: Saniona
Kungsgatan 34
SE-111 35 Stockholm, Sweden
Phone: +46 (0)8-5800 65 912
E-mail: emissioner@vatorsec.se (scanned application form)

Nominee-registered shareholders

Shareholders whose holdings in the Company are nominee-registered with a bank or other nominee will not receive an issue statement. Subscription and payment, with and without preferential rights respectively, shall be made in accordance with instructions from the respective nominee.

Subscription without preferential rights

Subscription of units without preferential rights shall be made during the same period as subscription of units with preferential rights, that is, from and including 22 January 2024 up to and including 5 February 2024. The board of directors of the Company may extend the period during which application for subscription and payment shall be made. Any extension of the subscription period will be published through a press release by the Company no later than the last day of the subscription period.

Application for subscription without preferential rights is made by completing, signing and sending the special application form to Vator Securities at their address according to above. The special application form can be ordered from Vator Securities by phone or e-mail in accordance with the above. The application form can also be downloaded from the Company's website www.saniona.com and from Vator Securites' website www.vatorsecurities.se.

The special application form shall be received by Vator Securities no later than 15.00 CET on 5 February 2024. Only one (1) application form per person or legal entity will be considered. In case more than one application form is submitted, only the last one received will be considered. Incomplete or incorrectly completed special application forms may be discarded. **Application for subscription is binding.**

Please note that shareholders whose holdings are nominee-registered shall apply for subscription without preferential rights to their nominee in accordance with instructions form respective nominee.

IMPORTANT INFORMATION

Requirement for national ID number for natural persons

National ID or National Client Identifier is a global identification code for private individuals. According to directive 2014/65/EU ("**MiFID II**") all natural persons have, from and including 3 January 2018, a national ID number, and this number needs to be entered in order to carry out a securities transaction. If such number is not entered, Vator Securities might be unable to perform the transaction for the natural person in question. If you only have a Swedish citizenship, your national ID number consists of the designation "SE" followed by your social security number. If you have several citizenships or another citizenship than a Swedish, your national ID number may be another type of number. For further information about how to obtain the NCI number, contact your bank. Remember to inform yourself on your national ID number well in advance as the number needs to be stated on the application form.

Requirement for LEI code for legal persons

Legal Entity Identifier (LEI) is a global identification code for legal persons. According to MiFID II, legal persons have to, from and including 3 January 2018, have a LEl code in order to carry out a securities transaction. If such a code does not exist, Vator Securities may be unable to perform the transaction for the legal person in question.

SUBSCRIPTIONS FROM ACCOUNTS WHICH ARE SUBJECT TO SPECIFIC RULES

Subscribers with accounts that are subject to specific rules for securities transactions, for example IPS accounts, ISK (Investment Savings Account) or depository/account in endowment insurance have to check with their respective nominees whether and how subscription of units may be made in the Rights Issue.

ALLOTMENT PRINCIPLES UPON SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

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: firstly, 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; secondly, to those 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 units the subscriber in total has applied for; and thirdly, to those who have provided guarantee commitments with regard to subscription of units, in proportion to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

NOTICE OF ALLOTMENT UPON SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Notice of any allotment of units, subscribed for without preferential rights, is provided by sending an allotment notice in terms of a settlement note. Payment must be made no later than three (3) banking days after the issuance of the settlement note. No notice is given to persons who have not received allotment. If payment is not made on time, the allotted units may be transferred to someone else. Should the sale price in the event of such transfer fall below the price in the Offering, the person who originally received the allotment of these units may be liable for all or part of the difference.

Those who subscribe for units without preferential rights through their nominee will receive notice of subscription in accordance with its nominee's routines.

SHAREHOLDERS RESIDING ABROAD

Shareholders residing outside of Sweden and Denmark (however, this does not refer to shareholders resident in the United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, or any other jurisdiction where participation would require additional prospectuses, registration, or other regulatory approvals) who are entitled to subscribe for units in the Rights Issue, may contact Vator Securities by telephone according to the above for information on subscription and payment. Due to securities law restrictions in the United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, or any other jurisdiction where participation would require additional prospectuses, registration, or other regulatory approvals, no unit rights will be offered to holders with registered addresses in any of these countries. Accordingly, no offer to subscribe for units in the Company is made to shareholders in these countries.

PAID SUBSCRIBED UNIT (BTU)

Subscription through payment is registered with Euroclear as soon as possible, which is normally a few banking days after payment. Thereafter, the subscriber receives a VP notice with confirmation that paid subscribed units (BTU) have been booked into the subscriber's VP account. The newly subscribed units are booked as BTU in the VP account until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 8, 2024. The ISIN code for BTU is SE0021310943.

Trading in BTU

Trading in BTU is intended to take place on Nasdaq Stockholm during the period from and including 22 January 2024 up until the Swedish Companies Registration Office has registered the Rights Issue, which is expected to take place around week 8, 2024.

RIGHT TO DIVIDEND

The new shares that are issued in connection with the Rights Issue entitle right to dividend from the first record date for dividends that fall after the issue resolution. Shares that are issued upon exercise of warrants series TO 4 entitle right to dividend from and including the first record date for dividends that fall after the subscription is executed in such a way that the shares have been registered as interim shares in the Company's share register.

PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE

The outcome of the Rights Issue will be announced around 7 February 2024 by a press release from the Company.

ADMISSION TO TRADING

Saniona's shares are traded on Nasdaq Stockholm Small Cap. The shares are traded under the ticker SANION with ISIN code SE0005794617. The shares and warrants that are issued in connection with the Rights Issue will be subject to an application for admission to trading on Nasdaq Stockholm. The new shares and warrants are expected to be admitted to trading around week 9, 2024.

DELIVERY OF SHARES AND WARRANTS

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place around week 8, 2024, BTU are converted to shares and warrants series TO 4 without notice from Euroclear. For shareholders with nominee-registered shareholdings, the information will be provided by each nominee.

DILUTION

Upon full subscription, the Rights Issue entails an increase of the number of shares in the Company from 64,126,978 shares to 132,529,086 shares, which corresponds to a dilution of approximately 51.6 per cent of the total number of shares in the Company after the Rights Issue. Upon full subscription in the Rights Issue and full exercise of all warrants series TO 4, the

number of shares will increase additionally with 34,201,054 shares, from 132,529,086 shares to 166,730,140 shares, which corresponds to an additional dilution of approximately 20.5 per cent of the total number of shares in the Company after the Rights Issue. The total dilution, upon full subscription in the Offering and full exercise of all warrants series TO 4, thus amounts to a maximum of approximately 61.5 per cent of the total number of shares in the Company after the Rights Issue.

OTHER

The board of directors of the Company is not entitled to terminate, revoke or temporarily withdraw the Offering to subscribe for units in the Company in accordance with the terms and conditions in the Prospectus. Subscriptions of units is irrevocable, and the subscriber may not cancel or modify a subscription of units. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is late, insufficient, or paid incorrectly, the subscription may be disregarded or subscription may be made with a lower amount. Payments that are not used will in that case be repaid. If multiple application forms of the same category are submitted, only the application form that was last received by Vator Securities will be considered. Late payment of amounts less than SEK 100 will only be repaid on request. Registration of the Rights Issue with the Swedish Companies Registration Office is expected to take place around week 8, 2024.

Since Saniona conducts essential services according to the Swedish Screening of Foreign Direct Investments Act (*Sw*. lagen (2023:560) om granskning av utländska direktinvesteringar), certain investments in the Rights Issue may require review by the Inspectorate of Strategic Products (ISP). Saniona will, no later than in connection with the publication of the Prospectus, publish more information about this on the Company's website, www.saniona.com.

OVERVIEW OF SANIONA'S BUSINESS AND MARKET

Below is a brief description of the markets in which Saniona operates. The Company has accurately reproduced third party information and, as far as the board of directors of the Company is aware and can ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company believes that these external sources are reliable but has not independently verified them and cannot guarantee the accuracy or completeness of the information. Accordingly, the projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances may differ materially from the expectations expressed or implied herein.

SANIONA AT A GLANCE

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of novel medicines by modulating ion channels. Saniona's internal epilepsy pipeline includes the Phase 2 ready asset SAN711 positioned for treatment of absence seizures, the preclinical development compound SAN2219 for acute repetitive seizures and the preclinical development compound SAN2355 for refractory focal onset seizures. Outside the epilepsy field, Saniona has four clinical programs, which are positioned for partnering. The most advanced candidate, tesofensine, has progressed towards regulatory approval for obesity in Mexico by Saniona's partner Medix. Tesomet™ is ready for Phase 2b studies for rare eating disorders, whereas SAN903 is ready for Phase 1 studies for inflammatory bowel disease, and SAN2465 is ready for preclinical development for major depressive disorder. Saniona has research- and development partnerships with Boehringer Ingelheim GmbH, Medix, AstronauTx Limited, and Cephagenix ApS.

While Saniona's ion channel platform may be utilized within many therapeutic areas, the Company's scientific capabilities are particularly relevant within central nervous system diseases and specifically epilepsy is an important focus area for Saniona.

EPILEPSY

Epilepsy, which is characterized by recurrent seizures, currently affects more than 50 million people worldwide[3] including 3.4 million people in the U.S.[4] and 3.2 million people in the UK and in 14 additional EU-markets (Germany, Italy, France, Spain, Poland, The Netherlands, Belgium, Sweden, Austria, Switzerland, Ireland, Norway, Denmark, and Finland).[5] There is a significant medical need as approximately 30 per cent of patients are insensitive to treatment by conventional epilepsy medicines.[6] Furthermore, anti-seizure therapy may cause disabling side effects and often require careful dose adjustment to minimize these. Electrical activity in neurons is controlled by ion channels and most current antiepileptic treatment principles rely on regulation of ion channel activity. Based on Saniona's focus on ion channel research and central nervous system diseases, increasingly more of the Company's early-stage discovery and development programs have been directed towards treatment of specific epilepsy indications. Saniona has over the past years established a strong network with national and international epilepsy centers of excellence, where progress has been made to identify specific links between genetic mutations in ion channels and development of epilepsies. The Company's deep knowledge about ion channels and track record in identifying and developing new drug candidates in this field places Saniona in a position to exploit and develop new treatments in both genetically defined, idiopathic epilepsies (epilepsies which have no explanation), and epilepsies caused by e.g., stroke, brain infection or head injury; all with, according to Company, unmet medical needs.

ION CHANNELS AND CAPABILITIES

Saniona has developed a proprietary ion channel drug discovery engine anchored by IONBASE, the Company's database of more than 130,000 potential ion channel modulators, of which more than 25,000 are Saniona's proprietary compounds. Ion channels govern several vital physiological functions, including muscle contractions, hormone secretion, genetic transcription, and neuronal activity, and are the target of multiple FDA-approved drugs including Norvasc (amlodipine), Xylocaine (lidocaine) and Valium (diazepam). However, due to the complexity of ion channels, only 20 per cent of the potential ion channel targets have provided commercially and clinically available therapeutics.[7,8] Therefore, ion channels represent a significant untapped domain for future drug development within epilepsy and other therapeutic fields, according to the Company.

As a result of Saniona's ion channel drug discovery engine, the Company has generated a robust pipeline of orally available, potent, highly selective, and differentiated ion channel modulators.

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[3] World Health Organization.
[4] CDC statistics for 2015: Epilepsy Data and Statistics | CDC.
[5] Evaluate Pharma (database).
[6] Kwan et al 2000 New England Journal of Medicine; Chen et al 2018 JAMA Neurology.
[7] Global Ion Channel Modulators Market Report 2021, Precision Reports (2021).
[8] Ion Channel Drug Discovery, B. Cox, et. al. (2014).

EPILEPSY PROGRAMS

SAN711

Saniona's most advanced proprietary ion channel modulator is SAN711, which is being developed for absence seizures. In July 2022 the Company reported positive results from a Phase 1 clinical trial of SAN711 in healthy volunteers. SAN711 is a Positive Allosteric Modulator, or PAM, of $GABA_A$ α3 containing receptors. GABA is a neurotransmitter, that mediates inhibitory electrical signals between nerve cells in the brain by activating $GABA_A$ receptors. A seizure is a burst of uncontrolled electrical activity in specific neuronal circuits in the brain.[9] Some of the most powerful treatment options for aborting seizure activity are a group of medicines called the benzodiazepines. The mode of action of the benzodiazepines is non-selective enhancement of the effect of the inhibitory neurotransmitter GABA at $GABA_A$ receptors including α1, α2, α3 and α5 containing receptors.[10] It is well known that the enhanced effect of $GABA_A$ α1 receptors cause the dose-limiting adverse effects of the benzodiazepines, such as sedation and motoric instability in addition to tolerance development, cognitive impairment, abuse liability and physical dependence.[11,12] Saniona has specifically designed SAN711 to enhance the effect of the α3 containing $GABA_A$ receptors with high selectivity. The α3 subunit is highly expressed in parts of the brain that are critically involved in initiation and maintenance of absence seizures.[13] By selectively enhancing the effect of GABA at α3 $GABA_A$ receptors, the Company believes that SAN711 is a precision approach for specific abortion of absence seizures while avoiding the adverse effects associated with non-selective activation of $GABA_A$ receptors.

Preclinical data generated in a highly translatable rodent model for absence seizures (Genetic Absence Epilepsy Rat from Strasbourg, GAERS), confirms marked suppression of absence seizures.[14] Superior tolerability was confirmed in Saniona's Phase 1 clinical trial of SAN711, which was announced through a press release on 30 June 2022.[15] The primary objective of the trial was to determine safety and tolerability of SAN711, which was evaluated through single ascending dose- and multiple ascending dose arms and by in an evaluation phase of the study confirming target engagement by a Positron Emission Tomography (PET) imaging biomarker study. The study demonstrated SAN711 to be safe and well tolerated even at receptor occupancies exceeding 80 per cent, confirming the safety profile of this asset. For comparison, benzodiazepines are not tolerated at doses occupying more than 10-20 per cent of the receptors as strong sedation prevents further dose-increase.[16,17]

SAN2219

SAN2219 is a subtype selective PAM of $GABA_A$ α2-, α3- and α5 containing receptors specifically designed to exert robust anti-seizure activity by dampening excessive neuronal activation broadly in the brain. The program has been advanced to preclinical development and hence represents the first preclinical development candidate from Saniona's $GABA_A$ α2/α3 PAM program.

In contrast to SAN711, where the profile is precisely tailored to abort absence seizures by enhancing the effect of GABA α3 containing receptors, the profile of SAN2219 is specifically designed to exert broad antiseizure activity by enhancing the effect of GABA α2 and α5 containing receptors in addition to GABA α3 receptors. As there's no enhancement of $GABA_A$ α1 subtype containing receptors, the adverse effects mediated by non-selective benzodiazepines is anticipated to be avoided. Saniona believes that the profile for SAN2219 would be highly effective in aborting acute repetitive seizures, where seizures break through despite the patient being on maintenance antiseizure medications. Benzodiazepines constitute the standard-of-care for acute on demand repetitive seizures, but the use is restricted to 2 doses per epileptic episode and it is recommended to treat no more than five episodes per month due to the limitations associated with benzodiazepines including tolerance development.[18] SAN2219 is anticipated to arrest acute repetitive seizures without use limitations imposed.

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[9] Johns Hopkins Medicine, https://www.hopkinsmedicine.org/health/conditions-and-diseases/epilepsy/types-of-seizures (2023-10-18).
[10] Janković SM, Dješević M, Janković SV. Experimental GABA A Receptor Agonists and Allosteric Modulators for the Treatment of Focal Epilepsy. J Exp Pharmacol. 2021.
[11] Shinotoh H, Iyo M, Yamada T, Inoue O, Suzuki K, Itoh T, et al. Detection of benzodiazepine receptor occupancy in the human brain by positron emission tomography. Psychopharmacol (Berl). 1989.
[12] Engin E. $GABA_A$ receptor subtypes and benzodiazepine use, misuse, and abuse. Front Psychiatry. 2023.
[13] Meeren H, van Luijtelaar G, Lopes da Silva F, Coenen A. Evolving concepts on the pathophysiology of absence seizures: the cortical focus theory. Arch Neurol. 2005.
[14] Crunelli V et al., Selective activation of alpha 3-containing GABA-A receptors blocks absence seizures and increases sleep spindles. PSTR526.8. 2023, Neuroscience Meeting Planner. Washington DC: Society for Neuroscience, 2023. Online.
[15] https://saniona.com/newsroom/single-press-release/?slug=saniona-reports-positive-top-line-results-from-the-san711-phase-1-clinical-trial-3148ba6f.
[16] Shinotoh, H., Iyo, M., Yamada, T., Inoue, O., Suzuki, K., Itoh, T., Fukuda, H., Yamasaki, T., Tateno, Y. and Hirayama, K., 1989. Detection of benzodiazepine receptor occupancy in the human brain by positron emission tomography. Psychopharmacology, 99, pp.202-207.
[17] Fujita M, Woods SW, Verhoeff NP, Abi-Dargham A, Baldwin RM, Zoghbi SS, Soares JC, Jatlow PA, Krystal JH, Rajeevan N, Charney DS, Seibyl JP, Innis RB. Changes of benzodiazepine receptors during chronic benzodiazepine administration in humans. Eur J Pharmacol. 1999.
[18] Package insert for Nayzilam and Vactoco (intranasal Midazolam and Diazapam).

GABA program

Saniona has progressed other compounds from its $GABA_A$ α2/α3 PAM program to the candidate selection phase. These compounds have other electrophysiologic profiles than SAN2219. Saniona is currently evaluating the potential value of one of these compounds for treatment of patients with a pediatric syndrome (Developmental/Epileptic Encephalopathy (a disturbance of brain function) with Spike Wave Activation in Sleep (D/EE-SWAS), which has severe consequences for the patients and their families).

SAN2355

SAN2355 is a subtype selective activator of Kv7.2/Kv7.3 channels. While Kv7 modulation is a clinically proven concept for the treatment of drug-resistant focal epilepsy,19 no medicines of this class are currently on the market, and Saniona sees significant potential for delivering new breakthrough epilepsy treatments in this field. This potential is also illustrated by the increasing numbers of mutations in Kv7.2 and Kv7.3 that are found to be associated with severe inherited forms of child epilepsies.

PARTNERSHIPS AND SPINOUTS

Saniona's industry-leading ion channel research has formed the basis of many successful spinouts, partnerships, and licensing agreements and the Company is currently in collaboration with Boehringer Ingelheim GmbH, AstronauTx, and Medix on non-epilepsy programs. Saniona has spun-out several successful new companies, e.g., Ataxion Therapeutics (later known as Cadent Therapeutics, acquired by Novartis AG), Initiator Pharma, and Scandion Oncology and have recently established Cephagenix ApS, a migraine company in collaboration with Jes Olesen, a global key opinion leader within migraine research and the winner of the Brain Prize 2021.[20]

STRATEGY

Saniona's mission is to discover, develop and deliver innovative treatments to patients suffering from epilepsies around the world. The Company is leveraging its expertise in the field of ion-channel drug discovery and is continuously progressing its research programs to identify and advance additional selective ion channel clinical candidates in a range of therapeutic areas within epilepsy with significant unmet medical need. Saniona intends to achieve this mission initially by advancing the assets SAN711, SAN2219 and SAN2355 for treatment of different types of epilepsies. Saniona's priority is to develop molecules internally but will retain optionality to pursue select partnerships or out-licensing arrangements, especially outside its core focus areas of epilepsy.

To de-risk the clinical development and enhance the rate of success, Saniona's initial focus has been on clinically validated targets, exemplified by the pharmacological target classes of $GABA_A$ PAM, and Kv7 activators, where evidence exists of clinically meaningful responses in epilepsy patients, but where the use is restricted due to limitations of current products.[21,22] The Company is leveraging its expertise in ion-channel drug discovery to produce subtype selective products specifically tailored to address the unmet need and concurrently avoid current target class limitations.

EPILEPSY IS A COMPLEX GROUP OF DISORDERS

Epilepsy is one of the most common and disabling chronic neurological disorders. Epilepsy affects all age groups and is characterized by an enduring predisposition to generate epileptic seizures with the associated cognitive, psychological, and social consequences as well as increased mortality.

Epilepsy is not a specific disease, or even a single syndrome, but rather a complex group of disorders with widely varying types of epileptic seizures that can originate from epileptic activity in a local area in the brain (focal onset seizures) or arise from epileptic activity throughout the brain (generalized seizures). The etiology of epilepsy includes a variety of causes including genetic mutations, autoimmune diseases as well as causes such as stroke, traumatic brain injury, and infectious diseases of the brain.

