

PRESS RELEASE

April 25, 2022

Saniona Announces Refocused Strategy on Ion Channel R&D and Restructuring of Board of Directors and Executive Management Team

- *Jørgen Drejer, co-founder and board member, appointed interim Chairman of the Board of Directors; Thomas Feldthus, co-founder, appointed as CEO; Anita Milland appointed as CFO*
- *The company will pursue partnerships for its later-stage clinical programs, Tesomet and SAN711, and refocus its resources by prioritizing investment in specific research and development pipeline programs and its core expertise in ion channel drug discovery*
- *U.S. operations to be closed and all U.S. positions to be terminated, including U.S. executive management team*
- *J. Donald deBethizy to step down as Chairman and will not seek re-election as a board member at upcoming AGM; U.S. board members will not seek re-election at upcoming AGM*
- *Future annual operating expenses are expected to be reduced by approximately 70-75%*

Saniona (OMX: SANION), a clinical-stage biopharmaceutical company focused on rare diseases, today announced that it will refocus its strategy on ion channel research and development (R&D) and, as a result, further streamline its operations. Effective April 30, 2022, Thomas Feldthus, co-founder of Saniona, will become the Chief Executive Officer (CEO) and Anita Milland will become the Chief Financial Officer (CFO). The Board of Directors has elected Jørgen Drejer, co-founder and current board member, as interim Chairman effective April 30, 2022, until the Annual General Meeting (AGM) to be held on May 25, 2022, when the Nominating Committee intends to propose that he becomes Chairman. The company will close its U.S. operations and all associated positions will be eliminated. Affected employees will be offered separation benefits, including severance payments and healthcare coverage. Saniona expects the reduction in workforce to cost between SEK 34.0 million and SEK 37.5 million in 2022, the majority of which will be incurred in the first half of 2022. These restructuring actions, coupled with the initial restructuring announced on March 29, 2022, are anticipated to reduce future annual operating expenses by approximately 70-75%. The company will provide additional cash guidance in the coming months as these savings are further implemented.

In addition, due to the decrease in the company's share price and market capitalization, subsequent to the issuance of the company's Year End Report 2021 and in accordance with accounting requirements, Saniona's parent company, Saniona AB, reduced the carrying value of its *internal* investment in subsidiaries by SEK 678.1 million, which will be reflected in the Parent Company financial statements as of December 31, 2021 to be reported in the Annual Report on April 29, 2022. This accounting treatment will have no impact on the Saniona Group consolidated financial statements as of December 31, 2021 to be reported in the Annual Report on April 29, 2022.

"I would like to thank Saniona's departing Board members, executives, and employees for their significant contributions over the past two years. While the stock market climate and biotech sector has been challenging, Saniona has substantially advanced and removed risk from Tesomet, SAN711 and SAN903 during this time," said Jørgen Drejer, co-

founder and incoming interim Chairman. “Moving forward, these changes reduce the need for an equity raise and allow us to focus on potential non-dilutive financing from partnering activities. I believe this will ultimately provide sufficient financing to advance SAN903 and our ion channel drug discovery engine and ultimately achieve our mission to discover, develop and deliver innovative rare disease treatments.”

“Seeking partnerships for Tesomet and/or SAN711 may, in the current situation, generate more value for shareholders as we transform the company into a more focused and cost-effective organization,” said Thomas Feldthus, co-founder and incoming CEO. “By establishing partnerships and reducing our costs, we will be in a position to fully leverage the value of our most advanced assets and develop new therapies based on our ion channel drug discovery platform. We have a strong pipeline of first-in-class ion channel programs including SAN711 with Phase 1 data expected mid-2022, SAN903 completing preclinical development and multiple new candidates emerging targeting both rare and common diseases primarily related to CNS. Moving forward, Saniona will progress its broad and deep R&D pipeline while maintaining a cost-effective operation.”

“While the current capital markets have made it extremely difficult to secure financing, the value of Tesomet and Saniona’s ion channel programs has not changed. Saniona holds global rights to multiple assets that have shown promising data addressing significant unmet medical needs,” said Rami Levin, departing President and CEO of Saniona. “The Board and the U.S.-based management team agreed that the most important priority is to keep these assets moving forward for the patients who need them, and the only logical way to achieve this is to close the U.S. operations, seek partnerships to advance the most advanced assets, and refocus on Saniona’s core expertise in ion channel drug discovery.”

