INTERIM REPORT FOR SANIONA AB (PUBL)
556962-5345
January - March 2020
Published May 6, 2020

Positive Topline Results in Hypothalamic Obesity – Saniona continues to make significant progress with its rare eating disorder program

Financial highlights

Q1 2020 (Q1 2019)

- Net revenues were SEK 0.5 M (1.7 M)
- EBIT was SEK -30.6 M (-29.1 M)
- Net profit/loss was SEK -28.2 M (-24.8)
- Earnings per share were SEK -0.96 (-1.06)
- Diluted earnings per share were SEK -0.96 (-1.06)

Business highlights in Q1 2020

- In January, Saniona appointed Rami Levin as its President and Chief Executive Officer. Rami Levin will oversee the transformation of Saniona to a fully integrated rare disease biopharmaceutical company. He has extensive commercial experience in CNS and rare diseases, both in U.S. and globally. Jørgen Drejer, previous CEO, was appointed Chief Scientific Officer.
- In January, Saniona completed a private placement of SEK 25 million and proposed a financing of up to SEK 158 million comprising a combination of the directed issue and rights issue of warrants totaling SEK 111 million – 133 million at a strike price of SEK 25 – 30 per share as well as a loan facility of SEK 25 million.
- On February 18, 2020, Saniona co-founded new migraine therapy company Cephagenix.
- CFO Thomas Feldthus has left the company and Saniona has initiated a search for a new, U.S.-based CFO. Anita Milland, the current VP of Finance and Administration, was appointed interim CFO and Head of IR, and Jørgen Drejer assumed the role of Deputy CEO.
- On 18 March 2020, Saniona announced the completion of its the six-month double-blind Phase 2 trial of Tesomet in hypothalamic obesity.
- In March, Saniona signed a second research collaboration agreement with Boehringer Ingelheim in schizophrenia.

Significant events after the reporting period

- In April, Saniona reported positive topline results from its Phase 2 Trial of Tesomet in Hypothalamic Obesity. The double-blind placebo controlled results showed that Tesomet was safe and well tolerated and on its main efficacy end points it showed that Tesomet was statistically significantly different than placebo.
- Saniona reported the appointment of Rudolf Baumgartner, M.D., as Chief Medical Officer and Head of Clinical Development. Dr. Baumgartner will be based in the US, along with CEO Rami Levin.

Comments from the CEO

- "Saniona has continued to execute on its strategic milestones over the last quarter. Our focus has been on two main areas: To advance our clinical development program both in early stage and mid/late development, and to build our presence in the US market. We have completed our double-blind placebo controlled Phase 2 trial of Tesomet in patients with hypothalamic obesity (HO). The positive results of this study and the sustained progress of our Prader-Willi Syndrome (PWS) program have brought us closer to our goal of bringing Tesomet to the market to address the significant unmet need of patients affected by these diseases. By leveraging the continued progress of these drug programs and our strategic partnerships and out licensing agreements in other areas, along with the initiation of building out our presence in the US have positioned ourselves to emerge as a leading U.S.-based rare disease company focused on the central nervous system," says Rami Levin, President & CEO of Saniona.

For more information, please contact

Rami Levin, CEO, Saniona. Mobile: +1 781 987 3144. Email: rami.levin@saniona.com

Anita Milland, Interim CFO & Head of IR. Mobile +45-20163432. Email: anita.milland@saniona.com

Letter from the CEO

Saniona continues to make great progress building an organization focused on drug discovery, development and commercial. We made progress on our focus areas:

Advancing our clinical development programs: Significant progress has been made in clinical trials of our lead product, Tesomet. We recently were thrilled to share positive data from our 24-week double-blind Phase 2 trial of Tesomet in hypothalamic obesity (HO). Twenty-one patients received Tesomet or matching placebo and were monitored for safety, tolerability, and efficacy endpoints. Topline results of the study were positive, showing that Tesomet was safe and well tolerated, with statistically significant improvements seen in bodyweight waist circumference and glycemic control seen following Tesomet treatment. Eighteen out of the original twenty-one study participants have proceeded into the open-label extension phase of the study. Our Prader-Willi Syndrom (PWS) program also continued to progress, with a Tesomet pre-IND meeting with the FDA scheduled for the second quarter.

Building our presence in the US: On January 7th, I officially assumed my role of CEO, while former CEO Jørgen Drejer has transitioned to the role of CSO. Saniona has registered in the commonwealth of Massachusetts and continues to add U.S. based leadership to its management team. We initiated a search for a U.S. based CMO and Head of Clinical Development and have already reported post the Q1 period that we have appointed Dr. Rudolf Baumgartner, M.D., as Chief Medical Officer and Head of Clinical Development for Saniona. We have also initiated the search for a US-based CFO following the departure of former CFO Thomas Feldthus. In the interim, Anita Milland, our former VP of Finance and Administration, has been appointed interim CFO and Head of IR.

The first quarter also saw substantial progress in our out-licensing and partnership opportunities. In February, Saniona announced that it had co-founded Cephagenix, a company that aims to identify and develop novel migraine treatments based on Saniona's ion channel competence and central nervous system technology platform. The new company, which Saniona will own a third of after the first year of collaboration, will provide Saniona with an opportunity to benefit from past research while maintaining focus on its core drug development programs. Saniona was also able to further develop existing partnerships during the last quarter, signing a second research collaboration agreement with Boehringer Ingelheim concerning schizophrenia.

With regards to the rapidly evolving situation surrounding the global COVID-19 pandemic, I would like to first say that the safety of our patients, employees, and partners is our top priority. We continue follow the public health guidelines set forth by the various localities in which Saniona operates and have adjusted our business practices accordingly to provide a safe work environment while minimizing business disruption. To date, our clinical trials have not been impacted by COVID-19. The double blinded portion of our hypothalamic obesity phase 2 trial, which is currently our only active clinical trial, concluded in March 2020 and we have already reported topline results from this study. As the situation continues to evolve, moving forward, we will provide updates regarding any impact the pandemic may have on previously issued guidance.

Despite the challenging global environment, Saniona continues to progress towards its goal of bringing effective treatments for rare diseases of the central nervous system to those patients who desperately need them. I would like to thank all Saniona's employees, partners, and clinical trial participants for the invaluable role they play in our great progress as a company.

Rami Levin

President & CEO, Saniona

About Saniona

Saniona is a rare disease biopharmaceutical company focused on research, development and commercialization of treatments for the central nervous system. The company has four programs in clinical development. Saniona intends to develop and commercialize treatments for rare disease indications such as Prader-Willi syndrome and hypothalamic obesity on its own. The research is focused on ion channels and the company has a broad portfolio of research programs. Saniona has partnerships with Boehringer Ingelheim GmbH, Productos Medix, S.A de S.V and Cadent Therapeutics. Saniona is based in Copenhagen, Denmark, and the company's shares are listed at Nasdaq Stockholm Small Cap (OMX: SANION).

