

## PRESS RELEASE

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January 10, 2020

### **Saniona completes private placement of SEK 25 million and proposes financing of up to SEK 158 million**

- Directed issue of shares of SEK 25 million at SEK 25 per share to Formue Nord
- Loan facility agreement of SEK 25 million with Formue Nord
- Directed issue of warrants free of payment to Formue Nord, which can provide SEK 35 million – 42 million at a strike price of SEK 25 – 30 per share
- Rights issue of warrants free of payment to existing shareholders on the record day, which can provide SEK 76 million – 91 million at a strike price of SEK 25 – 30 per share
- Financing replaces existing financing agreement with Nice & Green dated 28 December 2017 and will support development, approval and commercialization of Tesomet in U.S. and Europe

The Board of Directors of Saniona AB (“Saniona” or the “Company”) has today resolved on a directed issue of shares of SEK 25 million at a subscription price of SEK 25 per share. Saniona has further entered into a loan facility agreement entitling the Company to draw loans in an aggregate amount of SEK 25 million. The Company’s right to draw loans under the loan facility agreement is conditional upon that an extraordinary general meeting to be held on 7 February 2020 resolves 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. A notice to the extraordinary general meeting will be issued through a separate press release. Due to the transactions, Saniona has resolved to change the date of release of the year-end report for 2019 to 7 February 2020 (previously intended to be released 20 February 2020) and to change the date of the release of the quarterly report for the first quarter in 2020 to 7 May 2020 (previously intended to be released on 27 May 2020).

“The funding we have secured from Formue Nord, together with the proposed loan and additional capital received if the warrants are exercised, will allow Saniona to pursue further development of Tesomet by itself in Prader-Willi syndrome and hypothalamic obesity, two rare diseases that represent attractive commercial opportunities, while requiring limited investment to develop them to market. We have compiled encouraging proof of concept data on this promising treatment and are now preparing for meetings with U.S. and European regulators, with the aim of filing an Investigational New Drug (IND) application to initiate a pivotal Phase 2b/Phase 3 program, which will form the basis of our filings for approval,” says Rami Levin, CEO of Saniona.



### **The Directed Share Issue and the Loan Facility in brief**

- The Directed Share Issue consists of 1,000,000 shares issued at a subscription price of SEK 25 per share resulting in aggregate gross proceeds of SEK 25 million (the “**Directed Share Issue**”). The Directed Share Issue has been resolved by the Board of Directors pursuant to the authorization granted by the annual general meeting held on 29 May 2019. The Directed Share Issue is directed to Formue Nord Markedsneutral A/S (SEK 19.5 million) and Formue Nord Fokus A/S (SEK 5.5 million) (Formue Nord Markedsneutral A/S and Formue Nord Fokus A/S, jointly the “**Investors**”). The subscription price in the Directed Share Issue corresponds to a discount of 10.2 % to the volume weighted average price of the Company’s share on Nasdaq Stockholm during the 10 trading days preceding the issue resolution. Payment for the shares subscribed in the Directed Share Issue shall be made in cash at the latest on 14 January 2020. The reasons for the deviation from the shareholders’ preferential right were mainly to enable a capital raise in a time and cost efficient manner.
- Through the Directed Share Issue, the number of shares in the Company will increase by 1,000,000 to 29,412,519 and the share capital will increase by SEK 50,000 to SEK 1,470,625.95. The Directed Share Issue entails a dilution of 3.4% for existing shareholders based on the number of shares in the Company after the Directed Share Issue.
- The Company has also entered into a loan facility agreement with the Investors entitling Saniona to draw loans in an aggregate amount of SEK 25 million (the “**Loan Facility**”). The Company’s right to draw loans under the Loan Facility is conditional upon that an extraordinary general meeting to be held on 7 February 2020 resolves to approve (i) a directed issue of 465,518 units, consisting of warrants in three different series (in the aggregate 1,396,554 warrants) to the Investors (the “**Directed Unit Issue**”) and (ii) a rights issue directed to the existing shareholders in Saniona of 1,014,224 units, consisting of warrants in the same three series as issued in the Directed Unit Issue to the Investors (in the aggregate 3,042,672 warrants) (the “**Rights Issue**”), see further below. Any loans drawn under the Loan Facility will carry interest on market terms and shall be repaid at the latest 12 months after the date of the extraordinary general meeting held on 7 February 2020.
- Formue Nord is an asset management firm providing customized financing solutions for listed companies in the Nordics.