CURRENT TREATMENT

A fraction of people with epilepsy may obtain complete seizure control through surgery. However, for most patients there is currently no cure. Therefore, most people with epilepsy rely on symptomatic pharmacological treatment (therapy that eases

[19] Martin J Gunthorpe MJ et al., The mechanism of action of retigabine (ezogabine), a first-in-class K+ channel opener for the treatment of epilepsy. Epilepsia. 53(3):412-24. 2012.
[20] FENS. The Brain Prize 2021 awarded to a group of neuroscience pioneers in migraine research. March 2021. https://www.fens.org/news-activities/news/the-brain-prize-2021-awarded-to-a-group-of-neuroscience-pioneers-in-migraine-research.
[21] Splinter MY. Efficacy of retigabine in adjunctive treatment of partial onset seizures in adults. J Cent Nerv Syst Dis. 2013.
[22] Riss J, Cloyd J, Gates J, Collins S. Benzodiazepines in epilepsy: pharmacology and pharmacokinetics. Acta Neurol Scand. 2008.

the symptoms without addressing the basic cause of the disease) with antiseizure medications (ASMs), which prevent or suppress the generation, propagation, and severity of epileptic seizures.

As the most important objective is to achieve complete seizure control, ASMs are typically administered chronically to prevent seizure recurrence in patients with spontaneous recurrent seizures. In addition, ASMs are being used to treat status epilepticus, a potentially life-threatening condition with prolonged continuous clinical and/or electrographic seizure activity or recurrent seizure activity without recovery between seizures, as well as to interrupt acute symptomatic seizures in response to a variety of causes.

MARKET

The current market for ASMs is about USD 6.1 billion of which the top 10 ASMs account for about 80 per cent of sales.[23] The market for ASMs is expected to grow to USD 7.7 billion in 2028[24] due to launch of new proprietary ASMs, which is partially offset by a decline in sales from existing ASMs due to patent expiration.

Currently, more than 30 ASMs are available for epilepsy therapy. Most ASMs act by modulation of voltage-gated sodium and calcium channels; by enhancement of GABA-mediated inhibition; through interactions with elements of the synaptic release and reuptake machinery; by blocking glutamate receptors; or by combinations of these mechanisms. Because of differences in their mechanisms of action, most ASMs do not suppress all types of seizures.[25]

Many of the currently available ASMs were introduced more than 20 years ago and are not protected by patents anymore. A significant part of the market is consequently genericized with significant price competition. The novel proprietary ASMs are being developed with the objective of resolving the major medical needs within epilepsy and are consequently not subject to the price competition in the generic market.

A major part of the novel proprietary ASMs is being developed by biopharmaceutical companies for both common and rare epilepsy indications. Several of the biopharmaceutical companies are planning to launch and commercialize their novel ASMs themselves, whereas others are acquired by existing companies (UCB acquired Zogenix for USD 1.9 billion in 2022, Jazz acquired GW Pharma for USD 7.2 billion in 2022, Angelini acquired Arvelle for up to MUSD 960 in 2021). Therefore, the market for ASMs is highly dynamic and characterized by significant M&A activity, new entries of biopharmaceutical companies with market leading ASMs and exit/decline of previous market leaders.

SIGNIFICANT UNMET MEDICAL NEED IN EPILEPSY

According to the Company, there is a significant unmet medical need within epilepsy, which can be divided into two major areas: partly the resistant patients in the large adult patient populations with focal and generalized epilepsy; and partly the difficult to treat pediatric epilepsy syndromes (epilepsy syndromes related to children).

- **Drug resistant patients with focal and generalized seizures**. Although there are more than 30 ASMs available, about 30 per cent[26] of patients are considered drug resistant equivalent to more than 2 million people in the U.S. and Europe combined.[27] When a patient becomes refractory to one AMS the patient typically switches to a new ASM or more commonly to a combination of two ASMs. Thus, most patients with refractory epilepsy take two, three, or even four ASMs.[28] Without complete seizure control, refractory patients experience spontaneous recurrent seizures, which may elevate to acute repetitive seizures requiring rescue medications and status epilepticus requiring hospitalization. Consequently, the resistance to ASMs has cognitive, psychological, and social consequences and results in lack of independence and increased mortality rate among refractory epilepsy patients.
- **Difficult to treat pediatric epilepsy patients**. Epilepsy affects up to 1 per cent of children and represents the most common chronic neurological condition in childhood[29]. One-third of young epilepsy patients suffer from devastating syndromes, so-called epileptic encephalopathies, such as Dravet Syndrome, Lennox-Gastaut Syndrome (LGS), KCNQ2-developmental epilepsy and encephalopathy (KCNQ2-DEE), Electrical Status Epilepticus During Slow-Wave Sleep (ESES) and Landau Kleffner Syndrome (LKS). Epileptic encephalopathy has severe consequences for the patients and their families. Epileptic encephalopathy typically occurs early in a child's life and can be characterized by generalized or focal seizures that are recurrent, severe, and often resistant to existing ASMs, which

[23] Evaluate Pharma (database).
[24] Evaluate Pharma (database).
[25] Loscher W and Klein P, The Pharmacology and Clinical Efficacy of Antiseizure Medications:
From Bromide Salts to Cenobamate and Beyond.CNS Drugs (2021) 35:935–963, https://doi.org/10.1007/s40263-021-00827-8.
[26] Loscher W and Klein P, The Pharmacology and Clinical Efficacy of Antiseizure Medications:
From Bromide Salts to Cenobamate and Beyond. CNS Drugs (2021) 35:935–963 and several others.
[27] 30 per cent of 3.4 million people in the U.S. and 3.2 million people in the 15 EU-markets as reported by the CDC and Evaluate Pharma respectively, see previous notes.
[28] Loscher W and Klein P, The Pharmacology and Clinical Efficacy of Antiseizure Medications:
From Bromide Salts to Cenobamate and Beyond. CNS Drugs (2021) 35:935–963, https://doi.org/10.1007/s40263-021-00827-8.
[29] Aaberg KM et al. *Pediatrics*. 2017;139(5).

typically are administrated off-label and non-evidence based.[30] Damage to the brain from the frequent seizure activity often leads to delays in development or the loss of developed skills. Many indications within pediatric epilepsy are rare or ultra rare and subject to orphan drug designation and premium pricing.

SANIONA IS WELL POSITIONED TO CREATE SIGNIFICANT VALUE IN EPILEPSY

Saniona has an experienced team with expertise in the central nervous system ("**CNS**") and discovery and development of drugs modulating ion-channels, which in the key targets for ASMs.

Saniona has a focused epilepsy pipeline, which addresses indications with significant medical need. The current pipeline comprises highly selective $GABA_A$ chloride channel modulators and Kv7 potassium ion channels modulators, targets that are clinically validated within epilepsy by drugs like diazepam and retigabine.

The benzodiazepines are non-selective $GABA_A$ modulators and are considered as some of the most effective ASMs available as per the date of the Prospectus. However, due to the safety profile and tolerance development (loss of effect over time) of these non-selective ASMs, benzodiazepines are limited in their use. Saniona has a Phase 2 ready proprietary clinical candidate and additional candidates with different selectivity profiles, which may be positioned for various epilepsy indications without the restrictions imposed on benzodiazepines, such as childhood absence seizures, acute repetitive seizures, focal and generalized seizures, and pediatric epileptic syndromes.

Kv7 channels are clinically validated targets for epilepsy. In 2010, GSK (Glaxo Smith Kline PLC) launched retigabine for treatment-resistant focal onset seizures based on convincing Phase 3 studies, but the drug was taken off the market due to severe compound specific side effects. Following the withdrawal of retigabine, this target has been subject to significant interest from the industry. Saniona has experience with this target and believes that its lead compound/series has a profile, which differentiates to competing programs in the pipeline in terms of both efficacy and side effects.

According to the Company, these two targets, GABA and Kv7, are currently driving a lot of interest in epilepsy considering their high therapeutic potential. According to data from Evaluate Pharma, it appears that novel pipeline programs targeting $GABA_A$ channels and Kv7 channels will benefit from a much higher growth rate than the market for epilepsy in general. Combined, the expected sales of $GABA_A$ and Kv7 mediated ASMs appear to grow from USD 1.1 billion in 2021 to USD 2.9 billion in 2028 resulting in a CAGR of 14 per cent.[31]

According to the Company, Saniona's portfolio of ASMs has a differentiated profile to competing pipeline programs, which may potentially lead to advantages in the clinical development, in terms of both efficacy and side effects, as well as the possibility to address other indications. Saniona intends to advance SAN711, SAN2219 and SAN2355 through clinical development in epilepsies. As mentioned, Saniona's priority is to develop the programs internally but will retain optionality to pursue select partnerships or out-licensing arrangements. In the longer perspective Saniona is tapping into the currently progressing scientific field of linking specific ion channel mutations to certain epilepsy forms. This research is progressed in collaboration with specialized epilepsy hospitals and research institutions. Within this setup, Saniona is exploring specific $GABA_A$ modulators, which may be interesting for genetic epilepsies caused by GABA mutations that lead to severe pediatric epilepsies where there are no ASMs available today. Similarly, Kv7 modulators may be effective for KCNQ2-DEE´s (multiple seizures occurring daily, starting within the first week of life).

CAPITALIZING VALUE ON CLINICAL ASSETS AND ION CHANNEL DRUG PLATFORM OUTSIDE EPILEPSY

Saniona intends to continue utilizing its expertise in ion channel drug discovery in collaborations with pharmaceutical companies outside epilepsy. Historically, this activity has led to several out-licensing arrangements, spinouts, and collaborations with pharmaceutical companies globally. These transactions serve as a source of non-dilutive capital, in the form of upfront payments, milestone payments, royalties and/or equity stakes that Saniona intends to reinvest in both the discovery engine for ion channel drug discovery and its core development efforts within epilepsies. In addition, Saniona has two non-epilepsy clinical assets, SAN903 and Tesomet, which Saniona intends to progress in collaboration with partners under similar transactions. Finally, if tesofensine obtains approval in Mexico, Saniona will explore the potential for rolling out the commercialization in other countries including other central- and South American countries, which may accept Mexico as a reference country for regulatory approval.

SANIONA'S PIPELINE WITHIN EPILEPSY

Saniona's epilepsy pipeline consists of three programs in clinical and preclinical development across multiple epilepsy indications. The illustration below summarizes the status of the Company's wholly owned epilepsy programs:

[30] Kuchenbuch M et al. Epilepsy Behav. 2018; 82:133.
[31] Evaluate Pharma - Seizures/Convulsions: Indication Overview, Mechanism of Action, Market Size by MoA, October 17. 2023.

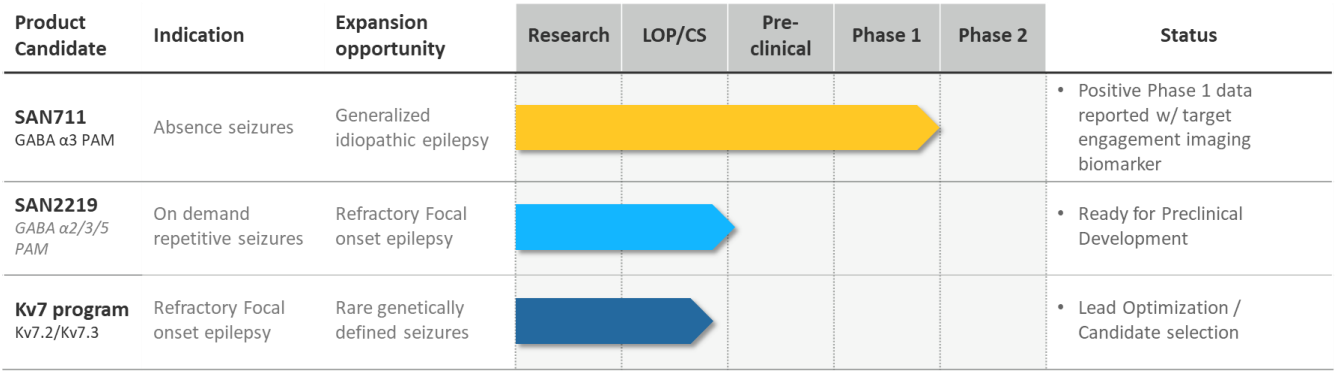

Figure 1. Illustration constructed by Saniona showing its wholly owned epilepsy program pipeline.

SANIONA'S DIFFERENTIATED PROPRIETARY ION CHANNEL MODULATORS SAN711, SAN2219 AND SAN2355 FOR TREATMENT OF EPILEPSIES

SAN711

First-in-class positive allosteric modulator (PAM) of $GABA_A$ α3 receptors for the treatment of absences

SAN711 is a novel first-in-class selective positive allosteric modulator (PAM) of $GABA_A$ α3 receptors positioned for the treatment of absence epilepsy. In July 2022 the Company reported positive results from a Phase 1 clinical trial of SAN711 in healthy volunteers, and the result from this trial supports the continued clinical development of SAN711.

GABA is a neurotransmitter, or chemical messenger, that mediate inhibitory signals between nerve cells in the brain by binding to GABA receptors including the $GABA_A$ receptors. $GABA_A$ receptors are ligand-gated ion channels, a subclass that open in response to the binding of specific ligands (a molecule that binds to another molecule). $GABA_A$ receptors consist in most cases of two alpha (α) subunits, two beta (β) subunits, and one (γ) gamma subunit. When GABA binds, $GABA_A$ receptors become selectively permeable to chloride ions. Generally, this results in an influx of chloride ions into the cell and a hyperpolarization of the cell membrane, thereby inhibiting neuronal signaling (signaling of neurons in the brain). $GABA_A$ receptors can be found at synapses, where they rapidly inhibit neurotransmission, and outside synapses, where they provide ambient tonic inhibition. $GABA_A$ receptors are the target of the non-selective and highly effective medicines belonging to the chemical group referred to as "benzodiazepines". Unlike benzodiazepines, SAN711 does not have an impact on $GABA_A$ α1, α2 and α5 subunits, thus being devoid of sedation, motoric instability, abuse liability, and memory impairing effects that limit the use and tolerability of benzodiazepines.

Absence seizures are short bursts of paroxysmal electrical activity in the brain that can be monitored by EEG (examination of the brain). During an absence seizure, the patient is unresponsive and has impaired consciousness, typically observed as "staring spells". Absence seizures normally last a few seconds (usually less than 15 seconds) and can occur up to 200 times a day. Absence seizures occur in multiple genetic generalized epilepsies, including childhood absence epilepsy (CAE), juvenile absence epilepsy (JAE), and juvenile myoclonic epilepsy (JME).[32]

Absence seizures occur most often in children (CAE); 10-17 per cent of all cases of epilepsy in school-age children are being diagnosed with CAE.[33] CAE is a common pediatric epilepsy with an incidence of approximately 6.3 to 8.0 children per 100,000 per year.[34] The age of onset is usually between 4-10 years and is often resolved in adolescence. The frequency of CAE is higher in girls than in boys.[35] Childhood absence epilepsy is associated with a high degree of neuropsychiatric comorbidities; two thirds have a psychiatric diagnosis, including especially Attention Deficit Hyperactivity Disorder (ADHD) and anxiety disorders, and 25 per cent have cognitive deficits.[36] Although the majority obtain good seizure control, 20-30 per cent is refractory to treatment and have associated attention problems. Further, young adults with a history of CAE, many of them continuing to have absences in adulthood, have poor long-term vocational, educational, and social outcomes. Remission of the epilepsy does not ensure good outcome, but those without remission have a notably worse outcome and a high risk of ongoing psychiatric and emotional difficulties.[37] The genetics of childhood absence epilepsy are complex and not fully

[32] MedlinePlus, Internet. Bethesda (MD): National Library of Medicine (US); Childhood absence epilepsy, updated 2018 August 1st; Available from: https://medlineplus.gov/genetics/condition/childhood-absence-epilepsy/#causes.
[33] Albuja AC, Khan GQ. Absence Seizure. Updated 2022 Oct 10. In: StatPearls, Internet. Treasure Island (FL): StatPearls Publishing; 2023 Jan-. Available from: https://www.ncbi.nlm.nih.gov/books/NBK499867/.
[34] Albuja AC, Khan GQ. Absence Seizure. 2022 Oct 10. In: StatPearls, Internet. Treasure Island (FL): StatPearls Publishing; 2023.
[35] Albuja AC, Khan GQ. Absence Seizure. 2022 Oct 10. In: StatPearls, Internet. Treasure Island (FL): StatPearls Publishing; 2023.
[36] Caplan R, Siddarth P, Stahl L, Lanphier E, Vona P, Gurbani S, Koh S, Sankar R, Shields WD. Childhood absence epilepsy: behavioural, cognitive, and linguistic comorbidities. Epilepsia. 2008.
[37] Wirrell, E. (2003). Natural History of Absence Epilepsy in Children. Canadian Journal of Neurological Sciences.

elucidated, but mutations in the genes that codes for certain of the $GABA_A$ receptor subunits and for certain voltage-gated T-type calcium channels are thought to be involved in the etiology of this epilepsy syndrome.

Firstline treatment of CAE consists of ethosuximide, and valproate.[38] Both ethosuximide and valproate adversely affect cognitive functioning. In addition, valproate poses an embryofetal risk making it unsuitable for young women of childbearing potential.[39,40] The effectiveness of ethosuximide and valproate, in terms of seizure control, are comparable, as shown by similar response rate reported as freedom from failure rates of 45 per cent and 44 per cent respectively.[41] Attentional impairments were more common after valproate treatment as compared to ethosuximide and lamotrigine treatment. Consequently, the currently most optimal initial monotherapy fails in 55 per cent of children, leaving a significant need for improved treatment options with better efficacy without detrimental effects on attention.

Electroencephalography (EEG), i.e. an examination of the electrical activity of the brain, during absence seizures demonstrates abnormal paroxysmal (suddenly occurring) brain activity called spike-wave discharges (SWDs) that are associated with the behavioral state. Although the way that SWDs disrupt normal neuronal activity is not fully understood, aberrant activity in the cortico-thalamic-cortical circuit is considered to play a significant role in the pathophysiology of absence seizures. Human functional Magnetic Resonance Imaging (fMRI) studies have reported decreased activation in cortical areas and increased activity in the thalamic region. The α3 subunit is highly expressed in a part of this region called the Thalamic Reticular Nucleus (TRN).[42,43,44] Saniona hypothesizes that selective activation by SAN711 of $GABA_A$ receptors containing the α3 subunit will inhibit the SWDs and consequently constitute a precision approach for prevention of absence seizures. As SAN711 is designed to only activate $GABA_A$ α3 receptors, the Company anticipates that side effects compared to other well-known agents that activate all $GABA_A$ receptors, including sedation and cognitive impairments, are reduced.

Saniona has successfully completed a Phase 1 clinical trial with SAN711.[45] The study was a randomized, placebo-controlled Phase 1 clinical trial in 66 healthy male and female volunteers aged 18 to 65 years. The primary objective of the study was to determine the safety and tolerability of SAN711, which was evaluated through single ascending dose ("**SAD**") and multiple ascending dose ("**MAD**") phases of the study. The secondary objective was to measure binding to target receptors, which was assessed during a positron emission tomography (a type of imaging technique used to study the processes and function of various organs and areas of the body, "**PET**") evaluation phase of the study. The study was conducted at Hammersmith Medicines Research (HMR), London, United Kingdom while the PET part was conducted at Invicro, London, United Kingdom.

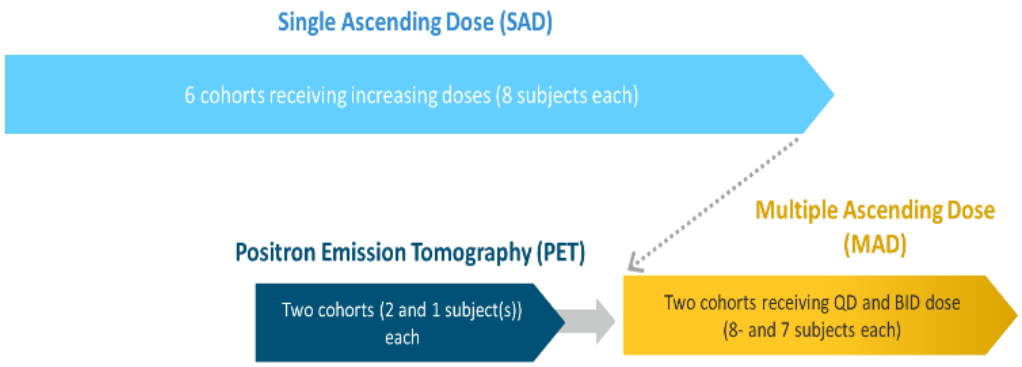

Figure 2. Illustration constructed by Saniona describing the process of Single-Ascending Dose (SAD) followed by Multiple Ascending Dose (MAD).