Our vision

To become a leading global rare disease biopharmaceutical company focused on treatments for the central nervous system.

Our mission

To deliver innovative therapies to patients with rare diseases including Prader-Willi syndrome and hypothalamic obesity.

Saniona's focus is on the development and commercialization of proprietary products for the treatment of rare diseases with high unmet medical need. Saniona is currently developing Tesomet for Prader-Willi syndrome and hypothalamic obesity in the U.S. and Europe. The required investments for developing Tesomet in these indications are comparatively small, while the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable.

Saniona also has research partnerships with other pharmaceutical companies and is developing products internally with the aim of out licensing the products to pharmaceutical companies for later stage development or commercialization. The structure of Saniona's partnership and out licensing agreements vary by product, indication, the investment and risk, as well as the interest and capabilities of Saniona's partners. Saniona can either grant its partners commercial license to a limited territory or globally. In exchange, the partners typically finance future research and development activities along with upfront payments, research funding, milestone payments and royalties on future product sales when the product candidates are commercialized.

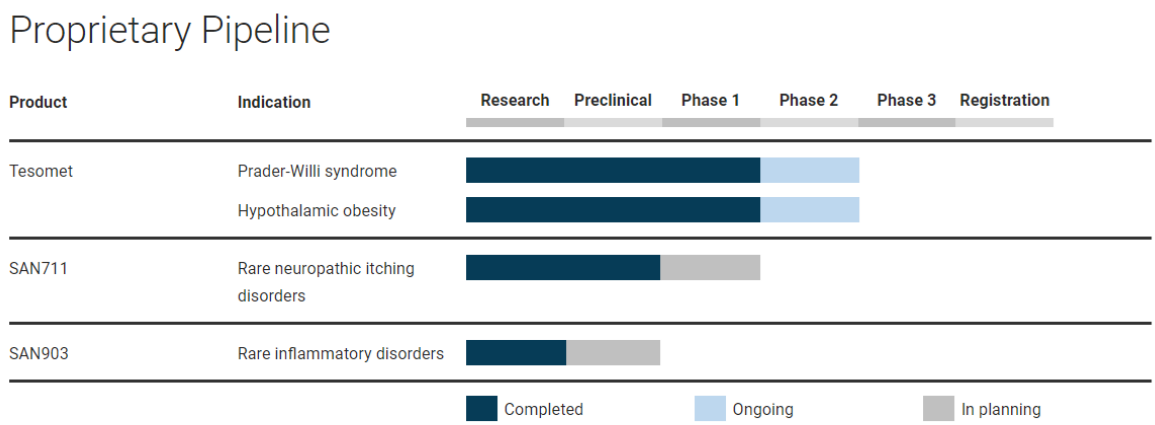
Saniona's short term strategic priorities are the following:

- To build internal capabilities in the organization to support late stage clinical development for rare disease programs and to adequately finance these activities through commercialization
- To develop and attain market approval for Tesomet in the U.S. and Europe for treatment of the rare eating disorders Prader-Willi syndrome and hypothalamic obesity
- To strengthen the company's position and presence in the U.S.
- To develop at least one drug candidate internally from our unique ion channel research platform
- To leverage our leading position within ion channel research through out-licensing and partnerships with other pharmaceutical companies

Proprietary pipeline

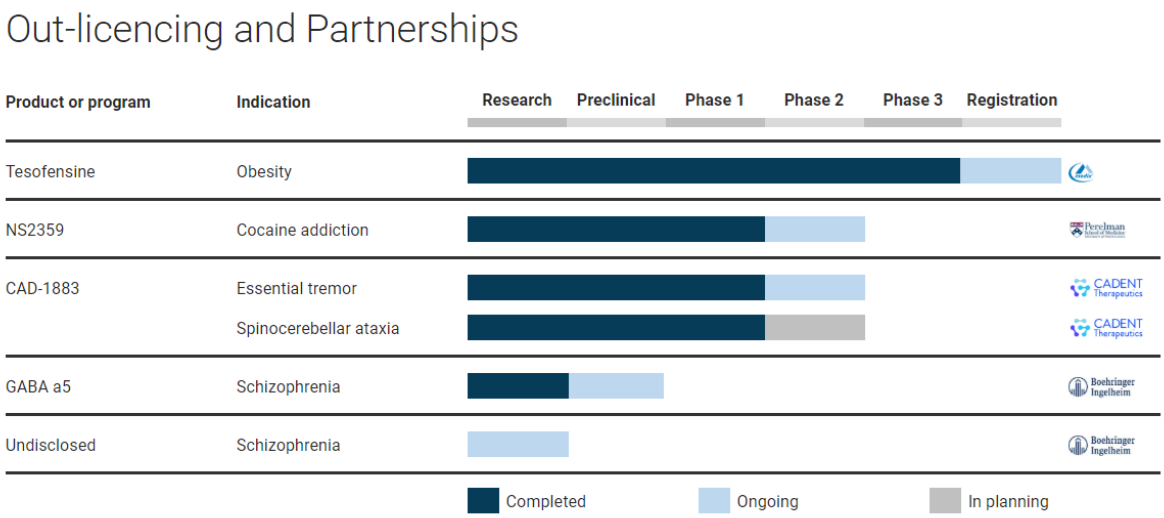
Saniona's most advanced proprietary clinical program is Tesomet for the treatment of rare eating disorders. Saniona has completed a dose-finding Phase 2a proof-of-concept study in PWS and is currently planning for pivotal Phase 2b/3 studies. In parallel Saniona is currently conducting a Phase 2 study in HO with the aim of preparing for Phase 3 study in this indication. Saniona intends to initiate pivotal Phase 2b/3 studies in at least one of these two indications in 2020.

Saniona's early stage pipeline has been established via discovery efforts from its ion channel platform. Ion channels comprise a unique class of proteins, which, among other things, controls the activity of muscles and nerves and is central to numerous other functions in the body. Currently, Saniona has two preclinical assets from its ion channel platform that are advancing to the clinic. SAN711, in development for rare itching disorders has completed the preclinical development and is Phase 1 ready. In addition, Saniona has initiated preclinical development for SAN903 in preparation for Phase 1 studies in rare inflammatory and fibrotic disorders.



Out-licensing and partnerships

Saniona's most advanced out-licensed program is tesofensine, which is being developed for obesity by Medix. Medix submitted a new drug application to the Mexican food and drug administration in December 2019 for approval of tesofensine for the treatment of patients with obesity. Saniona's partner Cadent Therapeutics has completed a Phase 2a study for the treatment of essential tremor and expects to start another Phase 2a study in the first half of 2020 for the treatment of Ataxia. Saniona's partner Boehringer Ingelheim is currently conducting a preclinical development program in preparation for Phase 1 studies in schizophrenia.