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

- The units in the Rights Issue will be issued free of payment and the purpose of the Rights Issue is to provide means to raise additional funds while at the same time compensate the existing shareholders for the dilution from the Directed Share Issue and the Directed Unit Issue.
- The Rights Issue consists of 1,014,224 units consisting of warrants in three different series, in the aggregate 3,042,672 warrants. Each unit will consist of three warrants in three different series and in the aggregate 1,014,224 warrants will be issued in each series. The warrants issued in the Rights Issue will be of the same series as issued in the Directed Unit Issue.
- Saniona’s shareholders have preferential rights to subscribe for one (1) new unit per twenty-nine (29) existing shares, i.e. at a subscription ratio of 1:29. Each unit consists of one (1) warrant of series TO 1, one (1) warrant of series TO 2, one (1) warrant of series TO 3.
- The general public is not given the right to subscribe in the Rights Issue. Subscription without unit rights can only be done by such subscribers who have also subscribed for units with unit rights, regardless of whether the subscriber was a shareholder on the record date or not.



- The record date for receiving unit rights in the Rights Issue is 13 February 2020. The last day of trading in the Saniona share including preferential right in the Rights Issue is 11 February 2020. The first day of trading in the Saniona share excluding preferential right in the Rights Issue is 12 February 2020.
- The subscription period runs from and including 17 February 2020 up to and including 2 March 2020.
- Trading in unit rights will take place on Nasdaq Stockholm from and including 17 February 2020 up to and including 27 February 2020.
- Trading in subscribed for units (Sw. Betald Tecknad Unit, BTU) will take place on Nasdaq Stockholm from and including 17 February 2020 until the Swedish Companies Registration Office has registered the Rights Issue, which is expected to occur around 18 March 2020.
- Once the warrants issued in the Rights Issue have been registered with the Swedish Companies Registration Office, issued BTU's will automatically be converted into warrants in Euroclear Sweden's system.
- Since the units in the Rights Issue are issued free of charge, Saniona will not receive any issue proceeds in connection with the execution of the Rights Issue.
- Each warrant gives the holder the right to subscribe for one (1) new share in Saniona at a subscription price corresponding to 70 percent of the volume weighted average price of the share during a two-week period prior to the subscription period which ends two trading days prior the first day of the warrant's utilization period, but no less than SEK 25 and no more than SEK 30 per share. The utilization periods are: for series TO 1, 11-25 May 2020, for series TO 2, 7-21 September 2020 and for series TO 3, 6-20 April 2021.

### **Background and reasons for the Directed Share Issue, the Loan Facility, the Directed Unit Issue and 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.

In order to support Saniona's overall objectives, the Company has resolved to carry out the Directed Share Issue and to enter into the agreement regarding the Loan Facility, in the aggregate providing a total amount of up to SEK 50 million, as well as the Directed Unit Issue and the Rights Issue which can provide the Company an additional SEK 111 –133 million, upon full exercise of the warrants issued and before transaction costs. Saniona's aggregate transaction costs related to the Directed Share Issue are approximately SEK 0.4 million and Saniona's aggregate transaction costs related to the Directed Unit Issue and the Rights Issue are approximately SEK 1.7 million.



The net proceeds from the Directed Share Issue and the Loan Facility, if and as needed and drawn, together with the potential subsequent proceeds from utilization of the warrants in the Directed Unit Issue and the Rights Issue will replace the existing financing agreement with Nice & Green dated 28 December 2017, and be used for general business purposes and the continued development of the Company's key asset, Tesomet, for the rare diseases Prader-Willi syndrome and hypothalamic induced obesity.

### **Detailed terms of the Rights Issue**

The units in the Rights Issue will be issued free of payment and the purpose of the Rights Issue is to provide means to raise additional funds while at the same time compensate the existing shareholders for the dilution from the Directed Share Issue and the Directed Unit Issue.

Those who are registered shareholders in Saniona in the share register maintained by Euroclear Sweden AB on the record day, 13 February 2020, have preferential right to subscribe for units in proportion to the number of shares that the holders already own. For each Saniona share held, one (1) unit right is received free of payment. Twenty-nine (29) unit rights entitle to subscription of one (1) new unit. Each unit consists of one (1) warrant of series TO 1, one (1) warrant of series TO 2, one (1) warrant of series TO 3.