The Phase 1 trial demonstrated SAN711 to be safe and well tolerated across all dosing cohorts over a range of plasma concentrations corresponding to receptor occupancies ("**RO**") of 20 to 85 per cent. There were no discontinuations, no serious adverse events, and no dose limiting adverse effects. Adverse Effects of Special Interest (AESI) were few and mild in SAD

[38] Kessler SK, McGinnis E. A Practical Guide to Treatment of Childhood Absence Epilepsy. Paediatr Drugs. 2019.
[39] Glauser TA, Cnaan A, Shinnar S, Hirtz DG, Dlugos D, Masur D, Clark PO, Adamson PC; Childhood Absence Epilepsy Study Team. Ethosuximide, valproic acid, and lamotrigine in childhood absence epilepsy: initial monotherapy outcomes at 12 months. Epilepsia. 2013.
[40] Masur D, Shinnar S, Cnaan A, Shinnar RC, Clark P, Wang J, Weiss EF, Hirtz DG, Glauser TA; Childhood Absence Epilepsy Study Group. Pretreatment cognitive deficits and treatment effects on attention in childhood absence epilepsy. Neurology. 2013.
[41] Glauser TA, Cnaan A, Shinnar S, Hirtz DG, Dlugos D, Masur D, Clark PO, Adamson PC; Childhood Absence Epilepsy Study Team. Ethosuximide, valproic acid, and lamotrigine in childhood absence epilepsy: initial monotherapy outcomes at 12 months. Epilepsia. 2013.
[42] Pirker S, Schwarzer C, Wieselthaler A, Sieghart W, Sperk G. GABA(A) receptors: immunocytochemical distribution of 13 subunits in the adult rat brain. Neuroscience. 2000.
[43] Fritschy JM, Mohler H. $GABA_A$ -receptor heterogeneity in the adult rat brain: differential regional and cellular distribution of seven major subunits. J Comp Neurol. 1995.
[44] Meeren H, van Luijtelaar G, Lopes da Silva F, Coenen A. Evolving concepts on the pathophysiology of absence seizures: the cortical focus theory. Arch Neurol. 2005.
[45] https://mfn.se/one/a/saniona/saniona-reports-positive-top-line-results-from-the-san711-phase-1-clinical-trial-3148ba6f.

and in MAD with a low frequency over a 2-week dosing period with up to 28 dosings. There were no safety laboratory concerns, cardiovascular concerns or abnormal neurological examinations and no evidence of emergent cognitive deficits as assessed by Mini Mental State Examinations (MMSE), a test that measures a person's cognitive status.

PET results confirmed clear target engagement and supports the hypothesis that a pharmacologically active RO may be achieved at well tolerated doses of SAN711. SAN711 had a favorable absorption and distribution profile showing dose proportional increase in exposure and a mean half-life consistent with twice daily dosings.

In MAD cohort 2 mean minimal and maximal plasma exposure (C_{max} and mean C_{min}) at day 14 corresponded to a RO ranging from 50 to 72 per cent which covers the therapeutic range observed in several rat models. The superior tolerability of SAN711, as compared to non-selective benzodiazepines, agrees with the differentiated subtype selective profile of this asset.

Consequently, SAN711 shows clear differentiation in its side effect profile compared to classical, non-selective $GABA_A$ modulators of the benzodiazepine type, which are dose limited by sedation. Importantly, the PET study results provide clear guidance for the design of the Phase 2 studies with 0.8 mg/kg twice daily projected to be a well-tolerated dose.[46]

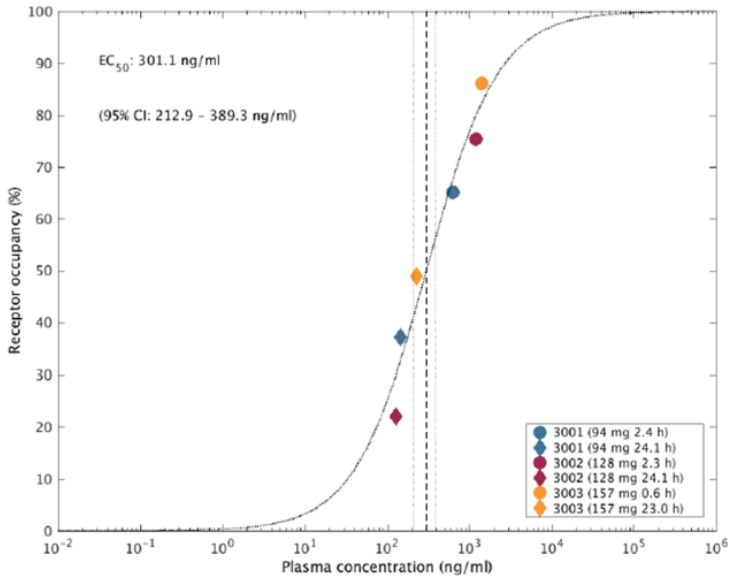

Figure 3. The results of the Phase 1 study showed that SAN711 was safe and well tolerated in all dose units over a range of plasma concentrations corresponding to receptor occupancy of 20 to 85 per cent.

SAN711 pharmacology and data in a specific disease model indicates its therapeutic potential in absence epilepsy and would constitute a precision approach by suppressing the root cause of the pathophysiology, the Spike-Wave-Discharges, without impairing cognition.

SAN711 demonstrates robust suppression of SWDs in a translatable rodent model for absence seizures

Saniona has generated preclinical data to demonstrate a strong suppression of SWDs in the GAERS rat model, which is the model of choice for testing novel anti-absence seizure medications as it recapitulates behavioural, electrophysiological, and pharmacological features of human absence seizures.[47] Peroral administration of SAN711 induced a highly statistically significant dose-related suppression of SWDs, with all doses tested significantly suppressing the total duration of discharges

[46] Further information is available at www.clinicaltrials.gov.
[47] https://synapcell.com/epileptic-disorders/generalized-epilepsy/.

as compared to vehicle treated rats (vehicle is a substance, usually fluid, used for dissolving the active pharmacological ingredient, possessing little or no medicinal action). For comparison, the standard of care, valproate was included.

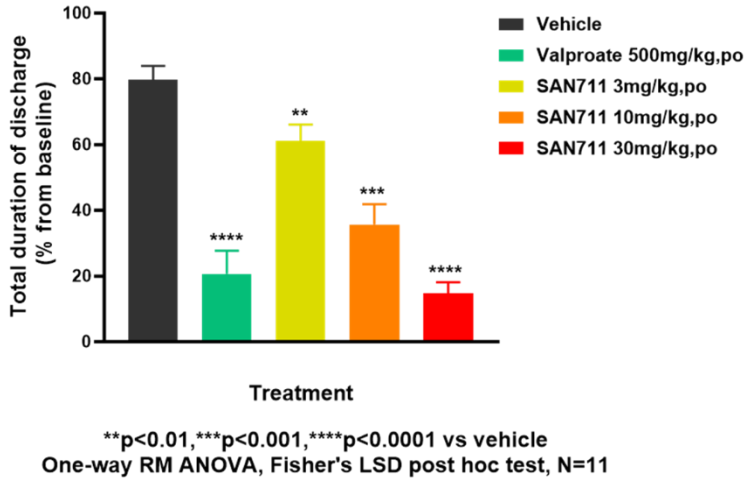

Figure 4. Data averaged between 70 and 190 minutes after administration and normalized for baseline values. The figure depicts the effect of SAN711 on total duration of SWDs presented as percentage from baseline, in the GAERS rats. SAN711 produced a statistically significant suppression of SWDs at all dose levels tested.

Besides absence seizures, the preclinical data package indicates substantial potential value for SAN711 in neuropathic pain exemplified by Trigeminal Neuralgia, Migraine, Neuropathic pruritus, and Essential tremor as well as sleep disorders.

SAN2219

First-in-Class Positive Allosteric Modulator of $GABA_A$ α2, α3, α5 receptors for treatment of acute repetitive seizures devoid of use limitations

SAN2219 is a subtype selective PAM of $GABA_A$ α2-, α3- and α5 containing receptors specifically designed to exert robust anti-seizure activity by dampening excessive neuronal activation broadly in the brain. The Company announced the selection of SAN2219 for advancement to preclinical development December 2022 and hence this represents the first preclinical development candidate from Saniona's $GABA_A$ α2/α3 PAM program.[48]

Most forms of epilepsy are considered to involve abnormalities of ion channels or synaptic function (to transmit nerve impulses between two nerve cells (neurons) or between a neuron and muscle cell) giving rise to Excitatory-to-Inhibitory (E/I) imbalance, whereby increased excitation or decreased inhibition favors a hyperexcitable state and an increased propensity for seizure generation and development of epilepsy. Positive modulation of $GABA_A$ α2- and α3 receptors are predicted to normalize the E/I imbalance and exert strong antiseizure activity while improved tolerability is anticipated due to lack of modulation at α1 containing receptors.

Acute repetitive seizures (ARS), or cluster seizures, is a bout or cluster of seizures over a short period of time, despite the patient being on maintenance antiseizure medication. There is no universally accepted definition of ARS, but seizure clusters are generally distinct from a patient's usual seizure patterns and are often defined as two to four seizures per < 48 hours, 3 seizures per 24 hours or three times the baseline seizure frequency.[49] Risk factors for experiencing episodes of seizure clusters includes multifocal epilepsy, symptomatic generalized epilepsy, frontal lobe epilepsy, and mesial temporal sclerosis, while known triggers includes sleep deprivation, stress, fever or illness, missing or changing antiseizure medications, alcohol, and menstruation in some patients.[50]

ARS occur in a subset of individuals with epilepsy with a reported prevalence ranging from 10 per cent to 50 per cent in some previous studies depending on the definition and study design.[51] In the absence of prompt and effective treatment, ARS can evolve into status epilepticus, a potentially life-threatening seizure emergency. Rescue medications are typically used to avert, arrest, or prevent seizures. Benzodiazepines formulated for fast onset of action using a variety of delivery devices, constitute first-line treatment for ARS.

[48] https://saniona.com/newsroom/single-press-release/?slug=saniona-selects-san2219-as-preclinical-candidate-for-epilepsy.
[49] Mesraoua B, Abou-Khalil B, Hosni Khodair R, Melikyan G, Al Hail H, Asadi-Pooya AA. Seizure clusters. J Drug Assess. 2021.
[50] Jafarpour S, Hirsch LJ, Gaínza-Lein M, Kellinghaus C, Detyniecki K. Seizure cluster: Definition, prevalence, consequences, and management. Seizure. 2019.
[51] Mesraoua B, Abou-Khalil B, Hosni Khodair R, Melikyan G, Al Hail H, Asadi-Pooya AA. Seizure clusters. J Drug Assess. 2021.

The use of benzodiazepines such as Nayzilam® (midazolam) and Valtoco® (diazepam) is restricted to maximally two doses per episode and treatment of no more than five episodes per month. This is due to the limitations associated with non-selective modulation of all $GABA_A$ receptors including α1 containing receptors, such as development of tolerance to seizure control, abuse liability, withdrawal symptoms and adverse events, like cognitive impairment and sedation.

Unlike benzodiazepines, SAN2219 does not have an impact on $GABA_A$ α1 containing receptors, and is thus expected to being devoid of sedation, motoric instability, abuse liability, and memory impairing effects that limits the use and tolerability of benzodiazepines.

SAN2219 demonstrates potent and robust effects in a variety of rodent seizure models:

Saniona has generated preclinical data on the effect of SAN2219 in several rodent models reflecting different types of seizures; the 6 Hz model of focal onset seizures, the PTZ threshold model for generalized tonic-clonic seizures, as well as the PTZ bolus model for generalized non-motor seizures (absence seizures). In each of the models, SAN2219 exerts potent and robust seizure control with minimal efficacious doses of 1 mg/kg, 0.3 mg/kg and less than (or equal to) 1 mg/kg respectively (Figure 5, 6 and 7).

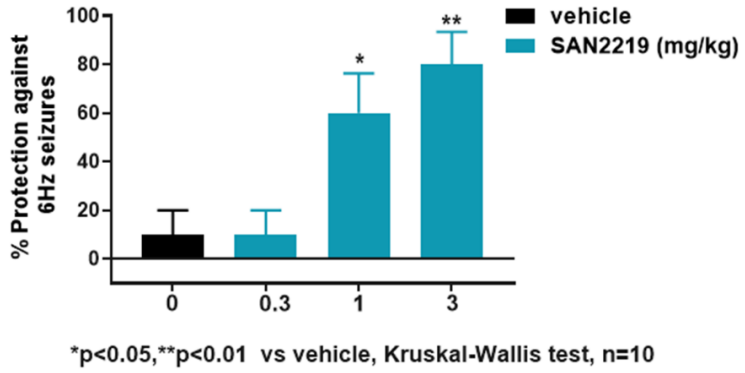

Figure 5. In the 6 Hz model, SAN2219 demonstrated a potent dose-related seizure protection with a minimal efficacious dose of 1 mg/kg

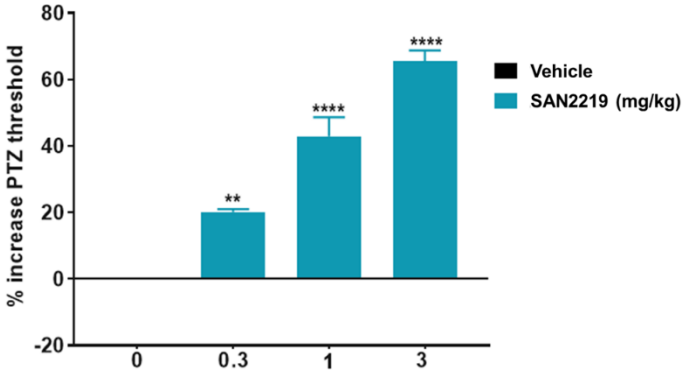

Figure 6. In the PTZ threshold test, SAN2219 significantly increased the threshold for induction of generalized motor seizures with a minimal effective dose of 0.3 mg/kg and an increase of the threshold to 69 per cent by the highest dose tested (3 mg/kg).

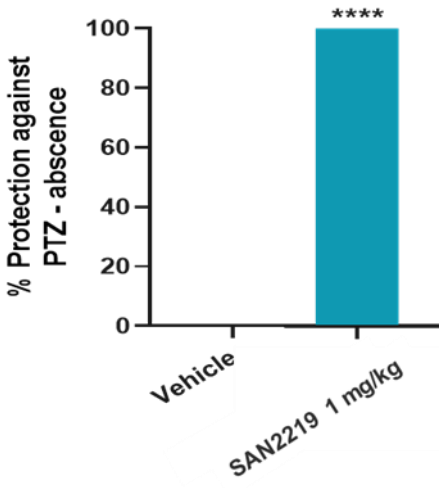

Figure 7. In the PTZ bolus test for generalized non-motor seizures (absence seizures), 1 mg/kg of SAN2219 resulted in a full protection.

SAN2219 is not sedative in standard rodent model assessing sedation

Saniona has shown in a standard rodent model for assessment of sedation, the exploratory locomotor activity test (Figure 8), that SAN2219 does not affect normal rats' ability to explore a novel environment up to doses fully occupying the GABA receptors (0.3, 1, 3 mg/kg, dosed perorally). In comparison, peroral administration of the non-selective benzodiazepine, diazepam significantly reduces the distance travelled in a novel environment due to sedation.

The data indicate that the differentiated profile of SAN2219, as anticipated, is devoid of the dose-limiting sedative effects experienced by the non-selective GABA PAMs such as the benzodiazepines.

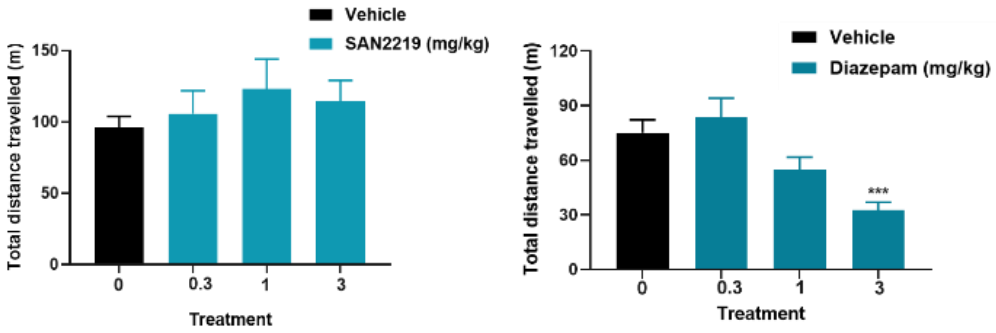

Figure 8. Depicts the effects of SAN711 on distance travelled in the exploratory locomotor activity test. SAN711 does not affect the distance travelled as compared to vehicle treated rats. This contrasts with diazepam, where there is seen a dose-related reduction in the total distance travelled due to sedation.

SAN2355

Subtype selective Kv7.2/Kv7.3 activators for treatment resistant focal onset seizures

SAN2355 was selected for advancement to preclinical development in December 2023 and thus represents the first preclinical development candidate from the Saniona Kv7 program. SAN2355 is a subtype selective Kv7.2/Kv7.3 activator, see Figure 9. SAN2355 is active in the mouse maximal electroshock threshold model (MEST), see Figure 10.

Competitive profile of SAN2355

SAN2355 has a clearly differentiated profile compared to reference compounds, retigabine and XEN1101, since it is subtype selective and belongs to a different chemical series than these two molecules. This means a reduced risk of inducing urinary retention, probably reduced CNS side-effects, and no issue with chemical instability, which eventually led to the withdrawal of retigabine from the market. Furthermore, since the dose-projection to humans indicates one daily dosing of 50 mg, the lead compound is more potent than retigabine (600-900 mg, three times daily) and on par with XEN1101 (20 mg once daily).

Kv7 channels

Kv7 channels are a family of voltage-dependent potassium channels which control the generation of nerve-impulses in neurons of the CNS, and the contraction of muscle cells in heart-, blood vessel-, and bladder tissues.52 There are five subtypes of Kv7 channels (Kv7.1 to Kv7.5) which can either form functional channels consisting of the same subtype or of different subtypes. Scientific literature shows that Kv7 channels consisting of Kv7.2 and Kv7.3 (Kv7.2/Kv7.3 channels) are the major Kv7 channels in CNS neurons and the target for anti-epileptic treatment (see below).

Kv7.1 is expressed in the heart muscle cells, whereas Kv7.4 is broadly expressed in many non-CNS tissues, including the smooth muscle in blood vessels and bladder. Kv7.5 is also expressed quite broadly, including CNS neurons, but with different distribution and functional role than Kv7.2/Kv7.3.

The Kv7.2/Kv7.3 ion channel is a voltage-gated ion channel which is activated during periods of strong neuronal activity, where it reestablishes the membrane potential to the resting state by mediating a selective outward flux of potassium ions. When Kv7.2/ Kv7.3 ion channel activity is facilitated by Saniona's lead compound for treatment of epilepsy, these channels revert the epileptic activity of neurons and prevent new attacks to occur.

Kv7 activators as targets for treatment-resistant focal onset epilepsy

Kv7 channels are clinically validated targets for epilepsy. In 2010, the company GSK (Glaxo Smith Kline PLC) launched retigabine for treatment-resistant focal onset seizures based on convincing Phase 3 studies.[53] Retigabine is a non-selective activator of Kv7.2-Kv7.5 and based on adverse findings under the clinical phases the product was used under a Risk Evaluation Mitigation Strategy (REMS) program for urinary retention (a potentially life-threatening condition). Due to reports of discoloration of skin and retina with long-term use in patients, in 2013 retigabine furthermore received a black-box warning from the FDA.[54] The drug was finally withdrawn from the market in 2017 for commercial reasons. Whereas the urinary retention issue was related to bladder Kv7 channels, the skin problem was due to chemical instability of the chemical class that retigabine belongs to. Xenon Pharmaceuticals reported positive Phase 2 data with XEN1101- a potent analogue of retigabine – in 2022 and is currently conducting a Phase 3 study with the compound in focal onset epilepsy patients.[55] Just as retigabine, XEN1101 is unselective among the Kv7.2-Kv7.5 subtypes and the Phase 2 data suggests that the urinary retention problem persists as does also the retigabine-like CNS adverse effects that caused a high drop-out rate from the study.[56]

Alternative/secondary indication for SAN2355

In accordance with the clinical validation for epilepsy, it is known that loss-of-function mutations in the genes for Kv7.2 and Kv7.3 cause a spectrum of child epilepsies, ranging from self-limited familial forms to spontaneously occurring severe Developmental Epileptic Encephalopathies (DEE).[57] In fact, Kv7.2 mutations are the second most frequent cause of genetic epilepsies, only surpassed by Dravet´s syndrome. Several investigator-driven clinical studies with retigabine have shown positive response in both epilepsy and developmental aspects, but also consistently reported urinary retention as side effect.[58] Under the name XEN-496 Xenon Pharmaceuticals developed retigabine for this patient group but stopped the Phase 2 study in the spring 2023 for undisclosed reasons.[59] In contrast to Kv7.2 and Kv7.3, mutations in Kv7.4 never give epilepsy and there are very few reports on Kv7.5 and epilepsy.