Financial review

Financial key figures

		2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
Net sales, KSEK		459	1,715	2,658
Total operating expenses, KSEK		-31,066	-30,864	-106,563
Operating profit/loss, KSEK	*	-30,606	-29,149	-103,906
Operating margin, %	*	-6666%	-1700%	-3909%
Cash flow from operating activities, KSEK		-51,364	-22,851	-98,469
Cash flow per share, SEK	*	-0.16	-0.22	-0.87
Earnings per share, SEK		-0.96	-1.06	-2.95
Diluted earnings per share, SEK		-0.96	-1.06	-2.95
Average shares outstanding		29,302,629	23,350,994	25,719,586
Diluted average shares outstanding		29,317,755	23,370,773	25,732,676
Shares outstanding at the end of the period		29,412,519	23,922,480	28,412,519
Average number of employees, #		23.3	22.7	22.4
		2020-03-31	**2019-03-31**	**2019-12-31**
Cash and cash equivalent, KSEK		37,354	46,881	40,248
Equity, KSEK		73,550	31,413	58,437
Total equity and liabilities, KSEK		122,207	82,238	96,000
Liquidity ratio, %	*	118%	129%	152%
Equity ratio, %	*	60%	38%	61%
Equity per share, SEK	*	2.65	1.31	2.06

* = Alternative performance measures

Definitions and relevance of alternative performance measures
Saniona presents certain financial measures in the interim report that are not defined according to IFRS, so called alternative performance measures. These have been noted with an "*" in the table above. The company considers that these measures provide valuable supplementary information for investors and company management as they enable an assessment of relevant trends of the company's performance. These financial measures should not be regarded as substitutes for measures defined per IFRS. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. The definition and relevance of key figures not calculated according to IFRS are set-out in the table below.

Key figure	Definition	Relevance
Operating profit/loss	Profit/loss before financial items and tax.	The operating profit/loss is used to measure the profit/loss generated by the operating activities.
Operating margin	Operating profit/loss as a proportion of revenue.	The operating margin shows the proportion of revenue that remains as profit before financial items and taxes and has been included to allow investors to get an impression of the company's profitability.
Liquidity ratio	Current assets divided by current liabilities.	Liquidity ratio has been included to show the Company's short-term payment ability.
Equity ratio	Shareholders' equity as a proportion of total assets.	The equity ratio shows the proportion of total assets covered by equity and provides an indication of the company's financial stability and ability to survive in the long term.
Equity per share	Equity divided by the shares outstanding at the end of the period.	Equity per share has been included to provide investors with information about the equity reported in the balance sheet as represented by one share.
Cash flow per share	Cash flow for the period divided by the average shares outstanding for the period.	Cash flow per share has been included to provide investors with information about the cash flow represented by one share during the period.

Derivation of alternative performance measurers

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
Operation profit/loss, KSEK	-30,606	-29,149	-103,906
Net sales, KSEK	459	1,715	2,658
Operating margin, %	**-6666%**	**-1700%**	**-3909%**
Cash flow for the period, KSEK	-4,688	-5,108	-22,491
Average shares outstanding	29,302,629	23,350,994	25,719,586
Cash flow per share, SEK	**-0.16**	**-0.22**	**-0.87**

	2020-03-31	2019-03-31	2019-12-31
Current assets, KSEK	54,063	61,628	53,883
Current liabilities, KSEK	45,947	47,924	35,416
Liquidity ratio, %	**118%**	**129%**	**152%**
Equity, KSEK	73,550	31,413	58,437
Total equity and liabilities, KSEK	122,207	82,238	96,000
Equity ratio, %	**60%**	**38%**	**61%**
Equity, KSEK	73,550	31,413	58,437
Shares outstanding at the end of the period	29,412,519	23,922,480	28,412,519
Equity per share, SEK	**2.50**	**1.31**	**2.06**

Revenues and result of the operation

Revenue

Total revenues during the first quarter of 2020 was SEK 0.5 million (1.7). In 2020 revenues comprised research funding under the agreements with Cephagenix. In 2019, revenues comprised research funding under the agreements with Boehringer Ingelheim.

Operating profit/loss

The operating loss for the first quarter was SEK 30.6 million (29.1).

The company recognized operating expenses of SEK 31.1 million (30.9) for the first quarter of 2020.

External costs amounted to SEK 21.1 million (22.3) and personnel costs amounted to SEK 9.1 million (7.1). In the first quarter of 2020, external expenses comprised primarily development costs in relation to Tesomet followed by preclinical development costs in relation to SAN903 and SAN711. In the first quarter of 2019, external expenses comprised primarily development costs in relation to Tesomet followed by preclinical development costs in relation to SAN711 and research and development costs in relation to the SAN903 program.

Cash flow

Operating cash flow for the first quarter of 2020 was an outflow of SEK 51.4 million (outflow of 22.9). Consolidated cash flow for the first quarter of 2020 was an outflow of SEK 4.7 million (outflow of 5.1).

In 2020, the operating cash flow during the first quarter is explained by the operating loss and change in working capital. The consolidated cash flow in 2020 is further explained by an inflow from finance activities of SEK 25 million through the directed issue of 1,000,000 shares to Formue Nord at SEK 25 per share. The net proceeds of SEK 22.7 million is recorded under new share issues after deduction of issuing expenses. Furthermore, a loan of SEK 25 million was drawn under the loan facility agreement with Formue Nord.

In 2019, the operating cash flow during the first quarter is explained by the operating loss. The consolidated cash flow in 2019 is further explained by an inflow from finance activities of SEK 17.3 million through the issue of convertible loan notes to Nice & Green totaling SEK 18 million of which SEK 2 million has not been converted at March 31, 2019. The balance of SEK 16 million was converted into equity during Q1 2019 and the net proceeds of SEK 15.3 million is recorded under new share issues after deduction of issuing expenses.

Financial position
The equity ratio was 60 (38) % as of March 31, 2020, and equity was SEK 73.6 million (31.4). Cash and cash equivalents amounted to SEK 37.4 million (46.9) as of March 31, 2020. Total assets as of March 31, 2020, were SEK 122.2 million (82.2).

On January 10, 2020, Saniona completed a private placement of SEK 25 million and proposed a financing of up to SEK 158 million comprising a combination of the directed issue and rights issue of warrants totaling SEK 111 million – 133 million at a strike price of SEK 25 – 30 per share as well as a loan facility of SEK 25 million. The financing replaces the financing agreement with Nice & Green dated 28 December 2017, which has been terminated as of January 10, 2020.

In March 2020 Saniona has drawn a loan of SEK 25 million in accordance with the loan facility agreement entered with Formue Nord in January 2020. Loans raised under the loan facility are subject to market interest rates and shall be repaid no later than February 7, 2021.