Saniona is a leader in the discovery of highly specific ion channel modulators, and several members of the company’s Denmark-based scientific team have been pioneers in the field for more than 20 years. With the shift in strategy to refocus on this core strength, the company will make the following changes:

- **Tesomet™ positioned for partnering:** Saniona sees significant value in Tesomet. Over the past two years, the company has completed initial Phase 2 clinical trials, transitioned from a tablet to a capsule, gained approval of Investigational New Drug (IND) filings and secured orphan drug designations in hypothalamic obesity (HO) and Prader-Willi syndrome (PWS), and initiated two Phase 2b clinical trials. On March 29, 2022, Saniona announced that it had voluntarily paused the Phase 2b clinical trials of Tesomet for HO and PWS due to funding limitations. The company’s decision to voluntarily pause the Phase 2b Tesomet studies was not related to safety or efficacy, and Saniona believes that the initial Phase 2 data strongly support further development of Tesomet in both indications. Financial analysts have estimated annual peak sales for Tesomet between USD \$850M - \$1B+ (SEK 8 – 9.5 billion) (Saniona does not endorse or validate sales estimates provided by third parties). Given the current economic climate and Saniona’s withdrawal from the U.S., the company is actively exploring all partnership options, including worldwide partnerships, that could generate immediate non-dilutive income and enable Tesomet to move forward.
- **SAN711 positioned for partnering:** Over the past two years, Saniona completed preclinical development of SAN711 and initiated a Phase 1 clinical trial. Saniona continues to advance its Phase 1 clinical trial of SAN711 and expects top-line data in mid-2022. During the past two years, Saniona has also conducted preclinical assessments in in vitro and in vivo models for multiple disease states. The most compelling data obtained thus far indicate substantial potential value for SAN711 in migraine, trigeminal neuralgia and neuropathic pain. As these are larger, non-rare indications, Saniona has decided to actively explore opportunities to out-license SAN711 and generate non-dilutive income.
- **SAN903 to be developed internally:** Saniona advanced preclinical development of SAN903 over the past two years and continues to expect completion in the first half of 2022. Given the significant organizational changes and transitions, the company now plans to initiate a Phase 1 clinical trial with SAN903 by the end of 2022 or in early 2023. This potential first-in-class K(CA)3.1 ion channel modulator has shown promising efficacy in multiple preclinical models of inflammation and fibrosis, including potential best-in-class data for the rare disease idiopathic pulmonary fibrosis (IPF), a market estimated at more than USD \$2B (SEK 19 billion).
- **Ion Channel Drug Discovery Engine to fuel pipeline:** Saniona’s discovery research efforts, which have generated more than 20,000 proprietary ion channel modulators, are expected to result in a new ion channel modulator advancing into the preclinical pipeline in 2022. The company anticipates that this robust discovery

engine will continue to generate multiple new drug candidates to add to the Saniona pipeline and partnership portfolio.

In connection with this revised strategy, Saniona has terminated its plans to list its shares in the U.S. and, as a result, will close its U.S. operations and terminate the positions of all U.S. personnel. Effective April 30, 2022, Saniona's executive management team will include Thomas Feldthus as CEO, Anita Milland as CFO, and Karin Sandager Nielsen as Chief Scientific Officer. Thomas Feldthus is a co-founder of Saniona and previously served as CFO from 2012 to 2020. Anita Milland is currently VP Finance & Administration at Saniona and served as interim CFO at Saniona during 2020. Karin Sandager Nielsen is currently Senior Vice President In Vivo and Translational Pharmacology at Saniona. Saniona will consider retaining a business development consulting firm to accelerate the process of identifying appropriate partnering opportunities for Tesomet and SAN711.

Existing board members J. Donald deBethizy, Robert E. Hoffman and Edward C. Saltzman have informed the company that they are not available for re-election at the Annual General Meeting (AGM) to be held on May 25, 2022, whereas remaining existing board members Jørgen Drejer, Anna Ljung and Carl Johan Sundberg have informed that they are available for re-election. In view hereof, the Nomination Committee has informed that it intends to propose to the AGM that the Board of Directors shall be composed of these three members with Jørgen Drejer as Chairman. Jørgen Drejer will no longer hold the operational role as Chief Scientific Officer.

Webcast

Saniona will host a webcast to discuss this update on 26 April 2022, at 3:00am ET / 9.00 CEST. A live webcast of the presentation can be accessed via: <https://edge.media-server.com/mmc/p/coh7eziu>. Subsequently, the recorded webcast will be archived for approximately 90 days on Saniona's website, in the Events & Presentations section: <https://ir.saniona.com/events-and-presentations>.

For more information, please contact

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About Saniona

Saniona is a clinical-stage biopharmaceutical company with a mission to leverage its ion channel targeting expertise to discover, develop and deliver innovative rare disease treatments. The company's most advanced product candidate, Tesomet™, has been progressed into mid-stage clinical trials for hypothalamic obesity and Prader-Willi syndrome, serious rare disorders characterized by severe weight gain, disturbances of metabolic functions and uncontrollable hunger. These clinical trials are voluntarily paused due to funding limitations and Saniona is actively exploring partnering opportunities. Saniona has developed a proprietary ion channel drug discovery engine anchored by IONBASE™, a database of more than 130,000 compounds, of which more than 20,000 are Saniona's proprietary ion channel modulators. Through its ion channel expertise, Saniona is advancing two wholly-owned ion channel modulators, SAN711 and SAN903. SAN711 is in a Phase 1 clinical trial and is positioned for the treatment of neuropathic pain conditions, and SAN903 is in preclinical development for rare inflammatory, fibrotic and hematological disorders. Saniona is based in the Copenhagen area, Denmark, and is listed on Nasdaq Stockholm Small Cap (OMX: SANION). Read more at <http://www.saniona.com>.