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[52] Blackburn-Munro G, Dalby-Brown W, Mirza NR, Mikkelsen JD, Blackburn-Munro RE. Retigabine: chemical synthesis to clinical application. CNS Drug Rev. 2005.
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[54] Clark S, Antell A, Kaufman K. New antiepileptic medication linked to blue discoloration of the skin and eyes. Ther Adv Drug Saf. 2015 Feb;6(1):15-9. doi: 10.1177/2042098614560736. PMID: 25642319; PMCID: PMC4308410.
[55] Study Details | A Randomized Study of XEN1101 Versus Placebo in Focal-Onset Seizures (X-TOLE3) | ClinicalTrials.gov.
[56] French JA, Porter RJ, Perucca E, Brodie MJ, Rogawski MA, Pimstone S, Aycardi E, Harden C, Qian J, Luzon Rosenblut C, Kenney C, Beatch GN. Efficacy and Safety of XEN1101, a Novel Potassium Channel Opener, in Adults With Focal Epilepsy: A Phase 2b Randomized Clinical Trial. JAMA Neurol. 2023.
[57] Nappi P, Miceli F, Soldovieri MV, Ambrosino P, Barrese V, Taglialatela M. Epileptic channelopathies caused by neuronal Kv7 (KCNQ) channel dysfunction. Pflugers Arch. 2020.
[58] Knight D, Mahida S, Kelly M, Poduri A, Olson HE. Ezogabine impacts seizures and development in patients with KCNQ2 developmental and epileptic encephalopathy. Epilepsia. 2023.
[59] https://investor.xenon-pharma.com/news-releases/news-release-details/xenon-pharmaceuticals-reports-first-quarter-2023-financial.

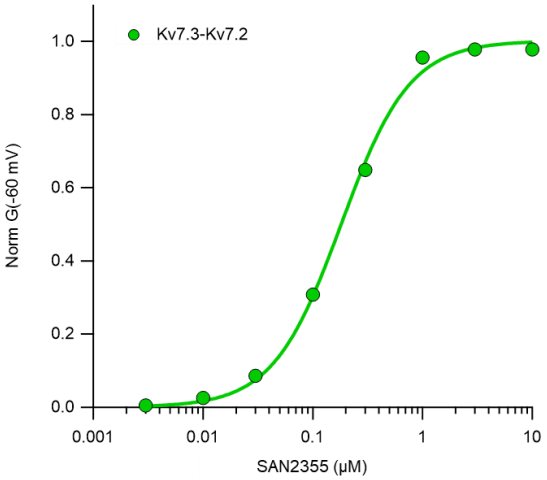

Figure 9. Concentration-responses of SAN2355 on Kv7.2/Kv7.3 (green graph). Patch-clamp (an electrophysiological tool for understanding ion channel behaviour) measurements of cloned and expressed Kv7.2/Kv7.3 channels.

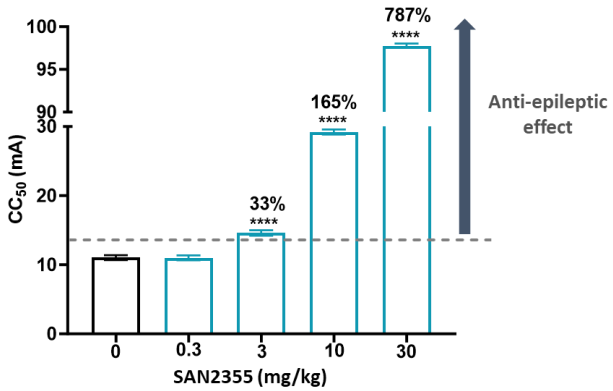

Figure 10. Oral dose-response of SAN2355 in the mouse MEST epilepsy model shows potent and effective anti-seizure activity.

SANIONA'S NON-EPILEPSY PIPELINE

Tesofensine

Saniona's partner Medix has completed a successful Phase 3 study and submitted a new drug application to the Mexican food and drug administration, COFEPRIS, for approval of tesofensine for the treatment of patients with obesity.[60] In February 2023, COFEPRIS' technical committee expressed a favorable opinion on tesofensine for treatment of obesity. This non-binding technical opinion is issued as one of the steps in the process of reviewing new molecules. 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 from the Phase 3 trial.

Tesofensine is a novel molecule developed in the labs of Saniona's founding scientists. It is a monoamine reuptake inhibitor that modulates brain activity by increasing the levels of three neurotransmitters – dopamine, serotonin, and noradrenaline – which are each intimately involved in regulating appetite, food-seeking behavior, and metabolism. At the therapeutic dose, the effect of increasing the level of the three neurotransmitters in relation to treatment of obesity are set out below.

- **Dopamine**: neurotransmitter that plays an integral role in the reward system, a group of brain processes that control motivation, desire and food cravings;
- **Serotonin**: neurotransmitter that can influence a range of physical and psychological functions including appetite and eating behaviour;

[60] https://mfn.se/a/saniona/sanionas-partner-medix-receives-favorable-opinion-for-tesofensine-for-the-treatment-of-obesity-and-weight-management-in-mexico.

- **Noradrenaline**: neurotransmitter involved in the “fight or flight” response resulting in an increased metabolic fat burn.

Tesofensine was originally in development as a treatment for neurodegenerative disorders, but it was found to substantially reduce weight in obese clinical study participants. The weight reducing effect of tesofensine was subsequently confirmed in a six-month Phase 2 clinical trial in patients with obesity (the TIPO-1 trial), which showed that tesofensine induced reductions in body weight at a magnitude that has the potential to meet benchmarks set by the FDA. Figure 11 below demonstrates the per cent change in body eight from the Phase 2 TIPO-1 trial in adult patients with obesity.

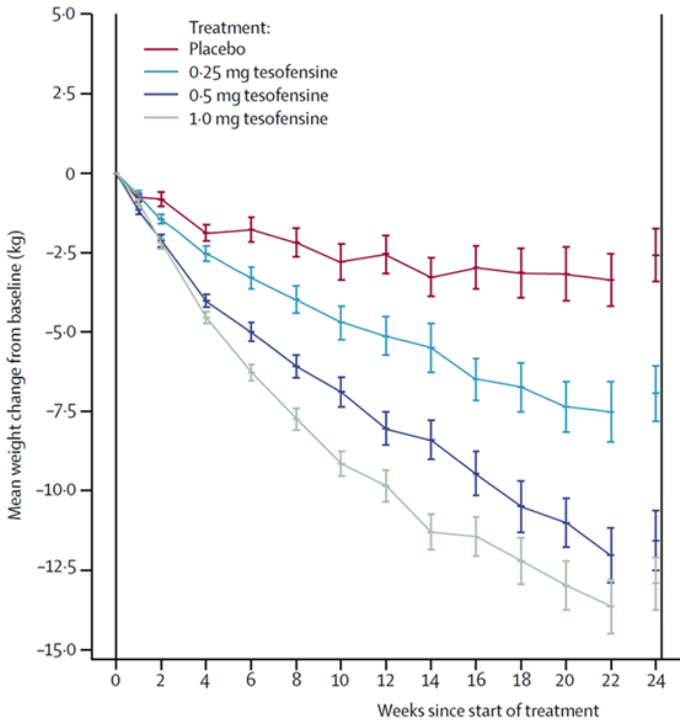

Figure 11. Illustration of the results from Saniona’s Phase 2 study TIPO-1 showing the mean weight change from baseline.

The Phase 2 TIPO-1 trial in adult patients with obesity indicates that tesofensine at the expected recommended dose of 0.50 mg per day provides a weight loss of 10 per cent or more in 24 weeks, which is in the same ballpark of some of the best GLP-1 analogs (a hormone that helps maintain normal blood sugar levels). As opposed to the GLP-1 analogs, tesofensine is provided in tablets and will not require titration (gradually increased dose).

Saniona’s partner Medix` Phase 3 program was a 24-week, randomized, double-blinded, placebo-controlled, three-armed, parallel, longitudinal trial comparing the efficacy and safety of two dose levels of once-daily oral tesofensine compared to placebo in people with obesity treated with diet and exercise only. 372 patients were enrolled in the Phase 3 study and randomized 1:1:1 to receive either a dose of oral tesofensine (0.25 and 0.50 mg) or placebo once daily. The study’s primary endpoint was the average percentage and absolute change in body weight compared to placebo. Secondary endpoints included the percentage of patients achieving weight loss of at least 5 per cent and 10 per cent of baseline body weight.

The Phase 3 study confirmed the compelling efficacy and favorable safety profile of tesofensine in obesity previously observed in the Phase 2 trial. At the 0.50 mg dose patients obtained about 10 per cent average weight loss in 24 weeks, more than half of patients experienced a weight loss of more than ten per cent and statistically significant reduction in key obesity-related risk factors were observed.

Two populations were used for statistical analysis, the intent-to-treat population with the last observation carried forward (ITT-LOCF) and the completers population. The trial achieved its primary objective by demonstrating significant and superior weight loss for both doses of tesofensine compared to placebo in both tested populations (ITT-LOCF: $p<0.001$, Completers: $p<0.001$).

At week 24, both treatment groups obtained highly statistically and clinically significant reductions on all major efficacy endpoints compared to placebo including average percentage and absolute change in body weight, reduction in BMI and the proportion of patients achieving weight loss of at least 5 per cent and 10 per cent of baseline body weight.

Statistically and clinically significant reductions in obesity-related risk factors were also observed in tesofensine-treated participants compared with those receiving placebo including, waist circumference, hip circumference, body fat, visceral fat, very-low-density lipoprotein (bad cholesterol), triglycerides, and insulin.

In general, tesofensine was very well tolerated with low incidence of adverse events and very similar to placebo. A similar pattern was observed when measuring cardiovascular effects, with a low but statically significant increase in heart rate and no significant effect on blood pressure at any of the doses tested.

Following this study, the combined clinical safety data base from more than 20 clinical trials with tesofensine contains approximately 1,600 patients exposed to relevant therapeutic doses for up to one year, providing a robust safety data set to support filings in Mexico and Argentina and potentially in other geographies, as well as the further development of tesofensine in rare eating disorders.

Tesomet™

Tesomet is a novel, potentially first-in-class, once-daily oral investigational therapy for the treatment of hypothalamic obesity (HO) and Prader-Willi syndrome (PWS).

The Company holds exclusive worldwide rights to Tesomet but is actively exploring partnership options, including worldwide partnerships. Saniona has in parallel explored an alternative development plan for Tesomet in HO, which potentially could be financed by Saniona. This work requires further analysis and interactions with regulators and will not be finalized before additional financing has been secured.

Tesomet is a fixed-dose combination of two active ingredients: tesofensine and metoprolol. Tesofensine is a monoamine reuptake inhibitor that modulates brain activity by increasing the levels of three neurotransmitters – dopamine, serotonin, and noradrenaline – which are each intimately involved in regulating appetite, food-seeking behavior, and metabolism. Metoprolol is a cardio-selective β1 receptor blocker historically used to treat a number of cardiovascular conditions and which has been approved for use in the United States since 1978.

Following discussions with the FDA on the proposed regulatory path for Tesomet in HO and PWS, the FDA confirmed that Tesomet may be advanced via the 505(b)(2)[61] pathway for the treatment of HO and PWS. The FDA has granted orphan drug designation to Tesomet for the treatment of HO and PWS, respectively.

Saniona sees significant value in Tesomet. Saniona believes that the initial Phase 2 data supports further development of Tesomet in both indications. The Company initiated Phase 2b studies in 2021, which was put on hold and subsequently closed in 2022 due to lack of funding.

Hypothalamic obesity (HO)

HO is a rare neuroendocrine disorder most frequently caused by damage to the hypothalamus during the removal of a craniopharyngioma (CP), a rare, non-cancerous central nervous system tumor. The number of patients with HO is estimated to be as high as 25,000 in the United States and 40,000 in Europe.[62,63,64] Currently, there are no FDA-approved treatments for HO and there is no cure for this disorder.

Saniona has completed a Phase 2 clinical trial of Tesomet for the treatment of HO.[65] This trial was a single-center, 24-week, randomized, double-blind, placebo-controlled trial with an optional 24-week Open Label Extension (OLE). A total of 21 adult patients, 13 of whom were randomized to Tesomet and eight to placebo, were included within the protocol-specified modified intent-to-treat analysis pertaining to the double-blind period. The primary endpoint of the study was to establish the overall safety and tolerability of Tesomet in patients with HO, which was achieved. Several secondary endpoints relating to efficacy were also achieved. Double-blind treatment with Tesomet for 24 weeks resulted in statistically significant placebo-adjusted weight loss of 6.28 per cent ($p<0.0169$) and a mean reduction in waist circumference of 5.68 cm or 5.00 per cent. In the 24-week OLE, Tesomet continued to demonstrate persistent improvements in body weight and waist circumference.

Prader-Willis Syndrome (PWS)

PWS is a rare, genetic, complex, multisystem disorder that is the most common genetic cause of childhood obesity globally. The number of patients with PWS is estimated to be as high as 34,000 in the United States and 50,000 in Europe.[66,67] The

[61] Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act, or FDCA, permits the submission of a New Drug Application (NDA) where at least some of the information required for approval comes from preclinical studies or clinical trials not conducted by or for the applicant and for which the applicant has not obtained a right of reference, according to which an applicant can rely on and otherwise use an examination in order to obtain approval of an application.
[62] Bunin et al. The descriptive epidemiology of craniopharyngioma. J Neurosurg, 89 547-551 (1998).
[63] Zacharia et al. Incidence, treatment and survival of patients with craniopharyngioma in the surveillance, epidemiology and end results program. Neuro-Oncology, 14 1070-1078. (2012).
[64] NIH GARD: rarediseases.info.nih.gov/diseases/6463/hypothalamic-obesity.
[65] https://mfn.se/one/a/saniona/saniona-rapporterar-positiva-topline-resultat-fran-den-oppna-forlangningen-av-fas-2-studien-med-tesomet-mot-hypotalamisk-fetma-47fb15f6.
[66] Manzardo et al. Survival trends from the Prader–Willi Syndrome Association (USA) 40-year mortality survey, Genet Med 20, 24–30 (2018).
[67] National organization of Rare Diseases: rarediseases.org/rare-diseases/prader-willi-syndrome.

only FDA-approved treatment currently available for PWS is growth hormone therapy; however, growth hormone therapy does not reduce the hyperphagia symptoms (symptoms of exaggerated hunger) experienced by these patients.

Saniona has completed a Phase 2 clinical trial of Tesomet for the treatment of PWS.[68] This trial was a two-center, randomized, double-blind, placebo-controlled trial. Nine adults and nine adolescents were treated daily with Tesomet or placebo for three months for the double-blind portion of the trial, with two open-label three-month extensions, referred to as OLE1 and OLE2, for adolescent patients. The primary endpoint was change in body weight; secondary objectives included hyperphagia, body composition, lipids, and other metabolic parameters. The adult patients receiving Tesomet achieved a 5.4 per cent reduction in body weight, which is notable in the small patient population, and a statistically significant 8.1 point reduction in hyperphagia as measured by the Hyperphagia Questionnaire for Clinical Trials (HQ-CT), a caregiver questionnaire that is the generally accepted standard for evaluating hyperphagia in patients with PWS. In adolescents, upon the dose increase of Tesomet from 0.125 mg to 0.25 mg during the OLE2 portion of the trial, Tesomet-treated patients experienced a decrease in body weight and a further reduction in hyperphagia as measured by the HQ-CT questionnaire.

SAN903: A potential first-in-class inhibitor of KCa3.1 for treatment of Inflammatory Bowel Diseases (IBD)

SAN903 is a potential first-in-class KCa3.1 inhibitor[69] for independent treatment of inflammation and fibrotic complications in inflammatory bowel diseases (IBD), such as Crohns disease and colitis. Crohns disease is characterized by inflammation and fibrosis of the entire gastrointestinal tract, whereas colitis is restricted to the colon.

It is estimated that approximately 2.5 million patients are diagnosed with IBD (1 million colitis and 1.5 million Crohns patients) in the industrialized world (USA, Japan, five major EU countries).[70] The incidences are increasing, especially in newly industrialized countries, possibly related to changes in lifestyle.

Currently used anti-IBD drugs are anti-inflammatory, generally immune dampening, or biological single cytokine/integrine neutralizing agents. Despite this plethora of options and carefully optimized clinical procedures, patients still face rounds of gut-shortening surgeries (many Crohns patients experience at least one surgery in their lifetime), and colitis patients may develop proctitis (inflammation of the anus and the lining of the rectum) after colectomy. Suboptimal medical disease control with respect to maintaining long-term remission, to fight flare ups, and especially avoiding development of irreversible structural changes due to irresolvable gut fibrosis, represents a serious unmet need for IBD patients.[71]

SAN903 has shown potent anti-inflammatory effects in a sub-chronic rodent model of IBD and anti-fibrotic activity in standard rodent models focusing on lung and kidney fibrosis (see Figure 12 and 13). The SAN903 data are supported by multiple independent scientific studies (see *About KCa3.1 in IBD* below).

Therefore, SAN903 inhibition of KCa3.1 on both immune cells and fibroblasts is hypothesized to be effective in the dampening of both inflammatory episodes and chronic symptoms associated with fibrosis in IBD patients.

Preclinical development of SAN903

SAN903 is ready for Phase 1 studies following the successful completion of the preclinical development phase. Saniona has prepared a clinical protocol for Phase 1 clinical studies and is in the process of preparing a Clinical Trial Application (CTA) for submission to the European Medicines Agency (EMA).

About KCa3.1 in IBD

KCa3.1 is a calcium activated potassium channel that is expressed on immune cells where it´s activation is an important mechanism driving the activation of T-cells and macrophages that leads to acute inflammatory flare-up episodes in patients.[72] KCa3.1 is also expressed on fibroblasts, the cell type that produces collagen, the main protein in connective tissue.[73] In IBD patients the inflammatory processes damage the gut tissue, which subsequently heals-up supported by activation of fibroblasts. Unfortunately, the repeated disease-healing episodes gradually lead to incomplete recovery, excessive deposition of collagen and malfunctioning connective tissue (fibrosis), which may result in strictures and gut adhesions to other organs.[74] This condition severely impacts the normal physiology of the intestine and eventually leads to a life-threatening intestinal block, which requires surgical intervention. Multiple scientific studies demonstrate the critical role of KCa3.1 in immune cells

[68] https://www.fpwr.org/blog/saniona-reports-positive-tesomet-phase-2a-clinical-results-in-adolescent-patients-with-prader-willi-syndrome.
[69] For description of KCa3.1, see below under section "*About KCa3.1 in IBD*".
[70] Ng SC, Shi HY, Hamidi N, Underwood FE, Tang W, Benchimol EI, Panaccione R, Ghosh S, Wu JCY, Chan FKL, Sung JJY, Kaplan GG. Worldwide incidence and prevalence of inflammatory bowel disease in the 21st century: a systematic review of population-based studies. Lancet. 2017.
[71] Zhu Y, Johnson LA, Huang Z, Rubin JM, Yuan J, Lei H, Ni J, Wang X, Higgins PDR, Xu G. Identifying intestinal fibrosis and inflammation by spectroscopic photoacoustic imaging: an animal study in vivo. Biomed Opt Express. 2018.
[72] Strøbæk D, Brown DT, Jenkins DP, Chen YJ, Coleman N, Ando Y, Chiu P, Jørgensen S, Demnitz J, Wulff H, Christophersen P. NS6180, a new K(Ca) 3.1 channel inhibitor prevents T-cell activation and inflammation in a rat model of inflammatory bowel disease. Br J Pharmacol. 2013.
[73] Cruse G, Singh SR, Duffy SM, Doe C, Saunders R, Brightling CE, Bradding P. Functional KCa3.1 K+ channels are required for human fibrocyte migration. J Allergy Clin Immunol. 2011.
[74] Andoh A, Nishida A. Molecular Basis of Intestinal Fibrosis in Inflammatory Bowel Disease. Inflamm Intest Dis. 2022.

and fibroblast activation. Further scientific studies using animal models of IBD show that both selective genetic knock-down of KCa3.1 and specific pharmacological inhibition eliminate intestinal inflammation. Clinically, KCa3.1 has been shown to be upregulated in gut tissues of both Crohns – and colitis patients[75]; and a large study following Crohns patients showed a genetic association between variations in the KCa3.1 gene and the disease.[76]

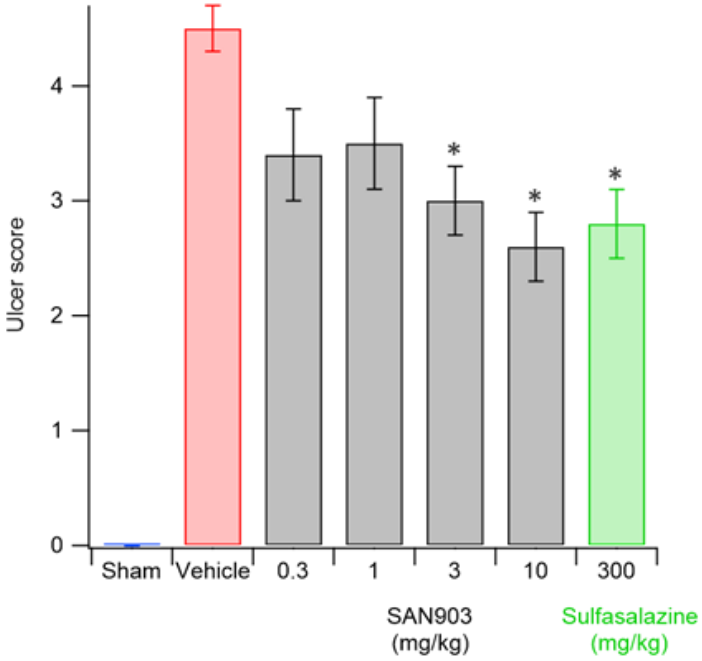

Figure 12: Intestinal ulcers formation in a rat model of IBD showing the dampening effect SAN903 dosed twice daily with increasing doses. Sulfasalazine – a standard-of-care medicine for IBD maintenance treatment – is shown as assay control.