The share, share capital and ownership structure
At March 31, 2020, the number of shares outstanding amounted to 29,412,519 (23,922,480).

In January 2020, it was resolved to perform a rights issue. Through the rights issue the Company's share capital increased by SEK 50,000, to a total of SEK 1,470,625.95 and the number of shares increased by 1,000,000 to a total of 29,412,519.

The company established a warrant program on July 1, 2017, totaling 38,750 warrants, on January 19, 2018 totaling 286,003 warrants, on July 1, 2018, totaling 45,013 warrants, on September 1, 2019, totaling 50,270 warrants and on February 7, 2020, totaling 710,313 warrants.

The extraordinary shareholders' meeting on February 7, 2020, approved the board of director's decision to carry out a directed issue of 465,518 units, consisting of 1,396,554 warrants of the series TO 1, TO 2 and TO 3, to two external investors (Formue Nord Markedsneutral A/S and Formue Nord Fokus A/S), and to carry out a rights issue to shareholders of 1,014,224 units consisting of a total of 3,042,672 warrants of the same series.

Each warrant, regardless of series, carries the entitlement to subscribe for one (1) new share in Saniona at a subscription price corresponding to 70% of the volume-weighted average share price for the Saniona's share during a two-week period ending two trading days prior to the start of each series' exercise period, though not less than SEK 25 and not more than SEK 30 per share.

The measurement period for TO 1 is April 22, 2020 to May 6, 2020, the measurement period for TO 2 is August 20, 2020 to September 2, 2020 and for TO 3 the measurement period is March 17 to March 30, 2021. The exercise period for series TO 1 warrants is May 11–25, 2020, for series TO 2 warrants September 7–21, 2020 and for series TO 3 warrants April 6–20, 2021. The warrants will be subject to customary conversion conditions in conjunction with issues.

The maximum number of shares that may be issued is 4,439,226. This does not take into account any future conversion in accordance with the warrant terms for each series.

At March 31, 2020, the company had 6,058 (5,610) shareholders excluding holdings in life insurance and foreign custody account holders.

Personnel
As of March 31, 2020, the number of employees was 24 (24) of which 13 (13) were women. Of these employees, 5 (3) are part-time employees and 19 (21) are full-time employees, and a total of 19 (19) work in the company's research and development operations. 11 (11) of Saniona's employees hold PhDs, 2 (2) hold university degrees, 8 (8) have laboratory training and the remaining 3 (3) have other degrees.

Operational risks and uncertainties
All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be company specific.

The main risks and uncertainties which Saniona is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patent, regulatory requirements, capital requirements and currencies.

The Group's programs are sold primarily to pharmaceutical companies and spinouts funded by pharmaceutical companies and venture capital firms. Historically, the Group has not sustained any losses on trade receivables and other receivables.

Currency risks is the risk that the fair value of future cash flows fluctuate because of changed exchange rates. Exposure to currency risk is primarily sourced from payment flows in foreign currency and from the translation of balance sheet items in foreign currency, as well as upon the translation of foreign subsidiaries' income statements and balance sheets to the Group's reporting currency, which is SEK.

A more detailed description of the Group's risk exposure and risk management is included in Saniona's 2019 Annual Report. There are no major changes in the Group's risk exposure and risk management in 2020, besides risk related to COVID-19 as described below.

Risk related to COVID-19

An outbreak of an infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of the novel coronavirus known as COVID-19, could adversely impact the company by causing operating, clinical trial and project development delays and disruptions, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and the company's ability to raise capital.

To date, Saniona's clinical trials have not been impacted by COVID-19. The hypothalamic obesity phase 2 clinical trial, the last active clinical trial we currently have, was able to conclude and close in March 2020 despite COVID-19 Pandemic.

Audit review

This interim report has not been subject to review by the company's auditors.

Financial calendar

Annual General Meeting	May 6, 2020
Interim Report Q2	August 27, 2020
Interim Report Q3	November 26, 2020
Year-End Report 2020	February 25, 2021

The Board of Directors and the CEO of Saniona AB (publ) provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the companies in the Group.

Ballerup, May 6, 2020
Saniona AB

J. Donald deBethizy - Chairman	Rami Levin, CEO
Claus Bræstrup – Board member	Jørgen Drejer – Board member
Anna Ljung - Board member	Carl Johan Sundberg - Board member
Edward Saltzman – Board member	

Condensed consolidated statement of comprehensive income – Group

KSEK	Note	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
	1-2			
Net sales	3	459	1,715	2,658
Total operating income		459	1,715	2,658
Raw materials and consumables		-720	-978	-3,517
Other external costs		-21,085	-22,302	-74,984
Personnel costs	4	-9,051	-7,073	-25,860
Depreciation and write-downs		-210	-510	-2,202
Total operating expenses		-31,066	-30,864	-106,563
Operating profit/loss		**-30,606**	**-29,149**	**-103,906**
Share of result of associates	8	-	-1,460	20,214
Financial income		-	-	674
Financial expenses		-482	-198	-483
Net gains/losses on financial items		-2,464	-	-
Total financial items		-2,946	-1,657	20,404
Profit/loss after financial items		**-33,553**	**-30,806**	**-83,501**
Tax on net profit	5	5,369	5,996	7,713
Profit/loss for the period		**-28,184**	**-24,810**	**-75,788**
Other comprehensive income for the period				
Item that may be reclassified to profit and loss				
Translation differences		1,146	354	-187
Item that will not be reclassified to profit and loss				
Fair value financial assets	8	20,911	-	10,657
Total other comprehensive income net after tax		**22,057**	**354**	**10,470**
Total comprehensive income		**-6,126**	**-24,455**	**-65,319**
Earnings per share, SEK		-0.96	-1.06	-2.95
Diluted earnings per share, SEK		-0.96	-1.06	-2.95

The recognized loss and total comprehensive income are all attributable to the shareholders of the Parent Company, since there is no non-controlling interest in the subsidiaries of the Group.

