

## PRESS RELEASE

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**May 28, 2019**

### **Saniona announces rights issue of SEK 78 million underwritten up to 85 percent**

**The Board of Directors of Saniona AB (“Saniona” or the “Company”) has today resolved, based on the authorization granted by the annual general meeting on 24 May 2018, on a new issue of up to 4,349,540 shares at a subscription price of SEK 18 per share with preferential rights for the Company’s shareholders (the “Rights Issue”). The intention with this Rights Issue is to secure Saniona’s financing requirement and thereby replace potential future tranches under the funding agreement with Nice & Green.**

#### **The Rights Issue in brief**

- The purpose of the Rights Issue is to support Saniona’s overall objectives, including to complete ongoing Phase 2a studies for Tesomet for the treatment of Prader-Willi syndrome and hypothalamic obesity and initiate discussions with regulatory agencies for start of Phase 2b/3 studies in 2020, as well as to progress the other programs, internally or together with partners, including the SAN711 program for treatment of chronic pain and itching and the IK program for treatment of inflammatory bowel diseases.
- The Rights Issue is underwritten up to 85 percent, subject to customary conditions, by two external guarantors.
- Board members and members of management that are holding shares in Saniona have undertaken not to sell or otherwise dispose of their shares for a period of 180 days following the end of the subscription period.
- Saniona’s shareholders have preferential rights to subscribe for two (2) new shares per eleven (11) existing shares, i.e. at a subscription ratio of 2:11.
- The subscription price is SEK 18 per share, which corresponds to gross proceeds of approximately SEK 78 million before deduction of transaction costs, assuming that the Rights Issue is fully subscribed.
- The record date for the Rights Issue is 5 June 2019 and the subscription period runs from and including 10 June 2019 up to and including 25 June 2019.
- The last day of trading in the Saniona share including right to participate in the Rights Issue is 3 June 2019.
- A prospectus for the Rights Issue will be published by Saniona on or around 7 June 2019.



## **Background and reasons for the Rights Issue**

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

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

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

In order to support Saniona's overall objectives, the Company has resolved to carry out the Rights Issue of up to approximately SEK 78 million before transaction costs (including underwriting fees). The majority of the net proceeds, which at full subscription of the Rights Issue are estimated to amount to SEK 64 million, will be used to complete ongoing Phase 2a studies for Tesomet for the treatment of Prader-Willi syndrome and hypothalamic obesity and initiate discussions with regulatory agencies for start of Phase 2b/3 studies in 2020, as well as to progress the other programs, internally or together with partners, including the SAN711 program for treatment of chronic pain and itching and the IK program for treatment of inflammatory bowel diseases. The remaining part, approximately SEK 17 million, will be used for general business purposes, among them to cover overhead and administrative costs.

## **Nice & Green funding agreement**

The intention with this Rights Issue is to secure Saniona's financing requirement and thereby replace potential future tranches under the existing funding agreement with Nice & Green S.A. ("N&G"), which was entered into in December 2017 for an initial period of 12 months and subsequently prolonged for an additional 12-month period. As of today, there are outstanding convertibles issued to N&G for an amount of SEK 10.5 million which have not been converted into shares. In addition, N&G has previously requested conversion corresponding to 143,758 shares which are expected to be issued and registered around the end of June 2019.



## Terms of the Rights Issue

Those who are registered shareholders in Saniona in the share register maintained by Euroclear Sweden AB on the record day, 5 June 2019, have preferential right to subscribe for new shares in proportion to the number of shares that the holder already owns. For each Saniona share held, one (1) subscription right is received. Eleven (11) subscription rights entitle to subscription of two (2) new shares. In addition, investors are offered the possibility to subscribe for shares without subscription rights.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the issue: (i) firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; (ii) secondly, to those who have subscribed for shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied to subscribe for; and (iii) thirdly, to those who have provided underwriting commitments with regard to subscription of shares, pro rata in relation to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Subscription of shares by exercise of subscription rights shall be made through cash payment during the time period from and including 10 June 2019 to and including 25 June 2019. Subscription of shares without exercise of subscription rights shall be made on a special application form during the same time period. Payment for shares subscribed for without exercise of subscription rights is to be made in accordance with the specific instruction on the transaction note which will be sent to those who receive allotment. The Board of Directors shall have the right to prolong the time period for subscription and payment which, if applicable, will be announced by the Company in a press release not later than on 25 June 2019.

Shareholders who choose not to participate in the Rights Issue will have their shareholdings diluted by approximately 15.4 percent, but are able to financially compensate for this dilution by selling their subscription rights. However, there is no guarantee of the market liquidity for trading of subscription rights.

If the Rights Issue is fully subscribed, the total number of shares in the Company will increase by 4,349,540 shares to 28,272,020 shares and the Company's share capital will increase by SEK 217,477.00 to SEK 1,413,601.00, corresponding to an increase of 18.2 percent. Taking into account the 143,758 shares due to conversion by N&G that are expected to be issued around the end of June 2019 (See above under "Nice & Green funding agreement"), the number of shares will increase in total to 28 415 778 and the share capital will increase in total to SEK 1,420,788.90, corresponding to a total increase of 18.8 percent.



### Indicative time table for the Rights Issue

3 June 2019	Last day of trading in Saiona's share including right to participate in the Rights Issue
4 June 2019	First day of trading in Saniona's share excluding right to participate in the Rights Issue
5 June 2019	Record day for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the Rights Issue
7 June 2019	Estimated date for publication of the prospectus
10 – 20 June 2019	Trading in subscription rights
10 – 25 June 2019	Subscription period
10 June – 8 July 2019	Trading in paid subscribed shares (Sw. betald tecknad aktie, BTA)
Around 2 July 2019	Estimated day for announcement of outcome of the Rights Issue

### Underwriting commitments

Two external guarantors have issued customary underwriting commitments covering 85 percent of the Rights Issue. These external guarantors are Oliver Molse with approximately SEK 16.5 million and Modelio Equity AB (publ) with approximately SEK 50.0 million.

### Lock-up undertakings

Board members and members of management that are holding shares in Saniona have, subject to certain customary exceptions, undertaken not to sell or otherwise dispose of their shares for a period of 180 days following the end of the subscription period.

### Prospectus

A prospectus relating to the Rights Issue will be available on Saniona's and ABG Sundal Collier's webpages [www.saniona.com](http://www.saniona.com) and [www.abgsc.se](http://www.abgsc.se), respectively before the start of the subscription period.

### Financial and legal advisors

ABG Sundal Collier AB is financial advisor and Setterwalls Advokatbyrå AB is legal advisor to Saniona.

### For more information, please contact

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*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 05:45 p.m. CET on May 28, 2019.*

## **About Saniona**

*Saniona is a research and development company focused on drugs for diseases of the central nervous system and eating disorders. The company has five programs in clinical development. Saniona intends to develop and commercialize treatments for orphan 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). Read more at [www.saniona.com](http://www.saniona.com).*

## **IMPORTANT INFORMATION**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Saniona. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden and Denmark. Any invitation to the persons concerned to subscribe for shares in Saniona will only be made through the prospectus that Saniona estimates to publish on or about 7 June 2019.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States, Australia, Canada, Japan or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish and Danish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws.

No shares or other securities in Saniona have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

In any EEA Member State other than Sweden and Denmark that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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This press release may contain forward-looking statements which reflect Saniona's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.