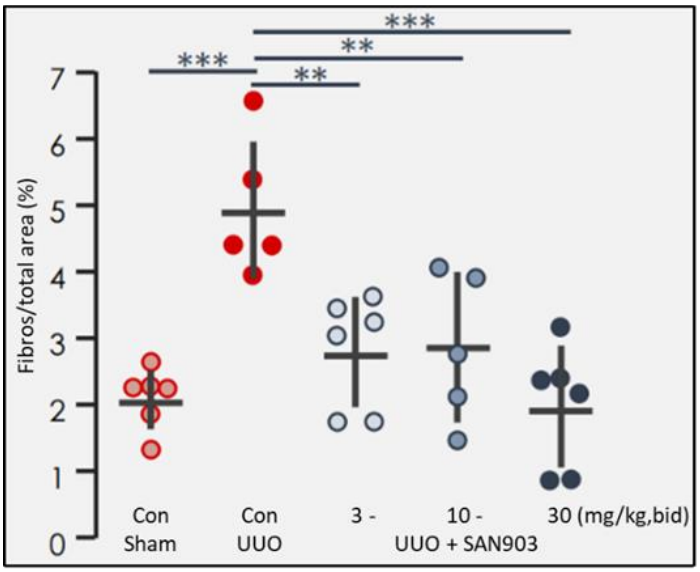

Figure 13: Fibrosis formation in the UUO (Unilateral Ureteral Obstruction) mouse model of kidney fibrosis (chronic kidney disease model) dosed twice daily with increasing doses (3, 10, and 30 mg/kg) of SAN903 demonstrating significant inhibition of kidney fibrosis.

[75] Zundler S, Caioni M, Müller M, Strauch U, Kunst C, Woelfel G. K+ Channel Inhibition Differentially Regulates Migration of Intestinal Epithelial Cells in Inflamed vs. Non-Inflamed Conditions in a PI3K/Akt-Mediated Manner. PLoS One. 2016.
[76] Simms LA, Doecke JD, Roberts RL, Fowler EV, Zhao ZZ, McGuckin MA, Huang N, Hayward NK, Webb PM, Whiteman DC, Cavanaugh JA, McCallum R, Florin TH, Barclay ML, Gearry RB, Merriman TR, Montgomery GW, Radford-Smith GL. KCNN4 gene variant is associated with ileal Crohn's Disease in the Australian and New Zealand population. Am J Gastroenterol. 2010.

SAN2465: a potential first-in-class selective $GABA_A$ α5 (negative allosteric modulator) positioned for treatment of major depressive disorders

SAN2465 is a potent and selective negative allosteric modulator (NAM) of $GABA_A$ α5 containing receptors. SAN2465 was selected as clinical candidate in January 2024, and is now ready for preclinical development as a rapid-acting antidepressant for collaboration with a partner.[77]

Depressive disorders affect 280 million people globally and stand as the leading cause of disability.[78] Current conventional treatment relies on modulation of the monoaminergic system such as selective serotonin reuptake inhibitors, monoamine oxidase inhibitors and tricyclic antidepressants. However, existing conventional therapies exhibit delayed clinical responses, low remission rates, and a substantial portion of patients (more than 30 per cent) do not respond adequately, leading to treatment resistant depression.[79] In 2019, the FDA approved esketamine (Spravato™), the first prescription NMDA-antagonist-based fast-acting antidepressant. However, esketamine is associated with significant risks, including sedation, dissociation, respiratory depression, and abuse and misuse. Therefore, use of esketamine is restricted by a Risk Evaluation and Mitigation Strategy (REMS) Program.[80] Because of the risk associated with esketamine, there is a significant medical need for improved safe treatment options with rapid-onset and clinical response devoid of the use limitations associated with NMDA-antagonists, in the large population of treatment-resistant patients.

SAN2465 has been tested in the chronic mild stress model of depression, which is widely acknowledged as the most valid animal model of depression with translational potential to human disease.[81] Results indicate that a single oral treatment of SAN2465, administered 24 and 48 hours before testing, effectively reverses depressive-like symptoms, as assessed by stress-induced reduction of sucrose intake. Furthermore, SAN2465 reverses the anxiogenic-like behaviors and cognitive impairments induced by stress after a single oral treatment administered 48 hours and 72 hours before testing, respectively. Importantly, the onset and robustness of the effects are comparable to the NMDA-antagonist ketamine, suggesting that SAN2465 may induce rapid antidepressant effects like those observed with esketamine (Spravato™), which has demonstrated clinical response within hours after the first dose in patients.[82,83]

The mode of action of ketamine (and by inference, esketamine), is believed to be a preferential inhibition of NMDA receptors localized on GABAergic interneurons. This results in disinhibition of the principal neurons, increased glutamate transmission, and triggering of several activity dependent processes, such as LTP and increased expression of Immediate Early Genes. These neuroplastic changes in the reward circuitry ultimately leads to the rapid and sustained resolution of depressive signs and symptoms.[84] $GABA_A$ α5 receptors are localized directedly on the principal neurons and a $GABA_A$ α5 NAM will reduce the inhibition of the principal neurons directly resulting in comparable neuroplastic changes in the reward circuitry and fast-onset resolution of anhedonia.[85,86] Importantly, unlike NMDA receptor blockade with esketamine, negative modulation of $GABA_A$ α5 receptors is not anticipated to lead to significant adverse effects, as the expression of these receptors is more localized and mainly restricted to limbic areas.[87,88]

Consequently, this innovative approach for the treatment of major depressive disorder differs substantially from conventional antidepressant drugs in its mechanism of action, and it has the potential to become a first-in-class rapid-acting antidepressant without the significant adverse effects associated with esketamine.

COLLABORATIONS, LICENSING AND SPINOUTS

According to the Company, Saniona has been a pioneer in ion channel drug discovery and development since the Company's founding in 2011. Saniona's research has formed the basis of many research and collaboration agreements with global pharmaceutical companies, among others. Saniona has also spun-out technological innovations to separate entities, some of which have been acquired by global pharmaceutical companies. Furthermore, Saniona has licensed technology to third parties for further development in certain defined markets. These arrangements, which Saniona believes validate their science, include the following:

[77] https://saniona.com/newsroom/single-press-release/?slug=saniona-advances-san2465-as-a-novel-rapid-onset-clinical-candidate-for-major-depressive-disorder.
[78] World Health Organization, WHO. Depression. Geneva: World Health Organization, 2021.
[79] Zhdanava M et al., JclinPsychiat., 2021.
[80] https://www.spravato.com/.
[81] Willner P, Neurobiol. Stress, 2017.
[82] Ionescu D.F et al., Int. J. Neuropsychopharmacol., 2021.
[83] Zarate C.A et al., Arch. Gen. Psychiat., 2006.
[84] Fischell J. Et al., Neuropsychopharmacol. 2016.
[85] Zanos P et al., eNeuro 2017.
[86] Zanos P et al., J. Neurosci. 2023.
[87] Sur C et al., Brain Res., 1999.
[88] Atack J, Pharmacol. Therapeutics, 2010.

- **Medix**: In February 2016, Saniona entered into a license and collaboration agreement with Productos Medix S.A. de C.V., or Medix, a Mexican pharmaceutical company, for rights to develop and commercialize tesofensine and/or Tesomet in Mexico and Argentina for the treatment of general obesity. Under the agreement, Saniona is eligible to receive milestone payments of up to MUSD 2 related to the achievement of prespecified regulatory milestones, as well as royalties based on commercial sales of tesofensine in Mexico and Argentina. In December 2019, Medix submitted a new drug application to COFEPRIS seeking tesofensine approval for the treatment of obesity in Mexico. In February 2023, COFEPRIS' technical committee on new molecules has expressed a favorable opinion on tesofensine for treatment of obesity. The non-binding technical opinion is issued as one of the steps in the process of reviewing new molecules. Saniona holds worldwide rights, exclusive of Mexico and Argentina, to tesofensine.
- **Boehringer Ingelheim**: In April 2020, Saniona entered into a research and collaboration agreement with Boehringer Ingelheim GmbH to identify and develop innovative new treatment options for patients with schizophrenia, leveraging Saniona's ion channel drug discovery engine. All potential programs under this research and collaboration agreement are currently still in the drug discovery phase. Saniona is eligible to receive up to MEUR 76.5 in aggregate commercial and development milestone payments as well as royalties on worldwide net sales of resulting products between the date of first sale of any such product and the later of (a) the expiration of the valid patent or patent application for the product or (b) the tenth anniversary of the date of first sale in the applicable country. In addition to the above, Saniona had a prior research and collaboration agreement with Boehringer Ingelheim during 2016 until 2020.
- **AstronauTx**: On July 14, 2023, Saniona entered into an agreement with AstronauTx Limited for a research collaboration in Alzheimer's disease. The objective of the collaboration is to identify novel treatments for Alzheimer's disease and other neurodegenerative conditions by modulating a novel ion channel target. Under the terms of the agreement, Saniona may receive up to SEK 1.9 billion (MUSD 177) in milestone payments and royalties on the global net sales of the products resulting from the collaboration. AstronauTx has the right to obtain exclusive worldwide rights to the research, development, manufacturing and commercialization of drugs identified through the collaboration.

  Novartis AG: In July 2013, Saniona and Atlas Ventures co-founded a company, Ataxion Therapeutics, with the objective of developing Saniona's KCa2 channel modulator program leading to the discovery of novel series of chemical compounds including CAD-1883. CAD-1883 is a Phase 2 potentially first-in-class selective positive allosteric modulator of KCa2 channels for movement disorders. In 2017, Ataxion merged with Luc Therapeutics, which later became Cadent Therapeutics, and which was acquired in January 2021 by Novartis for MUSD 210 upfront and up to MUSD 560 in milestone payments. In the first quarter of 2021, Saniona received a MUSD 2.9 upfront payment associated with the acquisition and is eligible to receive additional royalties on sales of any potential products developed and commercialized from the KCa2 ion channel program, including CAD-1883.
- **Cephagenix**: In February 2020, Saniona co-founded Cephagenix ApS, a new company to identify and develop novel migraine treatments based on Saniona's ion channel competence and CNS technology platform, together with Jes Olesen, a global key opinion leader within migraine research. Saniona agreed to provide research services to Cephagenix and converted part of the receivable into an equity stake in Cephagenix. As of the date of this Prospetus, Saniona holds approximately 33 per cent of Cephagenix.
- **Initiator Pharma**: In May 2016, Saniona participated in the formation of Initiator Pharma A/S, or Initiator, a company focused on developing three monoamine compounds for the treatment of erectile dysfunction, and in October 2016, Saniona did a pro rata distribution of Initiator shares to Saniona's shareholders. Initiator successfully listed on the Stockholm stock exchange in the first quarter of 2017. In 2018, Saniona transferred and assigned rights and title to certain patents to Initiator in exchange for potential future royalties based on annual net sales which vary depending on patent protection.
- **Scandion Oncology**: In May 2017, Saniona participated in the formation of Scandion Oncology A/S, a company focused on developing drugs for treatment of cancer. Scandion acquired a development compound, SCO-101, and a platform comprising a large series of chemical analogues from Saniona. Scandion successfully listed on the Stockholm stock exchange, and in the second quarter of 2020, Saniona started to sell its equity interest in Scandion in the open market. As of April 2021, Saniona had sold all equity interests in Scandion, and Saniona does not have rights to future royalties or milestones from Scandion.

SCIENTIFIC STRATEGY AND TECHNOLOGY PLATFORM

Overview of Ion Channels as Drug Targets

Ion channels facilitate the movement of positive and negatively charged molecules across cellular membranes. Ion channels are responsible for electrical signalling in neurons and govern several other vital physiological functions, including muscle contractions, hormone secretion, and genetic transcription. An estimated 18 per cent of all small-molecule drugs act on ion channels, including notable therapeutics commonly used for the treatment of diabetes, hypertension, epilepsy, cardiac arrhythmia, and anxiety. In 2020, worldwide sales of ion channel-targeted drugs reached USD 11.1 billion and are projected to reach USD 13.9 billion by 2027. [89,90]

Current Limitations of Ion Channel Drug Development

The fundamental structure of ion channels introduces complexity in the design of targeted therapeutics, and thus they have traditionally been considered difficult targets. Unlike kinases, which share significant structural similarities enabling a streamlined structural-based drug design, ion channels are substantially more heterogeneous. Ion channels can form homo- or heteromers of two to five subunits, which can associate with accessory subunits, and prospective ion channel modulators can bind at either the pore, voltage-sensing domains, or at the N- and C-terminal, influencing binding of neurotransmitters and other signaling molecules. Ion channels undergo multiple conformational changes related to their opening and closing processes, and drug candidates need to precisely adjust their binding kinetics accordingly. This adds additional permutations of complexity because drug candidates may have different affinities (the strength of binding interaction between the drug candidate and the ion channel) to specific channel states. Finally, given the critical role of ion channels, unintended drug effects on non-targeted ion channels can cause significant life-threatening toxicity. Unfortunately, recent discoveries in small-molecule drug discovery that rely heavily on the use of standardized biochemical assays, such as ultrahigh throughput screening, often fail to account for the complexity and wide diversity of ion channels.[91]

Figure 14 below illustrates a typical ion channel built of several protein subunits of broad heterogeneity forming a pore in the center, which allows the passage of specific ions such as sodium, potassium, chloride, or calcium (left in Figure 14). Colored circles located on or between the subunits illustrate different binding sites for potential drug interaction. Ion channels may change their conformation after the binding of drugs and transition into closed, open, or inactive states (right in Figure 14).

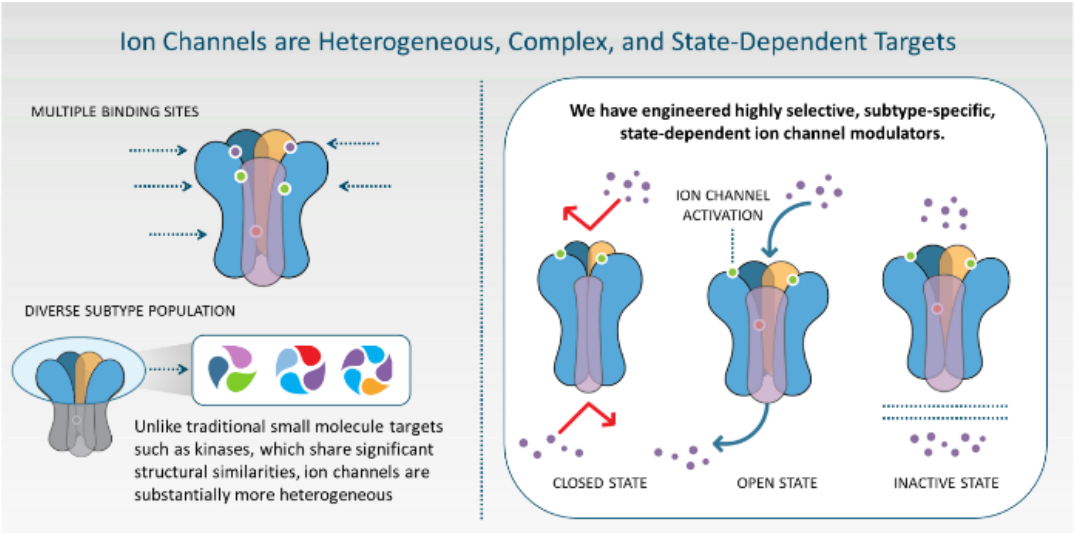

Figure 14. Illustration constructed by Saniona describing ion channels.

Saniona's Differentiated Approach to Ion Channel Drug Development

Saniona's proprietary drug discovery engine is fuelled by IONBASE, an extensive biological and chemical ion channel database that builds on multiple international pharmaceutical collaborations. Saniona's efforts in this space are based on over 20 years of extensive experience across the research team, which according to the Company makes Saniona's research organization one of the preeminent worldwide leaders in ion channel drug design and discovery. Saniona utilizes advanced computational methods to mine IONBASE, assessing data for hundreds of thousands of individual compounds for efficacy,

[89] Global Ion Channel Modulators Market Report 2021, Precision Reports (2021).
[90] Ion Channel Drug Discovery, B. Cox, et. al. (2014).
[91] A M Waszkielewicz, A Gunia, N Szkaradek, K Słoczyńska, S Krupińska, H Marona, Ion channels as drug targets in central nervous system disorders 1) Curr Med Chem, 2013;20(10):1241-85.
doi:10.2174/0929867311320100005.

selectivity, pharmacokinetic and safety datapoints for each proprietary compound to select and synthesize compounds with the highest probability of success.

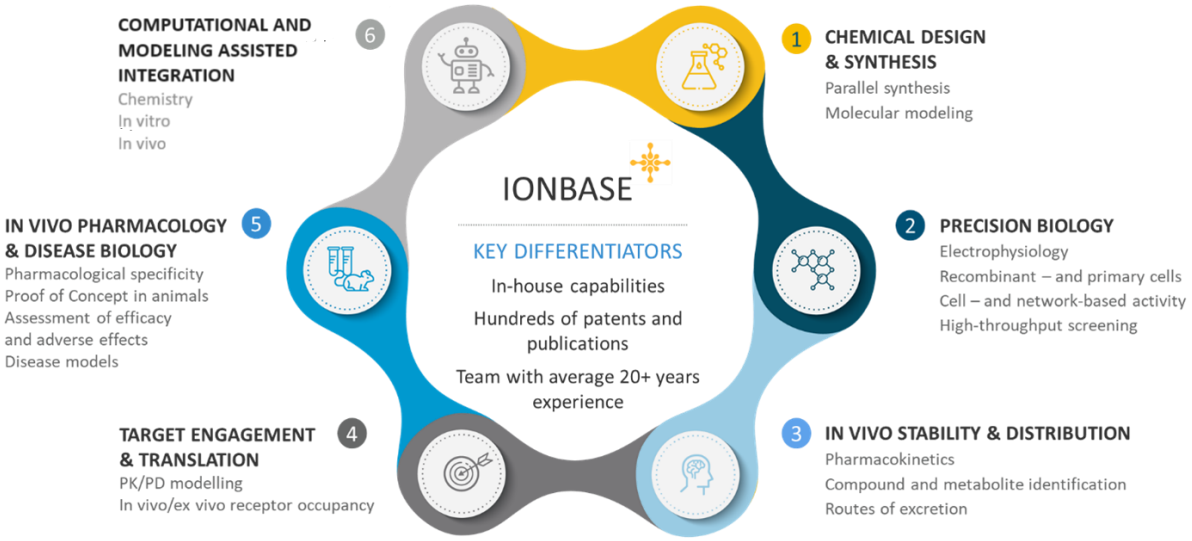

Figure 15. Illustration constructed by Saniona describing the proprietary IONBASE platform.