Condensed consolidated statement of financial position – Group

KSEK	Note	2020-03-31	2019-03-31	2019-12-31
	1-2			
ASSETS				
Fixtures, fittings, tools and equipment		3,415	5,925	3,415
Tangible assets		3,415	5,925	3,415
Non-current tax assets	5	5,582	5,999	-
Other financial assets	8	58,287	-	37,376
Investments in associated companies	8	-	5,045	-
Other long-term receivables	9	789	3,578	1,260
Financial assets		64,658	14,622	38,635
Deferred tax		71	63	67
Non-current assets		**68,144**	**20,609**	**42,117**
Trade receivables		915	1,716	-
Current tax assets	5	8,162	7,680	7,682
Other receivables		5,599	3,456	4,430
Prepayments and accrued income		2,032	1,895	1,523
Current receivables		16,709	14,747	13,636
Cash and cash equivalent		37,354	46,881	40,248
Current assets		**54,063**	**61,628**	**53,883**
Total assets		**122,207**	**82,238**	**96,000**
EQUITY AND LIABILITIES				
Share capital	10	1,471	1,196	1,421
Additional paid in capital	10	259,679	172,419	239,592
Reserves		31,750	-422	9,693
Retained earnings including profit or loss for the period		-219,349	-141,780	-192,268
Equity		**73,550**	**31,413**	**58,437**
Lease liabilities		1,321	2,901	1,420
Other payables		1,388	-	727
Non-current liabilities		2,709	2,901	2,147
Trade payables		9,516	8,331	29,248
Convertible loan	10	-	8,000	-
Loan	11	25,000	-	-
Other payables		5,735	588	745
Accrued expenses and deferred income		5,696	31,005	5,423
Current liabilities		45,947	47,924	35,416
Total liabilities		**48,657**	**50,825**	**37,563**
Total equity and liabilities		**122,207**	**82,238**	**96,000**

Condensed consolidated statement of changes in equity – Group

	Share capital	Share premium	Trans-lation reserves	Fair value reserve	Retained earnings	Share-holders' equity
January 1, 2019	**1,166**	**157,118**	**-777**	**0**	**-118,051**	**39,457**
Comprehensive income						
Profit/loss for the year					-24,810	-24,810
Other comprehensive income:						0
Translation differences			354			354
Total comprehensive income			**354**	**0**	**-24,810**	**-24,455**
Transactions with owners						
Shares issued for cash	30	15,970				16,000
Expenses related to capital increase		-669				-669
Share-based compensation expenses					1,080	1,080
Total transactions with owners	**30**	**15,301**			**1,080**	**16,411**
March 31, 2019	**1,196**	**172,419**	**-422**	**0**	**-141,780**	**31,413**
January 1, 2020	**1,421**	**239,592**	**-964**	**10,657**	**-192,268**	**58,437**
Comprehensive income						
Profit/loss for the year					-28,184	-28,184
Other comprehensive income:						
Fair value reserve				20,911		20,911
Translation differences			1,146			1,146
Total comprehensive income			**1,146**	**20,911**	**-28,184**	**-6,126**
Transactions with owners						
Shares issued for cash	50	24,950				25,000
Expenses related to capital increase		-4,863				-4,863
Share-based compensation expenses					1,102	1,102
Total transactions with owners	**50**	**20,087**			**1,102**	**21,239**
March 31, 2020	**1,471**	**259,679**	**182**	**31,568**	**-219,349**	**73,550**

Condensed consolidated statement of cash flows – Group

KSEK	Note	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
Profit/loss before tax		-33,553	-30,806	-83,501
Adjustments for non-cash transactions		4,779	5,823	-15,941
Changes in working capital		-22,108	2,330	783
Cash flow from operating activities before financial items		**-50,882**	**-22,654**	**-98,660**
Interest income received		-	-	674
Interest expenses paid		-482	-198	-483
Tax paid		-	-	-
Cash flow from operating activities		**-51,364**	**-22,851**	**-98,469**
Investing activities				
Investment in tangible assets		-1,473	-8	-3,488
Investment in other financial assets		471	421	2,739
Cash flow from investing activities		**-1,002**	**413**	**-749**
Financing activities				
Convertible loan	10	-	2,000	-6,000
Loan	11	25,000	-	-
New share issue	10, 11	22,678	15,330	82,728
Cash flow from financing activities		**47,678**	**17,330**	**76,728**
Cash flow for the period		**-4,688**	**-5,108**	**-22,491**
Cash and cash equivalents at beginning of period		**40,248**	**54,678**	**54,678**
Exchange rate adjustments		1,795	-2,689	8,061
Cash and cash equivalents at end of period		**37,354**	**46,881**	**40,248**

Statement of income – Parent Company

KSEK	Note	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
	1-2			
Other operating income		-	338	1,354
Total operating income		0	338	1,354
Raw materials and consumables		-7	-2	-13
Other external costs		-1,702	-1,816	-6,416
Personnel costs		-680	-897	-4,046
Total operating expenses		-2,389	-2,715	-10,475
Operating profit/loss		**-2,389**	**-2,377**	**-9,121**
Share of result of associates	8	-	-1,460	-1,092
Financial income		93	1,976	8,657
Financial expenses		-82	-35	-269
Net gains/losses on financial items		-2,464	-	-
Total financial items		-2,452	481	7,295
Profit/loss after financial items		**-4,842**	**-1,896**	**-1,826**
Tax on net profit		0	0	0
Profit/loss		**-4,842**	**-1,896**	**-1,826**

Balance Sheet – Parent Company

KSEK	Note	2020-03-31	2019-03-31	2019-12-31
	1-2			
ASSETS				
Investment in subsidiaries		204,100	11,832	204,100
Other financial assets	8	5,413	-	-
Investments in associated companies	8	-	5,045	5,413
Financial assets		209,512	16,877	209,512
Non-current assets		**209,512**	**16,877**	**209,512**
Receivables from group companies		26,253	115,284	-
Other receivables		617	363	286
Prepayments and accrued income		658	1,250	763
Current receivables		27,529	116,897	1,049
Cash and cash equivalent		28,700	27,062	9,899
Current assets		**56,229**	**143,959**	**10,948**
Total assets		**265,741**	**160,836**	**220,460**
EQUITY AND LIABILITIES				
Restricted equity				
Share capital	10	1,471	1,196	1,421
Unrestricted equity				
Share premium reserve	10	258,167	170,908	238,080
Retained earnings		-19,786	-17,960	-17,960
Profit/loss for the period		-4,842	-1,896	-1,826
Equity		**235,010**	**152,248**	**219,715**
Convertible loan	10	-	8,000	-
Loan	11	25,000	-	-
Other payables		5,730	588	745
Current liabilities		30,730	8,588	745
Total liabilities		**30,730**	**8,588**	**745**
Total equity and liabilities		**265,741**	**160,836**	**220,460**

Notes

Note 1 General Information

Saniona AB (publ), Corporate Registration Number 556962-5345, the Parent Company and its subsidiaries, collectively the Group, is a publicly listed research and development company focused on drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain. The Parent Company is a limited liability company registered in the municipality of Malmö in the county of Skåne, Sweden. The address of the head office is Baltorpvej 154, DK-2750 Ballerup, Denmark. Saniona is listed at Nasdaq Stockholm Small Cap. The Parent Company's share is traded under the ticker SANION and the ISIN code SE0005794617.

Note 2 Significant accounting policies

The interim report has been prepared in accordance with IAS 34 Interim reporting. The Group applies the International Financial Reporting Standards (IFRS) and interpretations of IFRS IC as adopted by the EU, the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The condensed consolidated financial statements have been prepared under the historical cost convention, except in the case of certain financial assets and liabilities, which are measured at fair value. The condensed consolidated financial statements are presented in Swedish kronor (SEK) which is also the functional currency of the Parent Company.