Saniona's proprietary discovery engine is designed with the following key components:

1. **Chemical Design and Synthesis**: Synthesize new molecules based on the Company's proprietary database, IONBASE, containing data generated from Saniona's compound library of more than 130,000 compounds of which more than 25,000 are from Saniona's proprietary ion channel programs.
2. **Precision Biology**: Test the molecules in cellular test models of binding and activity to leverage Saniona's proprietary ion channel cell bank. While Saniona's full chemical library consists of more than 130,000 compounds, the hit rate in the Company's proprietary library is generally 4-5 times higher than the non-proprietary library, since Saniona's proprietary compound chemical library is optimized for activity on ion channels. Saniona's proprietary ion channel drug discovery engine draws on expertise in imaging and patch-clamp technology and brain slice electrophysiology to achieve these goals.
3. **In Vivo Stability and Distribution**: Evaluate Absorption (pharmacokinetic screening), Distribution (e.g., brain / plasma ratio), Metabolism (microsomal stability) and Excretion (e.g., urine metabolite ID).
4. **Target Engagement and Translation**: Demonstrate delivery to the target organ and obtain relevant receptor occupancy data.
5. **In Vivo Pharmacology and Disease Biology**: Confirm how the compound works in a full-body setting. Saniona analyses pharmacological specificity, conducts proof of concept studies in animals, assesses efficacy and adverse effects.
6. **Computational Integration**: Refine Saniona's prediction models to improve future discovery and development of molecules, potentially resulting in a more expeditious and efficient drug discovery process.

Benefits of Saniona's approach

Saniona believes that the proprietary approach to ion channel drug discovery overcomes the challenges that other drug companies have faced in this drug target class. IONBASE offers a way of circumventing and exploiting many of the ion channel complexities, since Saniona has consequently during the building of the system stored excess high-information content data, which means information that is not directly used for constructing standard concentration-response curves. One prominent example is detailed information on time- and state-dependencies of the entire collection of molecules in certain lead-optimization programs.

Additional Programs from Saniona's Ion Channel Discovery Engine

Leveraging expertise in the field of ion-channel drug discovery and the robustness of the existing database, Saniona is continuously advancing its research programs to identify and advance additional selective ion channel modulators in epilepsy and together with partners other therapeutic areas.

COMPETITION AND FUTURE CHALLENGES

The pharmaceutical industry is characterized by rapid evolution of technologies and intense competition. While Saniona believes that its product candidates, technology, knowledge, experience, and scientific resources provide the Company with competitive advantages, Saniona faces competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies, and public and private research institutions, among others. Smaller or earlier-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large established companies. These companies may also compete with Saniona in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites, enrolling patients in clinical trials, and acquiring technologies complementary to, or necessary for, Saniona's programs.

A competitor may obtain regulatory approvals for their products more rapidly than Saniona may obtain approvals for product candidates, which could result in such competitor establishing a strong market position before Saniona is able to commercialize product candidates. In addition, the availability of reimbursement from government and private payors will also significantly impact on the pricing and competitiveness of Saniona's products.

The Company believes that SAN711, SAN2219, SAN2355, and SAN903, may face competition with other compounds in development for epilepsies and IBD, respectively, in the future.

INTELLECTUAL PROPERTY

Saniona strives to protect the proprietary technologies that the Company believes are important to its business, including pursuing and maintaining patent protection intended to cover the technologies incorporated into, or used to produce, product candidates, including compositions of matter of product candidates and methods of use, as well as other inventions that are important to Saniona's business. In addition to patent protection, Saniona also relies on trade secrets to protect aspects of the business that is not considered appropriate for patent protection, including certain aspects of Saniona's technology and drug product manufacturing.

Saniona's commercial success depends in part upon the ability to obtain and maintain patent and other proprietary protection for commercially important technologies, inventions and know-how related to Saniona's business, defend, and enforce intellectual property rights, particularly patent rights, preserve the confidentiality of trade secrets and operate without infringing valid and enforceable intellectual property rights of others.

Patents

The patent positions for biotechnology companies like Saniona is generally uncertain and can involve complex legal, scientific, and factual issues. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted and even challenged after issuance. As a result, Saniona cannot guarantee that any of its technologies and product candidates will be protectable or remain protected by valid and/or enforceable patents. Saniona cannot predict whether the inventions and patent applications the Company currently is pursuing will be issued as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that Saniona holds may be challenged, circumvented, or invalidated by third parties.

As of 31 December 2023, the Company's patent portfolio consisted of 20 different patent families and a total of 159 individual patents and patent applications. Saniona owns one patent family which protects Tesomet itself (the combination of tesofensine and metoprolol), as well as the use of Tesomet to reduce body weight. The statutory patent term for this patent family expires in 2033. This patent family includes two U.S. patents, a patent in each of Canada, Australia, Japan, Hong Kong, a Eurasian patent that has been validated and is in force in three member countries, including Russia, and a European patent that has been validated and is in force in 29 European countries, including the United Kingdom, France, Germany, Italy, and Spain. Saniona also has pending patent applications in, for example, the United States, China, and India.

Saniona owns a second patent family which protects co-formulations of tesofensine and metoprolol. The statutory patent term for this patent family expires in 2036. The patents in this family include three U.S. patents, a patent in each of Australia, South Africa, Japan, Hong Kong, Israel, Chile, India, Ukraine, South Korea, Saudi Arabia, Singapore, Colombia, a Eurasian patent that has been validated and is in force in eight member countries, including Russia, and a European patent that is to be validated in individual European countries in which Saniona desires to maintain patent protection. Saniona also has pending patent applications in, for example, the United States, China, and Canada.

Saniona does not have any patents in force that protect tesofensine itself; the relevant patent having expired in 2017. Thus, while Saniona may be able to stop competition around Tesomet, the Company cannot stop a competitor from marketing and selling tesofensine as a monotherapy or in an alternative combination not covered by Saniona's in-force patents.

With regard to SAN711, Saniona has pending patent applications directed to SAN711 itself and methods of treatment of pain using SAN711. The applications are pending in, for example, the United States, Europe, China, and Japan. The statutory patent term for this patent family expires in 2039.

With regard to SAN903, Saniona has two pending patent families directed to SAN903 itself as well as analogs. The first patent family has a pending PCT patent application and the second patent family has a pending European patent application. The statutory patent terms for these patent families expire in 2040 and 2041, respectively.

With regard to SAN2355, Saniona has one pending patent application. The statutory patent terms for this patent family expires in 2043.

With regard to SAN2219, Saniona has an ongoing patent application. The statutory patent terms for this patent family expires in 2043.

Trade Secrets

In addition to patents, Saniona relies on trade secrets and know-how to develop and maintain a competitive position. Saniona typically relies on trade secrets to protect aspects of the business that are not amenable to, or that is not considered appropriate for patent protection. Saniona protects trade secrets and know-how by establishing confidentiality agreements and invention assignment agreements with employees, consultants, scientific advisors, contractors, and partners. These agreements generally provide that all confidential information developed or made known during the course of an individual or entity's relationship with Saniona must be kept confidential during and after the relationship. These agreements also generally provide that all inventions resulting from work performed for or relating to Saniona's business and conceived or completed during the period of employment or assignment, as applicable, shall be Saniona's exclusive property. In addition, Saniona takes other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of proprietary information by third parties.

In particular, Saniona relies on trade secret protection to protect IONBASE. IONBASE is Saniona's proprietary database of structure-activity data for more than 130,000 ion channel modulators, including more than 25,000 compounds that are proprietary to Saniona. Saniona uses IONBASE as part of the drug discovery engine to identify ion channel modulators with efficacy in various diseases. Both SAN711, SAN903, SAN2219 and SAN2355 were discovered using IONBASE. To maintain the confidentiality of IONBASE, Saniona restricts access to IONBASE to a limited set of need-to-know personnel employed by Saniona.

DEFINITIONS

Absence seizure	A type of epileptic seizure, characterized by a brief loss and return of consciousness, most common in children.
ADHD	Attention Deficit Hyperactivity Disorder. A behaviour disorder originating in childhood in which the essential features are signs of developmentally inappropriate inattention, impulsivity, and hyperactivity.
ARS	Acute Repetitive Seizures.
ASM	Anti-Seizure Medication.
CAE	Childhood Absence Epilepsy.
CNS	Central Nervous System.
COFEPRIS	Mexico Ministry of Health.
CTA	Clinical Trial Application.
DEE	Developmental Epileptic Encephalopathies.
E/I	Excitatory-to-inhibitory. Excitatory currents are those that cause one neuron to share information with the next through an action potential, while inhibitory currents reduce the likelihood of such a transfer taking place.
EEG	Electroencephalography, an examination of the electrical activity of the brain.
EMA	European Medicines Agency.
FDA	American Food and Drug Administration.
First-in-class	A pharmaceutical that uses a "new and unique mechanism of action" to treat a particular medical condition.
Focal seizures	Focal seizures are the most common type of epileptic seizure and involve nerve cells being overactive in a specific area of the brain.
GABA	GABA is a neurotransmitter that mediates inhibitory electrical signals between neurons in the brain by activating $GABA_A$ receptors.
GAERS	Genetic Absence Epilepsy Rat from Strasbourg. A rat model of absences used to test idiopathic generalized epilepsy.
HO	Hypothalamic Obesity.
HQ-CT	The Hyperphagia Questionnaire for Clinical Trials, a caregiver questionnaire that is the generally accepted standard for evaluating hyperphagia in patients with PWS.
Hyperpolarization	Hyperpolarization means that the membrane potential (see below) increases and moves further away from the 0 line. The stronger the hyperpolarization, the slower the nerve cell becomes.
IBD	Inflammatory Bowel Diseases.
In vivo	Biological processes in living cells.
IONBASE	Saniona's platform for drug discovery within ion channels.
JAE	Juvenile Absence Epilepsy, a form of absence epilepsy in children.
JME	Juvenile Myoclonic Epilepsy, a form of myoclonic epilepsy in children characterized by epileptic seizures when fully conscious with violent repeated muscle twitches of the arms, head, or legs.
KCNQ2-DEE	KCNQ2 developmental epilepsy and encephalopathy, a condition where multiple seizures occur daily, starting in the first week of life.
MAD	Multiple Ascending Dosing.
Membrane potential	The membrane potential is the voltage difference that exists between the inside and outside of a (living) cell; that is, between the inside and outside of (or "across") the cell membrane.
Off-label	The practice of prescribing a drug for a different purpose than what the FDA approved.

PAM	Positive Allosteric Modulator, a group of substances that bind to a receptor to increase the receptor's response by increasing the likelihood that an agonist will bind to the receptor, or increase its ability to activate the receptor.
PET	Positron Emission Tomography, a medical imaging technique used to study the processes and function of various organs and areas of the body.
PTZ	Pentylenetetrazole, a pharmaceutical agent that displays activity as a central nervous system and respiratory stimulant.
PWS	Prader-Willi Syndrome.
Refractory epilepsy	A difficult-to-treat condition, refractory epilepsy occurs when anti-epileptic drugs no longer control the epileptic seizures.
RO	Receptor Occupancies, a method for measuring commitment to a goal.
SAD	Single Ascending Dosing.
Sedation	The use of a drug or other means to make someone calm or to make them go to sleep, through a reduced level of consciousness. Among other things, it is used to reduce anxiety, worry and pain.
Status Epilepticus	A condition of prolonged continuous clinical and/or electrographic seizure activity or recurrent seizure activity without recovery between seizures.
SWD	Spike-Wave Discharges, a condition of abnormal and sudden brain activity

CAPITALIZATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section show the Company's capitalization and indebtedness on a group level as of 30 November 2023. The tables in this section show the Company's interest-bearing liabilities (non-interest-bearing liabilities are not included) on a group level as per the same date. The financial information in the tables in this section regarding "Equity and liabilities" and "Net indebtedness" is derived from the Company's internal accounting and has neither been audited nor reviewed by the Company's auditor. See section "*Share capital and ownership structure*" for additional information on the Company's share capital and shares.

EQUITY AND LIABILITIES

Current liabilities	TSEK
Against guarantee	0
Against other security	813
Without security	19,784
Total current liabilities	**20,597**

Non-current liabilities	
Against guarantee	0
Against security	758
Without security/guarantee	63,522
Total non-current liabilities	**64,280**

Equity	
Share capital	3,206
Share premium reserve	827,803
Other reserves	112,195
Accumulated loss	-949,797
Total equity	**-6,583**
Total equity and liabilities	**78,294**

NET INDEBTEDNESS

	TSEK
(A) Cash and bank balances	47,255
(B) Cash equivalents	0
(C) Other current financial assets	0
(D) Liquidity (A + B + C)	**47,255**
(E) Current financial debt	20,597
(F) Current portion of non-current debt	0
(G) Current financial indebtedness (E + F)	**20,597**
(H) Net current financial indebtedness (G – D)	**-26,658**
(I) Non-current financial debt	64,280
(J) Debt instruments	0
(K) Non-current trade and other payables	0
(L) Non-current financial indebtedness (I + J + K)	**64,280**
(M) Total financial indebtedness (H + L)	**37,622**

PLEDGED SECURITIES, CONTINGENT LIABILITIES AND EXTERNAL LOANS

In addition to what is outlined in the table above, and in addition to a loan agreement with Formue Nord, which is described further under section "*Legal considerations and supplementary information – Material agreements*" below, the Company has no pledged securities or contingent liabilities as of the date of the Prospectus.

WORKING CAPITAL STATEMENT

The board of directors considers Saniona's existing working capital to be insufficient to finance the Company's current needs for the coming twelve-month period as from the date of the Prospectus. Working capital in the Prospectus refers to the Company's ability to access cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment.

Saniona is a pharmaceutical company with significant research and development costs. With regard to the Company's planned activities, a working capital deficit is expected to arise in April 2024. The deficit for the coming twelve-month period is estimated to be approximately MSEK 100, based on the Company's current business plan.

The Company intends to address the estimated working capital deficit by carrying out the Rights Issue, which upon full subscription, is expected to provide the Company with initial proceeds of approximately MSEK 140.9 before deduction of issue costs, which upon full subscription, are estimated to amount to approximately MSEK 16.1. The net proceeds in the Rights Issue are thus estimated, upon full subscription, to amount to approximately MSEK 124.8. The board of directors' assessment is that the working capital requirement for the coming twelve-month period will be met by available cash and cash equivalents and the net proceeds from the Rights Issue.

If the Rights Issue, despite issued subscription undertakings and guarantee commitments, is not sufficiently subscribed for, the Company may have difficulties conducting its business and executing planned developments at the planned rate. Should this occur, the Company intends to investigate alternative financing opportunities, such as additional raising of capital, grants, financing through loans, or until additional capital can be raised, operating the business at a slower pace than planned. Should all alternative financing opportunities fail, there is a risk that the Company to a substantial degree would be forced to revise current development plans, which would adversely affect the Company's development, or, in the worst-case scenario, lead to the Company going into reconstruction or bankruptcy.

INVESTMENTS

The Company has not made any significant investments and has not made any firm commitment regarding significant investments since the date of the latest published financial report up until the date of the Prospectus.

TRENDS

In addition to what is stated above under the section "*Risk factors*", there are, as far as the Company is aware, no trends, uncertainty factors, potential recovery claims or other claims, obligations or other events which may be expected to have a significant impact on the Company's future prospects during the current financial year, except for the general uncertainty regarding research and development activities and delays of clinical trials. So far, the Company's operations have primarily included, and currently include, research and development activities, where there are no known trends regarding production, sales, inventory, costs, or sales prices.

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2023

An extraordinary general meeting in the Company held on 16 January 2024 approved the resolution from the board of directors on 14 December 2023 to carry out the Rights Issue. The Rights Issue will, upon full subscription, lead to an initial capital raise of approximately MSEK 140.9 before deduction of issue costs, through the issuance of a maximum of 34,201,054 units, consisting of shares and warrants series TO 4 at a subscription price of SEK 4.12 per unit. Thereto, the board of directors in the Company resolved on 14 December 2023 to enter into a restructured loan agreement with Formue Nord, according to which parts of the outstanding loan shall be repaid in connection with the Rights Issue, and that the other parts of the loan shall be prolonged to 31 July 2025. For further information about the restructuring of the loan, see section "*Legal considerations and supplementary information – Material agreements*" below.

Apart from the above, there have been no significant changes to the Company's financial position, result, or market position after 30 September 2023 until the date of the Prospectus.

PRELIMINARY RESULT FOR THE FINANCIAL YEAR 2023

On 16 January 2024, the Company announced an estimated and preliminary outcome for the financial year 2023. The financial information provided by the Company in the press release is of a preliminary nature, has not been audited or reviewed by the Company's auditor and is based on the assumption that the analyses and confirmations regarding the outcome for the financial year 2023 that are still ongoing are correct. The preliminary financial information published through the press release

on 16 January 2024 is as follows: revenue for the fourth quarter of 2023, which amounted to MSEK 5.4 (MSEK 3.2 during the same period 2022); revenue for the full financial year 2023, which amounted to MSEK 16.8 (MSEK 15.3 during the same period 2022); and cash as of 31 December 2023, which amounted to MSEK 31.0 (MSEK 111.7 at the same time 2022).

BOARD OF DIRECTORS, SENIOR MANAGEMENT, AND AUDITOR

BOARD OF DIRECTORS

The board of directors consists of four individuals, including the chairman of the board. All board members are elected for the period until the end of the next annual general meeting to be held in 2024. The table below shows the members of the board, their position, when they were first elected, whether they are, according to the Swedish Code of Corporate Governance (the "**Code**"), considered independent in relation to the Company and its senior management, as well as in relation to major shareholders, and their share and warrant holdings in the Company.

			Independent in relation to		
Name	**Position**	**Board member since**	**The Company and its senior management**	**Major shareholders**	**Holdings in the Company***
Jørgen Drejer**	Chairman	2014	No	Yes	2,364,711 S and 77,000 W 2020
Anna Ljung	Board member	2018	Yes	Yes	4,629 S and 77,000 W 2020
Carl Johan Sundberg	Board member	2015	Yes	Yes	49,800 S and 77,000 W 2020
Pierandrea Muglia	Board member	2023	Yes	Yes	100,000 S

* Holdings in the Company refers to holdings in their own name as well as by affiliated natural and legal persons as of the date of the Prospectus. "**S**" refers to shares in the Company, and "**W 2020**" refers to warrants in the Company's board option program 2020. For further information regarding the warrant program, see section "*Share capital and ownership structure – Share-based incentive programs*" below.

** Jørgen Drejer has previously been Chief Executive Officer, Deputy Chief Executive Officer and Chief Scientific Officer in the Company and is currently also chairman of the board in the Company's subsidiary Saniona A/S since 2022. He has been on the board of Saniona A/S since 2012.

Information regarding the board members in respect of birth year, position, the year they were first elected, education, experience, ongoing assignments, previous assignments during the last five years, and share and warrant holdings in the Company is outlined below. Ongoing and previous assignments in subsidiaries within the Group have been excluded.

JØRGEN DREJER (BORN 1955, BOARD MEMBER SINCE 2014)

Experience	Jørgen Drejer is a neurobiologist with over 30 years of experience in discovering and developing new methods for modulating signalling pathways in the brain. His research has resulted in the founding of several companies, and he has published more than 75 scientific articles. Jørgen Drejer founded Saniona in 2011, and before that he co-founded NeuroSearch A/S in 1989, where he held different managerial positions, inter alia Deputy Chief Executive Officer and Chief Scientific Officer. During his time at NeuroSearch, the company developed into one of Europe's biggest biotechnology companies.
Education	PhD in neurobiology at University of Copenhagen.
Other ongoing assignments	-
Previous assignments	Board member in 2cureX A/S and Azign Bioscience A/S.
Holdings in the Company	2,364,711 shares and 77,000 warrants in the Company's board option program 2020.
Independence	Not independent in relation to the Company and its senior management, but independent in relation to major shareholders.

ANNA LJUNG (BORN 1980, BOARD MEMBER SINCE 2018)

Experience	Anna Ljung is Chief Executive Officer of Moberg Pharma, a Swedish listed pharmaceutical company operating in the field of dermatology. Prior to becoming Chief Executive Officer of Moberg Pharma, Ljung was the Company's Chief Financial Officer for 13 years, and before that she was the Chief Financial Officer of Athera Biotechnologies AB, as well as Controller at Lipopeptide AB. Ljung has also acted as an independent consultant in technical licensing.
Education	M.Sc. in Economics and Business Administration, specialising in finance, from Stockholm School of Economics.
Other ongoing assignments	Chairman of the board in ADDvise Group AB (publ) and Moberg Derma Incentives AB. Chief Executive Officer of Moberg Pharma AB (publ).
Previous assignments	Board member in Moberg Derma Incentives AB and OncoZenge AB. Board member in Advantice Health AB and Kajkanten 2021 1 AB. Deputy board member in Moberg Derma Incentives AB.
Holdings in the Company	4,629 shares held by a pension fund and 77,000 warrants in the Company's board option program 2020.
Independence	Independent in relation to the Company and its senior management, and in relation to major shareholders.

CARL JOHAN SUNDBERG (BORN 1958, BOARD MEMBER SINCE 2015)

Experience	Carl Johan Sundberg is a physician and professor with vast experience of entrepreneurship in health care, investments and communication. Sundberg is dean of Karolinska Institutet Nord (KI Nord), and previously the Chair of the Department of Learning, Informatics, Management and Ethics at KI. He has been operating at KI for over 30 years, working with, inter alia, molecular and applied exercise physiology, medical innovation and bioentrepreneurship. Sundberg co-founded and previously managed the biomedical venture capital fund Karolinska Investment Fund with MEUR 60 in assets.
Education	MD and PhD in physiology from Karolinska Institutet, Stockholm.
Other ongoing assignments	Board member in Arne Ljungqvist Anti-doping Foundation AB and Medkay Konsulting AB.
Previous assignments	Board member in Cobra Biologics Holding AB. Deptuy board member in Symbiont Law AB.
Holdings in the Company	49,800 shares and 77,000 warrants in the Company's board option program 2020.
Independence	Independent in relation to the Company and its senior management, and in relation to major shareholders.

PIERANDREA MUGLIA (BORN 1966, BOARD MEMBER SINCE 2023)

Experience	Pierandrea Muglia is a medical doctor clinically trained in child neurology and psychiatry, with more than 20 years of experience in research and clinical development from leadership roles within large and medium sized pharmaceutical companies, such as USB, Handl Therapeutics and Grin Therapeutics which he founded and previously served at as Chief Executive Officer. Pierandrea Muglia has published over 100 publications within neuropsychopharmacology, drug development and human genetics in journals and is actively involved in the search for novel therapeutic solutions for developmental neuropsychiatric disorders. He also serves on scientific advisory boards and committees of public initiatives and patient advocacy associations.
Education	MD from University of Cagliari in Italy.
Other ongoing assignments	Chief Executive Officer of Ichnos srl.
Previous assignments	Chief Executive Officer and founder of Grin Therapeutics Inc. and Vice President in UCB Pharma Belgium.
Holdings in the Company	100,000 shares.
Independence	Independent in relation to the Company and its senior management, and in relation to major shareholders.

SENIOR MANAGAMENT

Name	Position	Member of the senior management since	Holdings in the Company*
Thomas Feldthus	Chief Executive Officer	2022	968,400 S and 1,661,928 W 2022/2028
Anita Milland	Chief Financial Officer	2022	33,500 S, 3,500 W 2019/2024, 74,600 W 2020 and 467,893 W 2022/2028
Janus Schreiber Larsen	Chief Development Officer	2022	288,337 S, 99,400 W 2020 and 150,000 W 2023/2028
Karin Sandager Nielsen	Chief Scientific Officer	2022	211,119 S, 99,400 W 2020 and 150,000 W 2023/2028
Palle Christophersen	Executive Vice President, Research	2019	740,000 S, 99,400 W 2020 and 150,000 W 2023/2028

* Holdings in the Company refers to holdings in their own name as well as by affiliated natural and legal persons as of the date of the Prospectus. "**S**" refers to shares in the Company, "**W 2019/2024**" refers to warrants in the Company's warrant program 2019/2024, "**W 2020**" refers to warrants in the Company's option program 2020, "**W 2022/2028**" refers to warrants in the Company's warrant program 2022/2028 and "**W 2023/2028**" refers to warrants in the Company's warrant program 2023/2028. For further information regarding the warrant programs, see section "*Share capital and ownership structure – Share-based incentive programs*" below.

The Company's senior management comprises five members. Information regarding the members, in respect of birth year, position, education, experience, ongoing assignments, previous assignments during the last five years, and share and warrant holdings in the Company is outlined below. Ongoing and previous assignments within the Group have been excluded.

THOMAS FELDTHUS (BORN 1960, CHIEF EXECUTIVE OFFICER SINCE 2022)

Experience	Thomas Feldthus is an entrepreneur with vast experience from managerial roles within the life science industry. He co-founded Saniona and before he was appointed as Chief Executive Officer of Saniona, he served as Deputy Chief Executive Officer and Chief Financial Officer of the Company from 2012 until 2020. In addition to Saniona, he has co-founded Scandion Oncology A/S, Initiator Pharma A/S, Symphogen A/S, Ataxion Inc. and Leukotech ApS. Prior to that he served as Chief Financial Officer of Symphogen A/S, Investment Associate at Novo A/S and Corporate Development Manager at Novo Nordisk A/S.
Education	M.Sc. in Management and Economics from the University of London, Graduate Diploma in Business Administration (Marketing Management) from Copenhagen Business School (CBS), and M.Sc. in Engineering from the Technical University of Denmark.
Other ongoing assignments	Chairman of the board in Rehaler A/S. Board member in ResoTher Pharma A/S and Synklino A/S. Member of the management team (*Dk*. Direktion) in Fertilizer Invest ApS.
Previous assignments	Board member in Scandion Oncology A/S.
Holdings in the Company	968,400 shares and 1,661,928 warrants series 2022/2028.

ANITA MILLAND (BORN 1968, CHIEF FINANCIAL OFFICER SINCE 2022)

Experience	Anita Milland has more than 25 years of experience of finance, administration, and investor relations within the pharmaceutical industry. She has previously served in Saniona as Vice President Finance & Site Manager Denmark from 2020, Interim Chief Financial Officer & Head of IR during 2020, Vice President Finance & Administration from 2016 and consultant from 2014. Earlier, Milland served as both Vice President, Finance & Administration as well as Chief Financial Officer at NeuroSearch A/S.
Education	Bachelor of Commerce in Accounting from Niels Brock.
Other ongoing assignments	-

Previous assignments	Member of the management team (*Dk*. Direktion) in JM Holding 2020 ApS and Jørgensen & Milland Search & Selection ApS. She is the sole trader (*Dk*. Fuldt ansvarlig deltager) for Anita Milland Consulting.
Holdings in the Company	33,500 shares, 3,500 warrants series 2019/2024, 74,600 warrants in the Company's option program 2020 and 467,893 warrants series 2022/2028.

JANUS SCHREIBER LARSEN (BORN 1972, CHIEF DEVELOPMENT OFFICER SINCE 2022)

Experience	Janus Schreiber Larsen is an organic chemist with more than 20 years' experience in drug discovery, developing new pharmacological therapies for dysfunctions in the brain. He was part of the group that founded Saniona in 2011, and he initially served as Director of Medicinal Chemistry and IP. From 2015 he took on the role as Vice President, Medicinal Chemistry and IP and thereafter as Senior Vice President, Preclinical Development and Medicinal Chemistry in the Company. Prior to founding Saniona, Janus Schreiber Larsen was employed at NeuroSearch A/S, where he held several senior and managerial positions within Medicinal Chemistry. Janus has authored nine peer-reviewed scientific articles and is the co-inventor of more than 35 patents.
Education	Chemist by training and holds a Ph.D. in organic chemistry from the University of Southern Denmark.
Other ongoing assignments	-
Previous assignments	-
Holdings in the Company	288,337 shares, 99,400 warrants in the Company's option program 2020 and 150,000 warrants series 2023/2028.

KARIN SANDAGER NIELSEN (BORN 1970, CHIEF SCIENTIFIC OFFICER SINCE 2022)

Experience	Karin Sandager Nielsen is a pharmacologist specialising in the central nervous system. She has more than 20 years' experience in discovering and developing new pharmacological therapies for dysfunctions in the brain. Karin is part of the group which founded Saniona in 2011 and she initially served as Director of Operations and In Vivo Pharmacology. In 2015 she took on the role as Vice President, Operations and In Vivo Pharmacology and has subsequently served as Senior Vice President, In Vivo and Translational Pharmacology in the Company. Prior to founding Saniona, Karin was employed at NeuroSearch A/S where she had several senior and managerial positions within the pharmacology of the central nervous system. She has authored more than 20 peer-reviewed scientific articles and has co-invented more than 23 patents.
Education	Biologist by training and holds a Ph.D. in neuropharmacology from the University of Copenhagen.
Other ongoing assignments	-
Previous assignments	-
Holdings in the Company	211,119 shares, 99,400 warrants in the Company's option program 2020 and 150,000 warrants series 2023/2028.

PALLE CHRISTOPHERSEN (BORN 1958, EXECUTIVE VICE PRESIDENT, RESEARCH, SINCE 2019)

Experience	Palle Christophersen is an ion channel physiologist and pharmacologist with over 30 years' experience in drug discovery and development in the private sector. Palle was a co-founder of Saniona in 2011 and he has previously served as CSO as well as Senior Vice President, Research. Prior to Saniona, Palle worked at NeuroSearch A/S for 20 years, where he held a number of managerial positions, and served as a project leader for both internal and collaboration projects. Palle has authored more than 65 peer-reviewed scientific articles and has co-invented more than 60 patents, primarily within the field of ion channels and thereto related technology.
Education	Biologist by training and holds a Ph.D. in physiology and biophysics of ion channels from the University of Copenhagen.
Other ongoing assignments	Member of the management team (*Dk*. Direktion) in Cephagenix ApS.
Previous assignments	-
Holdings in the Company	740,000 shares, 99,400 warrants in the Company's option program 2020 and 150,000 warrants series 2023/2028.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Except as set out below, none of the board members or senior executives has during the last five years (i) been convicted in fraud-related offences, (ii) been a deputy, board member or senior executive of any company declared bankrupt, placed in receivership or liquidation (other than voluntary liquidation), (iii) been subject to accusation or sanction by any authority mandated by law or regulation (including approved professional associations) or been prohibited by a court from being part of an issuer's administrative, management or control body or from having leading or senior functions with an issuer.

In March 2022, the Company's Chief Executive Officer Thomas Feldthus was ordered by the Swedish Financial Supervisory Authority to pay an administrative fee of SEK 30,000 as a result of two cases of violations of the prohibition of market manipulation in the Market Abuse Regulation (EU) 596/2014. The background was that Thomas Feldthus in December 2021 moved shares in two companies from his private custody account to a custody account of his wholly owned company. The transactions were mistakenly carried out over the market rather than directly between the parties outside the market. In the sanction decision, the Swedish Financial Supervisory Authority found that the transactions did not lead to any change in the beneficial ownership of the shares in question and that the transactions had or could be expected to have given false or misleading signals about the supply or demand for the share and that this meant that the prohibition against market manipulation had been violated.

None of the board members or senior executives have any family relationship with any other board member or senior executive in the Company. Furthermore, there are no conflicts of interest through which the private interests of board members or senior executives would be contrary to the Company's interests. However, as outlined above many of the board members and senior executives have financial interests in the Company through share and warrant holdings. None of the board members or senior executives have agreements that entitle to benefits after the termination of their assignment. The Company has no provisions or accrued amounts or similar benefits after the resignation of a board member or senior executive. There are no arrangements or similar agreements with major shareholders, customers, suppliers or other parties under which any of the board members or senior executives have been elected or appointed to their positions in the board of directors and management.

All board members and senior executives can be reached via the Company's address, Smedeland 26B, DK-2600 Glostrup, Denmark.

AUDITOR

At the annual general meeting 2023, the registered audit firm Öhrlings PricewaterhouseCoopers AB was elected as the Company's new auditor, until the next annual general meeting. Cecilia Andrén Dorselius is the auditor in charge. Cecilia Andrén Dorselius is an authorized public accountant and member of FAR, the institute for the accounting profession in Sweden. Prior to the annual general meeting 2023, Deloitte AB was the Company's registered audit firm since its formation in 2014.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL INFORMATION

The Company was founded in 2014 under Swedish law. The Company's shares are issued in accordance with Swedish law and the provisions in the Swedish Companies Act (2005:551) and are denominated in SEK. According to the Company's registered articles of association, the share capital may not be less than SEK 3,115,000 and may not exceed SEK 12,460,000, and the number of shares may not be less than 62,300,000 shares and may not exceed 249,200,000 shares. At the extraordinary general meeting on 16 January 2024 it was resolved, in order to enable the Rights Issue, to adopt new limits for the share capital and the number of shares in the Company's articles of association, whereby the board of directors is authorized to determine the final limits after consideration of the outcome of the Rights Issue. The registered share capital of the Company as per 31 December 2023 and as per the date of the Prospectus amounts to SEK 3,206,348.90 divided between 64,126,978 shares. All shares are fully paid up and each share has a quota value of SEK 0.05. There are no restrictions regarding the transferability of the shares. The Company does not own any shares in the Company.

THE RIGHTS ISSUE

An extraordinary general meeting in the Company held on 16 January 2024 approved the resolution by the board of directors of 14 December 2023 to carry out the Rights Issue. The Rights Issue will, upon full subscription, lead to an initial capital raise of approximately MSEK 140.9 before deduction of issue costs, through the issue of a maximum of 34,201,054 units, consisting of shares (ISIN code SE0005794617) and warrants series TO 4 (ISIN code SE0021310927) at a subscription price of SEK 4.12 per unit. The warrants that are issued in connection with the Rights Issue are intended to be admitted to trading on Nasdaq Stockholm and recorded by Euroclear in the so-called record day register, which means that no warrant certificates will be issued. For complete terms and conditions for the warrants, please refer to "Terms and conditions for warrants series TO 4 in Saniona AB" which are found on the Company's website, www.saniona.com. The shares and warrants in the Rights Issue are issued in accordance with Swedish law and the currency for the Rights Issue is SEK. The Rights Issue is planned to be registered with the Swedish Companies Registration Office around week 8, 2024. The specified week is preliminary and may change.

CENTRAL SECURITIES DEPOSIT

The Company's articles of association contain a so-called record day provision and the Company's shares are connected to the electronic securities system with Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, as account operating institution. Consequently, no share certificates have been issued for the shares, and shares are transferred electronically. The Company has one share class and the ISIN code for the Company's shares is SE0005794617.

RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the shares in the Company, including the rights stipulated in the articles of association, may only be changed in accordance with the procedures in the Swedish Companies Act. A more detailed description of the rights associated with the shares is presented below.

Voting rights and the right to attend general meetings

Each share in the Company entitles the holder the right to vote at and attend general meetings. The right to attend a general meeting is vested in those shareholders who are registered in the share register maintained by Euroclear on the record date for the general meeting, and who have notified the Company no later than the date stated in the notice of the general meeting. Each share entitles to one (1) vote at the general meeting and each shareholder is entitled to vote for the full number of shares owned and represented.

Preferential rights to subscribe for new shares

If the Company resolves to issue new shares, warrants, or convertibles, by cash issue or offset issue, the shareholders shall have pre-emption rights to subscribe for new securities pro rata to the number of shares previously held by them. However, there are no limitations in the Company's articles of association that limit the right to resolve upon an issue of new shares, warrants or convertibles with deviation from the shareholders' preferential rights in accordance with the provisions in the Swedish Companies Act.

Dividends and proceeds from liquidation

All shares in the Company give equal rights to dividends, a share in the Company's profits and to the Company's assets and any surplus in the event of liquidation. Decisions on dividends and record date for dividends are resolved upon by the general

meeting. All shareholders who are registered as shareholders in the share register maintained by Euroclear on the record date as determined by the general meeting are entitled to dividends. The shareholders are entitled to part of the dividend in proportion to their shareholdings. The dividend is paid through Euroclear. If a shareholder cannot be reached for receipt of the dividend, the shareholder's claim against the Company for the corresponding amount remains in force. Such claim is subject to a ten-year statutory limitation period after which the dividend amount is forfeited to the Company.

There are no restrictions regarding the right to dividends to shareholders residing outside Sweden. Subject to any limitations imposed by bank or clearing systems in the relevant jurisdictions, payment to such shareholders shall be made in the same manner as for shareholders domiciled in Sweden.

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 and provisions on capital losses upon 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.

TRADING IN THE SHARES

The Company's shares are admitted to trading on Nasdaq Stockholm under the ticker SANION. The new shares and warrants that are issued in connection with the Rights Issue are expected to be admitted to trading on Nasdaq Stockholm around week 9, 2024.

DIVIDEND POLICY

Saniona may generate income through upfront payments, milestone payments, royalty payments and upon exits in relation to the sale of spin-outs. The board of directors has decided upon a residual dividend policy. This means that Saniona will only pay a dividend on net income and internally generated equity after it has reserved capital to finance continued development and expansion of the business, including its product pipeline. The board of directors' intention at present is to use any future profits made by Saniona to finance continued development and expansion of the business. Regular dividends will only be paid once the Company has a product on the market and the Company records annual net income through royalty payments. Consequently, the board of directors does not intend to propose any dividend within the foreseeable future. At the annual general meeting on 25 May 2023 it was resolved to not pay any dividends for the financial year 2022.

OWNERSHIP STRUCTURE

The table below presents all shareholders with a direct or indirect shareholding in the Company corresponding to or exceeding five (5) per cent of the total number of shares and votes, according to information from Modular Finance AB as per 31 December 2023, including any known changes thereafter up until the date of the Prospectus. All shares have equal voting rights.

Name	Number of shares	Percentage of share capital and votes
Avanza Pension	5,102,595	7.96%
Other shareholders	*59,024,383*	*92.04%*
Total	**64,126,978**	**100.00%**

There are no controlling shareholders, and the Company is not directly or indirectly controlled by any individual party, or several parties in concert.

To the Company's knowledge, there are no shareholders' agreements, or other agreements between the Company's shareholders intended to exercise joint control of the Company, nor is the Company aware of any agreements or equivalent arrangements that could lead to a change in the control over the Company. The Company is neither owned nor controlled, directly or indirectly, by any party. However, the Company's major shareholders may, through their shareholdings, have a significant influence over the outcome of the matters submitted to the Company's shareholders for approval. The Company has not taken any specific measures in order to guarantee that the control of the Company is not misused and there are no provisions in the Company's articles of association which may delay, postpone or prevent a change in the control of the Company. However, the rules for protection of minority shareholders in the Swedish Companies Act (2005:551) constitute a protection against a majority shareholder's potential misuse of its control over a company.

NET ASSET VALUE PER SHARE

The table below shows the net asset value per share before and after the Rights Issue based on equity as of 30 September 2023. The subscription price in the Rights Issue has been set to SEK 2.06 per share. The warrants are issued free of charge.

	Before the Rights Issue (per 30 September 2023)	After the Rights Issue
Equity (MSEK)	6,670	147,578[1)]
Number of shares	64,126,978	132,529,086
Net asset value per share (SEK)	**0.10**	**1.11**

[1)] Refers to the Company's equity as of 30 September 2023 increased by the proceeds of the Rights Issue before deduction of issue costs.

INFORMATION ON PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

The Act (2006:451) on public takeover bids on the stock market (*Sw*. lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden) ("**LUA**") applies to public takeover bids for the Company's shares. According to LUA, anyone making a public takeover bid must undertake to comply with the Takeover Rules for Nasdaq Stockholm (the "**Takeover Rules**"). Through the undertaking, anyone making a public takeover bid undertakes to comply with both the Takeover Rules and the Swedish Securities Council's decisions and statements on the interpretation and application of the Takeover Rules and on good practice in the stock market. The shares in the Company are not, and have never been, the subject of any public takeover bid.

AUTHORIZATIONS

Authorization for issues

The extraordinary general meeting held on 16 January 2024 resolved to authorize the board of directors, within the limits of the Company's articles of association, at one or several occasions, during the time up until the next annual shareholders' meeting, with or without deviation from the shareholders' preferential rights, to resolve to issue new shares, warrants and/or convertibles (the "**Authorization**"). An issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) may result in a dilution of not more than 20 per cent of the total number of shares in the Company at the time when the board of directors first exercises the Authorization. In case the Authorization is used for an issue with deviation from the shareholders' preferential rights, the issue should be made on market terms. The purpose of the Authorization is to be able to source working capital, to be able to execute and finance acquisitions of companies and assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances.

The Authorization corresponds to the previous authorization resolved upon at the annual shareholders' meeting on 25 May 2023, however, that the Authorization may result in a dilution of not more than 20 per cent of the total number of shares in the Company at the time when the board of directors first exercises the Authorization, instead of a dilution based on the number of outstanding shares at the time of the annual shareholders' meeting. The Authorization replaces the previous authorization from the annual shareholders' meeting on 25 May 2023. The reason why the board of directors has resolved on the Authorization is partly that the previous authorization from the annual general meeting on 25 May 2023 has been exercised in connection with a directed share issue in August 2023, and partly to adapt the Authorization to the number of outstanding shares after the Rights Issue.