The applied accounting principles are in accordance with those described in the Annual Report for 2019. More detailed information about the Group's and the Parent Company's accounting and valuation principles can be found in the Annual Report for 2019, which is available on www.saniona.com.

Disclosures in accordance with IAS 34 Interim Financial Reporting are presented either in the notes or elsewhere in the interim report.

Effects of new accounting policies

International Accounting Standards Board (IASB) has adopted a number of standards and amendments that will come into effect 2020 and these have not had any effect on the group. Standards which will come into effect in 2021 or later have not been early adopted.

Note 3 Segment reporting

The Group is managed as a single business unit. The basis for identifying reportable segments is the internal reporting as reported to and followed up by the highest executive decision maker. The Group has identified the highest executive decision maker as the CEO. The internal management and reporting structure comprise only one business unit, and the Group therefore has only one operating segment, for which reason no segment information is provided.

Note 4 Share based payments

Share-based compensation expenses for the Q1 2020 totaled SEK 1,102 (1,080) thousand. The Group accounts for share-based compensation by recognizing compensation expenses related to share-based instruments granted to the board, management, employees and consultants in the income statement. Such compensation expenses represent the fair market values of warrants granted and do not represent actual cash expenditures.

	Options allotted in 2017	Options allotted in 2018	Options allotted in 2019	Options allotted in 2020	Total
Share-based payment					
Outstanding at 1 January 2020	38,292	329,308	50,270	-	417,870
Granted during the period	-	-	-	710,313	710,313
Forfeited during the period	-	-	-	-	0
Outstanding at 31 March 2020	**38,292**	**329,308**	**50,270**	**710,313**	**1,128,183**

Incentive program after rights issues**	2017	2018:1	2018:2	2018:3	2019:1	2019:2	2020:1	Total
Allotted options	38,750	286,003	34,500	10,513	34,500	15,770	710,313	1,130,349
Forfeited	-458		-1,708					-2,166
Outstanding	38,292	286,003	32,792	10,513	34,500	15,770	710,313	1,128,183
Subscriptions price after rights issues (SEK)	40.63	33.20	29.71	29.71	17.83	17.83	29.36	
Equal to no of shares	40,228	300,474	34,450	11,044	34,845	15,927	717,416	1,154,384

*** The subscription price for the options and the number of shares that each option entitles to subscription of have been recalculated as a result of rights issues carried out after the implementation of each respective program.*

If all issued warrants are exercised for subscription of new shares, the Parent Company's will issue a total of 1,154,384 new shares corresponding to a dilution of approximately 3.78%. The data below has been used for the calculation.

Incentive program	2017	2018:1	2018:2	2018:3	2019:1	2019:2	2020:1
Allotted options	38,750	286,003	34,500	10,513	34,500	15,770	710,313
Fair value per option (SEK)	29.48	12.67	18.89	18.89	7.55	6.69	12.94
Share price for underlying shares (SEK)	45.50	26.95	33.85	33.85	17.76	17.76	28.85
Subscription price (SEK)	41.13	33.60	30.08	30.08	17.86	17.86	29,42
Vesting period	4 years	3 years	4 years	3 years	4 years	3 years	4 years
Estimated life of the option	5.50 years	6.25 years	5.5 years	4 years	5.5 years	4 years	5 years
Risk-free interest rate during the life of the option	-0.0584%	0.2389%	-0.0713%	-0.0356%	-0.6929%	-0.6995%	-0.1963%
Assumed volatility*	76.75%	57.41%	63.58%	63.58%	51.03%	51.03%	52.14%
Expected dividends	0	0	0	0	0	0	0

** In 2017, the volatility equals the historical volatility for the longest period where trading activity is available (for the period since listing at the Spotlight Stock Market on April 22, 2014 to date of grant). In 2018, 2019 and 2020, the volatility equals a twelve-month period.*

A detailed description of the warrant program in 2017, 2018:1, 2018:2, 2018:3, 2019:1 and 2019:2 can be found in the annual report 2019.

2020:1 On February 7, 2020, the extraordinary shareholders' meeting voted in favor of establishing an employee option program for the CEO, Rami Levin. The Employee Option Program 2020/2025 shall be comprised by a maximum of 710,313 employee options. Allotment toke place on February 7, 2020. Each employee option entitles the holder a right to acquire one new share in the Saniona for a subscription price of SEK 29.42. The allotted employee options will be vested with 1/4 each at the dates falling 12, 24, 36 and 48 months after allotment. The employee options shall be allotted without consideration. The holder can exercise allotted and vested employee options during 30 days from the day following after the announcement of the Company's quarterly reports, or for full year, the year-end re-port, the first time after the announcement of the quarterly report for the fourth quarter of 2022 and the last time after the announcement of the quarterly report for the third quarter of 2025.

Note 5 Income tax and deferred tax subsidiaries in Denmark

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the period and in other comprehensive income or equity to the extent that it relates thereto.

The Group recognized a tax income of SEK 5.4 million (6.0) during the first quarter of 2020. This amount has been recognized under non-current tax assets in accordance to the accounting policies described below.

Under the Danish R&D tax credit scheme (Skattekreditordningen), loss-making R&D entities can obtain a tax credit which is equal to the tax value of the incurred research and development expenses. The tax credit is payable in November in the following financial year. In 2019 and 2020, the R&D expense tax-base is capped to DKK 25 million equal to a tax credit of DKK 5.5 million at a tax rate of 22%. Research and development tax-credits under the Danish R&D tax credit scheme is recognized in the income statement to the extent that it relates to the research and development expenses for the period and Saniona expects to fulfil the requirement for tax credit for the year. The tax credit under the Danish R&D tax credit scheme is recognized in the balance sheet under current tax assets if payable within 12 months and under non-current tax assets if payable after 12 months. As of March 31, 2020, the Group had SEK 8.2 million (DKK 5.5 million) in current tax asset, which will be payable in November 2020 and SEK 5.6 million in non-current tax assets, which will be payable in November 2021. As of March 31, 2019, the Group had SEK 7.7 million (DKK 5.5 million) in current tax asset, which was paid in November 2019 and SEK 6.0 million in non-current tax assets, which will be payable in November 2020.

Note 6 Pledged assets and contingent liabilities

The Parent Company has provided a guarantee to the subsidiary Saniona A/S to ensure that Saniona A/S will be able to pay its creditors as the obligations fall due for the period until June 30, 2021. Saniona A/S had no external net debt as of March 31, 2020.

Note 7 Related parties

Related parties comprise the Group's Executive Management, Board of Directors and companies within the Group. Apart from intercompany transaction and board fees as well as remuneration of management in accordance to the remuneration policy as resolved at the annual general meeting, there has been no transaction with related parties during 2019 and 2020.

Note 8 Other financial assets

On May 3, 2017, Saniona participated in formation of a new company, Scandion Oncology A/S. Scandion Oncology has been listed on the Spotlight Stock Market on November 8, 2018.

Parent

Scandion Oncology is recognized at cost subject to potential impairments.

KSEK	Value
January 1, 2020	5,413
Amounts recognized in P/L	0
March 31, 2020	**5,413**

Group

Scandion Oncology is recognized in the balance sheet in accordance to the fair value and changes in fair value is recognized under Other comprehensive income.

KSEK	Value
January 1, 2020	37,376
Amounts recognized in OCI	20,911
March 31, 2020	**58,287**

Note 9 Other long-term receivables

On July 4, 2017, Saniona acquired NeuroSearch's remaining interest in the preclinical and clinical assets, which Saniona acquired from NeuroSearch during the period 2012-2016. According to the previous agreements, Saniona was obliged to pay NeuroSearch a milestone payment of EUR 400,000 when the first preclinical program was tested in humans. In addition, Saniona was obliged to pay royalties on its product sales or a percentage of its licensing income in relation to the acquired clinical assets including the clinical development compounds, tesofensine and NS2359. According to the new agreement, Saniona has paid NeuroSearch a onetime cash payment of DKK 5.5 million. Following this, Saniona has no additional payment obligations to NeuroSearch. Saniona estimates that the onetime cash payment of DKK 5.5 million would have been payable to NeuroSearch within a four-year period under the previous agreements. Therefore, the amount will be expensed over a four-year period starting July 1, 2017. In 2020 the onetime cash payment has been expensed with SEK 0.5 million (SEK 0.5 million) and as March 31, 2020, the recorded value of the asset is SEK 2.6 (SEK 4.3 million).

Note 10 Convertible loan

Saniona entered into a convertible notes funding agreement with Nice & Green S.A on December 29, 2017. In January 2020, Saniona terminated the convertible notes funding agreement without having drawn any tranches under the extended agreement.

Note 11 Loan Formue Nord

On January 10, 2020, Saniona completed a private placement of SEK 25 million at SEK 25 per share to Formue Nord and entered into a loan facility agreement with Formue Nord entitling to draw loans in an aggregate amount of 25 MSEK.

Saniona's right to draw loans under the loan facility agreement was conditional upon that an extraordinary general meeting to be held on 7 February 2020 resolved to approve an issue of units (consisting of warrants in three different series) directed to the lenders and a rights issue of units (consisting of warrants in the same three series as issued to the lenders). The units in both the directed issue and the rights issue will be issued free of payment. February 7, 2020, the extraordinary general meeting resolved to approve the board of directors' resolution.

In March 2020 Saniona drew loans of SEK 25 million under the loan facility agreement. The loans raised under the loan facility agreement are subject to market interest rates and shall be repaid no later than February 7, 2021.

Note 12 Financial Instruments – Fair values

If not otherwise stated below we approximate the fair value with the carrying value on financial assets and liabilities as the time to maturity is short.

KSEK	Level 1		Level 2		Level 3	
Financial assets and liabilities by fair value hierarchy level /for instruments measured at fair value/	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Equity investments	58,287	37,376	-	-	-	-
Warrants*	-	-	5,005	-	-	-

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Compared with 2019, no transfers have been made between the different levels in the hierarchy and no significant changes have been made to the measurement method.

*The warrants are valued with the Black Scholes model.

Business terms - glossary

Alzheimer's disease
A chronic neurodegenerative disease that usually starts slowly and gets worse over time and accounts for 60% to 70% of cases of dementia. As the disease advances, symptoms can include problems with language, disorientation (including easily getting lost), mood swings, loss of motivation, not managing self-care, and behavioral issues. Gradually, body functions are lost, ultimately leading to death. The cause for most Alzheimer's cases is still mostly unknown except for 1% to 5% of cases where genetic differences have been identified. Several competing hypotheses exist trying to explain the cause of the disease.

Ataxia
A neurological sign consisting of lack of voluntary coordination of muscle movements. Ataxia is a non-specific clinical manifestation implying dysfunction of the parts of the nervous system that coordinate movement, such as the cerebellum. Several possible causes exist for these patterns of neurological dysfunction and they can be mild and short term or be symptoms of sever chronic diseases such as Friedreich's ataxia, which is an autosomal recessive inherited disease that causes progressive damage to the nervous system which manifests in initial symptoms of poor coordination that progresses until a wheelchair is required for mobility.

Atlas Venture
Atlas Venture Inc. For further details, please see description about Cadent Therapeutics under CAD-1883 in the Pipeline section.

BenevolentAI
BenevolentAI acquired Proximagen Ltd. in Q1 2017.

Boehringer Ingelheim
Boehringer Ingelheim GmbH. For further details, please see the Boehringer Program in the Pipeline section.

Cadent Therapeutics
Cadent Therapeutics was established in March 2017 through a merger between Saniona's spin-out company, Ataxion, and Luc Therapeutics.

Chronic itching
Chronic itching (also known as pruritus) is defined as an unpleasant sensation that provokes the desire to scratch. Prolonged itching and scratching may increase the intensity of the itch and lead to skin injury, infection and scarring. The possible causes are numerous and include dry skin, skin disorders such as eczema and psoriasis, infections such as chicken pox and scabies, underlying illness such liver disease, kidney failure and cancers, nerve disorders such as multiple sclerosis and diabetes mellitus, and allergic diseases including allergic reactions to medications such as antibiotics and chemotherapy. For some patients, there's no known cause. Chronic itching ranges in intensity from a mild annoyance to a disabling condition. The constant need to scratch can be as debilitating as chronic pain. Depending on the underlying cause, the current treatment options include moisturizing cream, antihistamines, corticosteroids, local anesthetics, calcineurin inhibitors and antidepressants. Many patients experience only a partial relief whereas others have no relief from existing treatment options.

CNS
Central Nervous System, a part of the nervous system consisting of the brain and spinal cord.

Cocaine addiction
The compulsive craving for use of cocaine despite adverse consequences.

Colitis
An inflammation of the inner lining of the colon. There are numerous causes of colitis including infection, inflammatory bowel disease (Crohn's disease, ulcerative colitis), ischemic colitis, allergic reactions, and microscopic colitis. Symptoms depend upon the cause and may include abdominal pain, cramping and diarrhea.

Crohn's disease
An IBD which causes inflammation of the digestive tract, which can lead to abdominal pain, severe diarrhea, fatigue, weight loss and malnutrition. Inflammation caused by Crohn's disease can involve different areas of the digestive tract in different people.

CTA
Clinical Trial Application which a pharmaceutical company file to EMA to obtain permission to ship and test an experimental drug in Europe before a marketing application for the drug has been approved. The approved application is called an Investigational New Drug (IND) in the US.