Authorization for issue to guarantors

The extraordinary general meeting held on 16 January 2024 resolved to authorize the board of directors, for the period until the next annual shareholders' meeting, on one or several occasions, with deviation from the shareholders' preferential rights and with or without provisions regarding set-off or other conditions, to resolve on issue of shares and warrants to the guarantors in the Rights Issue. Upon exercise of the authorization, the terms and conditions for units shall be the same as in the Rights Issue, meaning that each unit shall consist of two (2) shares and one (1) warrant series TO 4, however, the subscription price per unit shall correspond to the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the subscription period in the Rights Issue (i.e. during the period 22 January 2024 – 5 February 2024), multiplied by two (2), but never lower than the subscription price in the Rights Issue.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights is to be able to carry out an issue of units as guarantee compensation to the guarantors in the Rights Issue. The number of shares and warrants that may be issued pursuant to the authorization may not exceed the total number of shares and warrants corresponding to the agreed guarantee compensation that the Company shall pay to the guarantors in the Rights Issue.

Authorization for issue of convertibles

The extraordinary general meeting held on 16 January 2024 resolved to authorize the board of directors to, on one occasion during the period until the next annual shareholders' meeting, with deviation from the shareholders' preferential rights and with or without provisions regarding set-off or other conditions, resolve to issue convertibles at a nominal amount of a maximum of MSEK 10. The convertibles shall be convertible into shares at a conversion price corresponding to 150 per cent of the subscription price per share in the Rights Issue. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights is to enable an issue of convertibles to Formue Nord as part of the restructuring of the Company's existing loan agreement with Formue Nord. For further information on the restructuring of the loan agreement, see section "*Legal considerations and supplementary information – Material agreements*" below.

SHARE-BASED INCENTIVE PROGRAMS

During the period 2018 up until 2023, Saniona has implemented a number of incentive programs for board members, certain employees and other persons who provide similar services to the Group, which entitle the holder to subscribe for new shares in the Company against cash consideration at a predetermined exercise price. To secure future delivery of shares in accordance with the warrant programs, the Company has issued warrants to the subsidiary Saniona A/S. All warrants have been issued free of charge. The maximum number of shares that may be issued in total for all programs, without consideration of any future recalculations in accordance with the warrant terms for each program, amounts to 4,536,489 shares, which corresponds to a dilution of approximately 7.07 per cent based on the assumption that all programs are exercised in full and calculated on the number of shares in the Company as per the date of the Prospectus. The table below outlines the Company's warrant programs together with further information on the number of outstanding warrants in each program, the number of shares that can be issued upon exercise, the exercise price per share and dilution. The holdings of the Company's board members and senior executives are outlined in the section "*Board of directors, senior management and auditor*" above.

Program	Number of outstanding warrants	Number of shares that can be issued upon exercise	Subscription price per share (SEK)	Exercise period	Dilution
Option program 2018/2024	286,003	294,583	33.20	2021-2024	0.46%
Option program 2019/2024	34,500	34,845	17.83	2023-2024	0.05%
Option program 2020/2025	355,156	358,707	29.36	2023-2025	0.56%
Option program 2020	735,500	735,500	24.12	2021-2031	1.38%
Board option program 2020	282,333	282,333	25.40	2023-2024	0.44%
Option program 2021	700	700	19.38	2022-2031	0.00%
Employee option program 2022	2,129,821	2,129,821	5.89	2025-2028	3.32%
Employee option program 2023	700,000	700,000	8.84	2026-2028	1.09%

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

COMPANY INFORMATION AND LEGAL STRUCTURE

The Company is a Swedish public limited liability company founded in Sweden on 30 January 2014 and registered with the Swedish Companies Registration Office on 19 February 2014. The name of the Company and its trading name is Saniona AB. The Company's corporate registration number is 556962-5345 and its LEI code is 549300XO4L9XNOCFCZ84. The Company has its registered office in the municipality of Malmö, and the general meeting will also be held in the municipality of Malmö. The Company conducts its business in accordance with the Swedish Companies Act (2005:551). The Company's address is Smedeland 26B, DK-2600 Glostrup, Denmark, and its phone number is +45 7070 5225. As per the date of the Prospectus, the Company is the parent company of Saniona A/S, with its registered office in Glostrup, Denmark.

The Company's website is www.saniona.com. The information on the Company's website is not part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority, unless it is incorporated in the Prospectus by reference (see section *"Documents incorporated by reference"* below). The Prospectus contains hyperlinks. The information on these websites is not part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

MATERIAL AGREEMENTS

Apart from the agreement described below, the Company has not, except for agreements entered into in the ordinary course of business, entered into any material agreements during the past two years. Nor are there, apart from the agreement described below, and except for agreements entered into in the ordinary course of business, any agreements within the Company that contain any rights or obligations that are of material importance for the Company as of the date of the Prospectus.

Loan agreement with Formue Nord

On 12 July 2021, the Group entered into an agreement regarding a non-dilutive fixed-term loan with a fixed interest rate denominated in SEK of MSEK 87 with Formue Nord. After a six per cent commission was deducted, the Group received a net sum of MSEK 81.8 from this agreement. The loan initially ran at an interest rate of 1 per cent of the gross amount for each commenced 30-day period until 30 June 2023. The Company and Fomue Nord have thereafter concluded two supplementary agreements, on 30 September 2022 and 11 August 2023 respectively, to extend the agreement and reduce the loan amount. According to the supplementary agreement entered into on 11 August 2023, the terms were amended so that the loan agreement is valid until 31 January 2025, and that the loan amount is reduced from MSEK 74, which was the amount outstanding as of 11 August 2023, to MSEK 61, by way of a repayment of MSEK 3 from Saniona and a conversion of MSEK 10 to shares in the Company for Formue Nord at a conversion rate of SEK 8.50. Formue Nord has also received a compensation of MSEK 4.8 in connection with the contractual changes, which has also been converted to shares in the Company at a conversion rate of SEK 8.50 per share.

In connection with the Rights Issue, the outstanding loan, which after the above amortizations/set-off amounted to a total of approximately MSEK 61.2, has been renegotiated by way of a loan restructuring agreement. In accordance with the new agreement, the Company will, in connection with the Rights Issue, repay MSEK 20 of the loan in cash or by set-off. Approximately MSEK 31.2 of the remaining loan of approximately MSEK 41.2 will continue to run as a loan and MSEK 10 will be converted into new convertibles in the Company. The remaining loan of approximately MSEK 31.2 shall accrue at an annual interest of STIBOR 3M plus an interest margin of eight (8) per cent, and the interest shall be paid in cash by the end of each calendar quarter. The loan matures on 31 July 2025. However, in connection with the exercise of the warrants series TO 4, an amount corresponding to 50 per cent of the proceeds that the Company receives upon exercise of the warrants series TO 4 shall be used for repayment of the loan. Furthermore, if the Company carries out a new rights issue, the net proceeds received by the Company shall be used for repayment and if the Company carries out a directed issue, 50 per cent of the net proceeds received by the Company shall be used for repayment of the outstanding loan.

The Company shall also, as part of the restructuring of the loan, issue convertibles to Formue Nord in a total amount of MSEK 10, to be paid by set-off against the corresponding amount of the existing loan. The issue of the convertibles shall take place no later than five banking days after the registration of the Rights Issue with the Swedish Companies Registration Office (*Sw*. Bolagsverket), and the convertibles shall have a final maturity date of 31 July 2025. The convertibles shall have the same interest terms as the loan of MSEK 31.2 as set out above and shall be subject to the same early repayment terms in connection with rights issues and directed issues. During the term, Formue Nord shall have the right to request conversion at a conversion

price corresponding to 150 per cent of the subscription price per share in the Rights Issue. The conversion rate may be subject to customary recalculation in certain situations.

As compensation for the restructuring of the loan terms, Formue Nord will receive a cash payment of approximately MSEK 4.6.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

The Company has during the last twelve months not been part of any authority proceedings, legal proceedings or arbitration (including proceedings which are pending or which, to the best of the Company's knowledge, are likely to be initiated) that have had or are considered to have a significant impact on the Company's financial position or profitability.

TRANSACTIONS WITH RELATED PARTIES

The related party transactions carried out by the Company since 31 December 2022 and until the date of the Prospectus are described below.

The Company has in May 2023 entered into a consultancy agreement with board member Pierandrea Muglia regarding the provision of advice related to Saniona's research and development. The total remuneration for the consultancy services related to the assignment amounts to approximately TSEK 428 for the period 1 May 2023 up until the date of the Prospectus.

The Company has entered into a consultancy agreement with the chairman of the board, Jørgen Drejer, regarding the provision of advice related to Saniona's research and development, business development and financing. The total remuneration for the consulting services related to the assignment amounts to approximately TSEK 1,478 for the period 1 January 2023 up until the date of the Prospectus.

During 2020, the Company entered into an agreement with Cephagenix ApS (previously Headchannel ApS), according to which Saniona provides certain research services to Cephagenix. The initial term has been prolonged several times and during 2023 the Company and Cephagenix entered into a new service agreement which remained in force up until 15 August 2023. Since May 2021, Saniona has been a minority shareholder in Cephagenix, with an initial shareholding of approximately 21 per cent in addition to certain rights. As of the date of the Prospectus, the Company's shareholding in Cephagenix has increased to approximately 33 per cent. The total remuneration for Saniona's services under the agreement amounts to approximately TSEK 1,655 for the period 1 January 2023 until the date of the Prospectus.

LOCK-UP

All board members and senior executives with shareholdings in Saniona have undertaken, towards Vator Securities, subject to customary exceptions, not to sell or carry out other transactions with the same effect as a sale, without the prior written consent from Vator Securities in each individual case. Decision to give such a written consent is resolved upon by Vator Securities, and an assessment is made in each individual case. Consent may be granted on the basis of individual or business-related reasons. Only shares which are held prior to the Offering are covered by the lock-up undertakings, and the lock-up period lasts for 180 days after the announcement of the Offering.

In total, the lock-up agreements include 4,756,096 shares and votes in the Company prior to the Offering. Customary exceptions inter alia include intra-group transfers, redemption of shares in the Company and acceptance of a public takeover bid offered in accordance with applicable Takeover-rules. After the expiration of the lock-up period, the shares may be offered for sale, which may affect the market price of the share.

SUBSCRIPTION UNDERTAKINGS AND GUARANTEE COMMITMENTS

In connection with the Offering, Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management of a total of approximately MSEK 5.6, corresponding to approximately 4 per cent of the Rights Issue. In addition, the Company has entered into agreements on guarantee commitments with a number of existing and external investors amounting to approximately MSEK 78.4, corresponding to approximately 56 per cent of the Rights Issue. In total, the Offering is thus covered by subscription undertakings and guarantee commitments amounting to MSEK 84, corresponding to approximately 60 per cent of the Rights Issue.

Subscription undertakings

The Company has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management of a total of approximately MSEK 5.6, corresponding to approximately 4 per cent of the Rights Issue. No remuneration is paid for subscription undertakings. Apart from the subscription undertaking of approximately MSEK 1.6, that shall be fulfilled by set-off of loans, received subscription undertakings are not secured by bank guarantee, blocked funds, pledge, or similar arrangement. Consequently, there is a risk that the undertakings, in whole or in part, will not be fulfilled.

The parties that have entered into subscription undertakings are outlined in the table below.

Name	Amount (SEK)	Part of the Offering (%)
Tredje AP-fonden	2,471,511	1.75
Formue Nord Fokus A/S	1,589,715	1.13
Thomas Feldthus	750,000	0.53
Jørgen Drejer	400,000	0.28
Carl Johan Sundberg	200,000	0.14
Pierandrea Muglia	130,000	0.09
Palle Christophersen	80,000	0.06
Anna Ljung	10 171	0.01
Total	**5,631,397**	**4.00**

Guarantee commitments

Through agreements entered into with Saniona, a number of existing and external investors have undertaken to subscribe for units in the Rights Issue up to an amount of approximately MSEK 78.4, corresponding to approximately 56 per cent of the Rights Issue, in the event that the Rights Issue is not fully subscribed. The agreements on guarantee commitments were entered into during December 2023. The guarantee consortium has been coordinated by the Company's financial advisor Vator Securities. Apart from the guarantee commitment of approximately MSEK 18.4, that shall be fulfilled by set-off of loans, received guarantee commitments are not secured by advance transactions, bank guarantee, blocked funds, pledges or similar arrangement.

Compensation for the guarantee commitments is paid through cash payment amounting to eleven (11) per cent of the guaranteed amount, or fourteen (14) per cent of the guaranteed amount in the form of newly issued units in the Company, at the same terms and conditions as for units in the Rights Issue, however that the subscription price per unit shall correspond to the volume-weighted average price of the Company's share on Nasdaq Stockholm during the subscription period in the Rights Issue (i.e. during the period 22 January – 5 February 2024), multiplied by two (2), however not less than the subscription price in the Rights Issue.

In total, the Rights Issue is thus covered by subscription undertakings and guarantee commitments amounting to MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. Consequently, guarantee commitments will not be used for amounts exceeding approximately 60 per cent of the Rights Issue.

Parties who have entered in guarantee commitments are outlined in the table below.

Name*	Amount (SEK)	Part of the Offering (%)
Fredrik Lundgren*	29,979,191.50	21.28
Wilhelm Risberg*	29,979,191.50	21.28
Formue Nord Fokus A/S[1)]	18,420,532.00	13.07
Total	**78,378,915.00**	**55.62**

* Natural persons who have entered into agreements on guarantee commitments can be reached via Vator Securities AB, address Kungsgatan 34, SE-111 35 Stockholm, Sweden, or the Company's address, Saniona AB, Smedeland 26B DK-2600 Glostrup Denmark.

[1)] Østre Alle 102, 9000 Aalborg, Denmark.

The guarantors Formue Nord, Fredrik Lundgren and Wilhelm Risberg have provided guarantee commitments of approximately MSEK 78.4, which means that they may exceed ten per cent of the votes in Saniona after the Rights Issue. To the extent the guarantors' fulfilment of such guarantee entails that the investment must be approved by the Inspectorate of Strategic Products (ISP) in accordance with the Swedish Screening of Foreign Direct Investments Act (*Sw*. lagen (2023:560) om granskning av utländska direktinvesteringar), such part of the guarantee is conditional upon notification that the application of the transaction is left without action or that approval has been obtained from the Inspectorate of Strategic Products.

STATUTORY DISCLOSURES

The following is a summary of the information disclosed by the Company during the last twelve-month period in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market Abuse Regulation) and which, in the Company's opinion, is still relevant as per the date of the Prospectus.

Financial reports

- On 30 November 2023, Saniona published its interim report for the third quarter of 2023.
- On 31 August 2023, Saniona published its half-year report for the second quarter of 2023.
- On 25 May 2023, Saniona published its interim report for the first quarter of 2023.
- On 28 April 2023, Saniona published its annual report for the financial year 2022.
- On 23 February 2023, Saniona published its year-end report for the financial year 2022.

Other regulatory disclosures

- On 16 January 2024, Saniona announced preliminary financial figures for the fourth quarter 2023, due to the Rights Issue. The preliminary financial figures are neither audited not reviewed by the Company's auditor.
- On 2 January 2024, Saniona announced that the Company had selected SAN2465, a highly potent and selective negative allosteric modulator of $GABA_A$ α5, as a preclinical candidate for major depressive disorder.
- On 27 December 2023, Saniona announced that the Company had selected SAN2355 as the first preclinical candidate from the Kv7 program for epilepsy.
- On 18 December 2023, Saniona announced that the ongoing ion channel research collaboration with Boehringer Ingelheim had been extended for up to two years.
- On 14 December 2023, Saniona announced that the board of directors, subject to approval by the extraordinary general meeting on 16 January 2024, had resolved to carry out the Rights Issue of units consisting of shares and warrants series TO 4 of approximately MSEK 140.9. In total, the Rights Issue is covered by subscription undertakings and guarantee commitments amounting to a total of MSEK 84, corresponding to approximately 60 per cent of the Rights Issue. In connection with the board of directors' resolution on the Rights Issue, it was also resolved to restructure the Company's outstanding loan from Formue Nord.
- On 21 November 2023, Saniona announced that the Company had initiated the candidate selection phase with a proprietary subtype selective frontrunner molecule from the Kv7 program for epilepsy. The rapid identification of the compound was possible due to the Company's proprietary research platform IONBASE.
- On 14 August 2023, Saniona announced that the Company and Formue Nord had reached an agreement to amend the terms of the loan agreement entered into between the parties on 30 June 2021. The parties agreed to decrease the loan amount through a repayment from Saniona in addition to a conversion to shares for Formue Nord, as well as to extend the outstanding loan to 31 January 2025.
- On 17 July 2023, Saniona announced that the Company had entered into a partnership agreement with AstronauTx regarding Alzheimer's disease. Saniona may receive up to SEK 1.9 billion (MUSD 177) in milestone payments as well as royalty on the global net sales of the products resulting from the partnership.
- On 25 February 2023, Saniona announced that the Company's partner Medix had obtained a favourable opinion from the Mexican regulatory authority Comisión Federal para la Protección contra Riesgos Sanitarios (COFEPRIS) on tesofensine for weight management and obesity treatment in Mexico.

ADVISORS

Vator Securities is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to the Company in connection with the Offering. Vator Securities is also issuing agent in connection with the Offering. Vator Securities receives a pre-agreed compensation, which to a certain extent is dependent om the outcome of the Offering, for services provided in connection with the Offering and Setterwalls Advokatbyrå AB receives compensation for services provided on an ongoing basis. Vator Securities has provided, and may in the future provide, various financial, investment, commercial and other services to Saniona, for which they have received, and may come to receive, compensation. Other than that, Vator Securities and Setterwalls Advokatbyrå AB have no financial or other interests in the Rights Issue.

ISSUE COSTS

The Company's costs relating to the Rights Issue are estimated, upon full subscription, to approximately MSEK 16.1. Such costs are mainly attributable to costs for guarantee commitments as well as remuneration to financial and legal advisors in relation to the Rights Issue and costs related to marketing material and other presentations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into the Prospectus by reference. The documents are available on the Company's website, www.saniona.com.

- The Company's interim report for the period January – September 2023, where reference is made to the Group's statement of comprehensive income (p. 20), the Group's statement of financial position (p. 21–22), the Group's statement of changes in equity (p. 23), the Group's statement of cash flows (p. 24), notes (p. 27–35) and the auditor's report (p. 36).
- The Company's annual report for the financial year 2022, where reference is made to the Group's statement of comprehensive income (p. 28), the Group's statement of financial position (p. 29–30), the Group's statement of changes in equity (p. 31), the Group's statement of cash flows (p. 32), notes (p. 38–72) and the audit report (p. 74–76).

Remark from the Company's auditor

The auditor's report regarding the annual report for the financial year 2022 and the auditor's report regarding the interim report for the period January – September 2023 deviate from the standard wording as they contain notifications of particular significance. The notifications refer to a material uncertainty factor related to going concern, which indicates that there is a risk that conditions for continued operation do not exist if financing cannot be obtained to a sufficient extent. The notifications in their entirety are presented below:

Annual report for the financial year 2022:

"***Material uncertainty related to going concern***

We would like to draw attention to the board of directors report, the group´s consolidated financial statements, consolidated statement of cash flow for the group and note 2 in the financial statements, which state that the group 2022 had a negative result of MSEK -245.4 and a negative cashflow from operating activities of MSEK -281.5 and that current cash position is expected to fund the planned activities until January 31, 2024 when a loan from Formue Nord of MSEK 74.2 becomes payable. There is a risk that the company will not be able to retain or obtain additional partnerships or obtain other co-financing on acceptable terms or at all. This could result in a temporary halt to the Company´s development programs or that the Company is forced to run operations at a lower rate than desired, which could adversely affect the Company´s operations. In summary, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

Interim report for the period January – September 2023:

"***Material uncertainty related to going concern***

We would like to draw attention to the section "Financial position, share, share capital and ownership structure" on page 16 in the interim report where it is described that the company does not, at the time of issuing the report, have secured funding. This condition indicates that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter."

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are, throughout the period of validity of the Prospectus, available on the Company's website, www.saniona.com.

- The Company's articles of association.
- The Company's certificate of registration.
- Terms and conditions for warrants series TO 4 in Saniona AB.

THE PROSPECTUS

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as the competent authority according to Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority has approved this Prospectus only insofar it meets the standards of completeness, comprehensibility and consistency set out in Regulation (EU) 2017/1129. This approval

of the Prospectus should not be taken as any form of endorsement, neither of the issuer nor the quality of the securities referred to in this Prospectus. Investors should make their own assessment as to whether it is appropriate to invest in these securities. The Prospectus has been prepared as a simplified prospectus in accordance with article 14 in Regulation (EU) 2017/1129. The Prospectus is available on the Company's website, www.saniona.com.

ADDRESSES

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FINANCIAL ADVISOR TO THE COMPANY AND ISSUING AGENT

Vator Securities AB

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THE COMPANY'S AUDITOR

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