EMA
European Medicines Agency

Epilepsy
Epilepsy is a central nervous system (neurological) disorder in which brain activity becomes abnormal, causing seizures or periods of unusual behavior, sensations, and sometimes loss of awareness. Treatment with medications or sometimes surgery can control seizures for most people with epilepsy. Some people require lifelong treatment to control seizures, but for others, the seizures eventually go away.

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

Fatty liver disease (NASH)
Nonalcoholic steatohepatitis (NASH), or fatty liver disease, is a form of nonalcoholic fatty liver disease (NAFLD) in which a patient has hepatitis - inflammation of the liver - and liver cell damage, in addition to fat in the liver. Inflammation and liver cell damage can cause fibrosis, or scarring, of the liver. NASH may lead to cirrhosis or liver cancer.

FDA
US Food and Drug Administration

GABAA α2/α3 program
A small molecule program which is designed to positively modulate (PAM) GABA-A α2 and GABA-A α3 ion channels, which are expressed in various central and peripheral neurons and are believed to be key mediator in the control of pain signaling and the control of anxiety.

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

IK program
A small molecule program which is designed to inhibit IK channels, which are expressed by immune cells and believed to be key mediator of inflammation in auto inflammatory diseases such as inflammatory bowel diseases.

IND
Investigational New Drug is a program by which a pharmaceutical company obtains permission to ship and test an experimental drug in the U.S. before a marketing application for the drug has been approved. In Europe, the application is called a Clinical Trial Application (CTA).

Inflammatory bowel disease (IBD)
IBD is an umbrella term used to describe disorders that involve chronic inflammation of the digestive tract. Types of IBD include ulcerative colitis and Crohn's disease.

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

Ion channel modulators
A drug which modulates the function of ion channels by blocking or opening ion channels or by decreasing or increasing throughput of ion channels. Agonists opens ion channels, Antagonists blocks ion channels, PAMs

(Positive Allosteric Modulators) increase throughput whereas NAMs (Negative Allosteric Modulators) decrease throughput of ion channels.

Kv7 programs
Saniona's Kv7 programs focus on developing effective new treatments for neurological diseases, such as treatment-resistant partial epilepsy, and various pain disorders. Furthermore, we have demonstrated that activators of the Kv7 family of potassium channels are also efficacious for relaxation of overactive bladder smooth muscle cells, a characteristic of urinary incontinence (UI).

Major Depressive Disorders
A mental disorder characterized by a pervasive and persistent low mood that is accompanied by low self-esteem and by a loss of interest or pleasure in normally enjoyable activities.

Medix
Productos Medix, S.A de S.V. For further details, please see under tesofensine in the Pipeline section.

Metoprolol
Metoprolol is a medication of the selective β1 receptor blocker type, which work by blocking the neurotransmitter norepinephrine and epinephrine from binding to receptors. It is used to treat high blood pressure, chest pain due to poor blood flow to the heart, and several conditions involving an abnormally fast heart rate. It is also used to prevent further heart problems after myocardial infarction and to prevent headaches in those with migraines.

Multiple sclerosis
A demyelinating disease in which the insulating covers of nerve cells in the brain and spinal cord are damaged by the immune system. This damage disrupts the ability of parts of the nervous system to communicate, resulting in a wide range of signs and symptoms including physical, mental, and sometimes psychiatric problems.

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

Nic α6 program
The Nic α6 program is a small molecule program designed to positively modulate (PAM) the α6 ion channels. The α6 subtype exhibits an extremely localized expression mainly confined to dopaminergic neurons in the area of the brain affected in Parkinson's disease patients, where they act as important regulators of dopamine signaling.

NS2359
A triple monoamine reuptake inhibitor, which blocks the reuptake of dopamine, norepinephrine, and serotonin in a similar manner to cocaine. However, NS2359 dissociates slowly from these transporters and has a long human half-life (up to 10 days) which makes frequent dosing unnecessary. NS2359's pharmacological profile means that it may be able to reduce cocaine withdrawal symptoms, reduce cocaine craving and reduce cocaine-induced euphoria. In preclinical trials, NS2359 has been shown to reduce the reinforcing effects of cocaine and may have effects on cue induced drug craving. Furthermore, human trials with NS2359 have shown that NS2359 has little or no abuse potential and does not have adverse interactions with cocaine.

Obesity
A medical condition in which body fat has accumulated to an extent that it may have a negative effect on health. Obesity is most commonly caused by a combination of excessive food intake, lack of physical activity and genetic susceptibility. A few cases are caused primarily by genes, endocrine disorders, medications or mental disorder.

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

Pharmacodynamics (PD)

Pharmacodynamics is the study of the biochemical and physiologic effects of a drug in the body including the relationship between the drug concentration and the desirable effects as well as the undesirable effects.

Pharmacokinetics (PK)
Pharmacokinetics is the study of how the body affects a drug including the relationship between the dosed amount of a drug and the obtained blood concentration of the drug.

Prader-Willi syndrome (PWS)
Prader-Willi syndrome is a complex genetic condition that affects many parts of the body. In infancy, this condition is characterized by weak muscle tone (hypotonia), feeding difficulties, poor growth, and delayed development. Affected individuals develop an insatiable appetite, which leads to chronic overeating (hyperphagia) and obesity. Some people with Prader-Willi syndrome, particularly those with obesity, also develop type 2 diabetes.

SAN711
SAN711 is a selective GABAA α3 modulator (PAM), which increases the activity of the GABAA receptor protein in the vertebrate central nervous system. It is derived from Saniona's advanced ion channel platform and has demonstrated strong efficacy in rodent itching and pain models. SAN711 is ready for Phase 1 clinical testing.

SAN903
SAN903 is a selective IK channel modulator, which inhibits the potassium outflux from cells through the IK channels, which are expressed by immune cells and believed to be key mediator of inflammation in auto inflammatory diseases such as inflammatory bowel diseases.

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

Tesofensine
A triple monoamine reuptake inhibitor, which is positioned for obesity and type 2 diabetes, two of the major global health problems. Tesofensine has been evaluated in Phase 1 and Phase 2 human clinical studies with the aim of investigating treatment potential with regards to obesity, Alzheimer's disease and Parkinson's disease. Tesofensine demonstrated strong weight reducing effects in Phase 2 clinical studies in obese patients.

TRC
The University of Pennsylvania Treatment Research Center.

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

Urinary incontinence (UI)
UI, or the loss of bladder control, is a common and often embarrassing problem. It is not a disease, but rather a symptom of many conditions. Many factors increase risk, for example aging, pregnancy, prostate problems and obesity.

This information is such information as Saniona AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 10:00 CET on May 6, 2020.

Saniona AB
Baltorpvej 154
DK-2750 Ballerup
Denmark
www.saniona.com