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

Subscription of units by exercise of unit rights shall be made on a subscription form during the time period from and including 17 February 2020 to and including 2 March 2020. The Board of Directors shall have the right to prolong the time period for subscription which, if applicable, will be announced by the Company in a press release not later than on 2 March 2020.

The general public is not given the right to subscribe in the Rights Issue. Subscription without unit rights can only be done by such subscribers who have also subscribed for units with unit rights, regardless of whether the subscriber was a shareholder on the record date or not. Subscription and allocation of units without preferential right can thus only be done with so-called "subsidiary" preferential right.

### **Terms for the warrants issued in the units in the Directed Unit Issue and the Rights Issue**

Each unit issued in the Directed Unit Issue and the Rights Issue will consist of three warrants in three different series, TO 1, TO 2 and TO 3. The warrants issued in the Directed Unit Issue will be of the same series as the warrants issued in the Rights Issue.

Each warrant TO 1 will entitle the holder to subscribe for one (1) new share in Saniona against cash payment during the period from and including 11 May 2020 to and including 25 May 2020. The subscription price shall be 70 percent of the



volume weighted average price of the share during the period from and including 22 April 2020 to and including 6 May 2020, provided that the subscription price shall be at least SEK 25 and not more than SEK 30. The aggregate number of TO 1 warrants will be 1,479,742 and upon full exercise of all TO 1 warrants, the number of shares in the Company will increase by 1,479,742 to 30,892,261 and the share capital will increase by SEK 73 987,10 to SEK 1,544,613.05.

Each warrant TO 2 will entitle the holder to subscribe for one (1) new share in Saniona against cash payment during the period from and including 7 September 2020 to and including 21 September 2020. The subscription price shall be 70 percent of the volume weighted average price of the share during the period from and including 20 August 2020 to and including 2 September 2020, provided that the subscription price shall be at least SEK 25 and not more than SEK 30. The aggregate number of TO 2 warrants will be 1,479,742 and upon full exercise of all TO 2 warrants, the number of shares in the Company will increase further by 1,479,742 to 32,372,003 and the share capital will increase further by SEK 73 987,10 to SEK 1,618,600.15.

Each warrant TO 3 will entitle the holder to subscribe for one (1) new share in Saniona against cash payment during the period from and including 6 April 2021 to and including 20 April 2021. The subscription price shall be 70 percent of the volume weighted average price of the share during the period from and including 17 March 2021 to and including 30 March 2021, provided that the subscription price shall be at least SEK 25 and not more than SEK 30. The aggregate number of TO 3 warrants will be 1,479,742 and upon full exercise of all TO 3 warrants, the number of shares in the Company will increase further by 1,479,742 to 33,851,745 and the share capital will increase further by SEK 73 987,10 to SEK 1,692,587.25.

Saniona will publish the subscription price for the respective series of warrants at the latest on the day before the first day in the respective subscription period. The warrants will be subject to customary recalculation conditions.

#### **Admittance to trading of the warrants issued in the Directed Unit Issue and the Rights Issue**

The Company will apply for admission to trading of the warrants issued in the Directed Unit Issue and the Rights Issue on Nasdaq Stockholm. The Company will announce the estimated first day for trading of warrants in a separate press release.

#### **Approval at extraordinary general meeting**

The Directed Unit Issue and the Rights Issue have been resolved by the Board of Directors conditional upon approval at an extraordinary general meeting to be held on 7 February 2020. The two largest shareholders in Saniona, Jørgen Drejer and Thomas Feldthus, who together own approximately 14.3 % of the shares in the Company after the Directed Share Issue have undertaken to vote in favour of the Directed Unit Issue and the Rights Issue.

#### **Indicative time table for the Rights Issue**

7 February 2020	Extraordinary general meeting for approval of the Rights Issue and the Directed Unit Issue
11 February 2020	Last day of trading in Saniona's share including right to participate in the Rights Issue
12 February 2020	First day of trading in Saniona's share excluding right to participate in the Rights Issue



13 February 2020	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive unit rights for participation in the Rights Issue
14 February 2020	Estimated date for publication of the prospectus
17– 27 February 2020	Trading in unit rights
17 February – 2 March 2020	Subscription period for units
17 February – 18 March 2020	Trading in paid subscribed units (Sw. BTU)
Around 4 March 2020	Estimated day for announcement of outcome of the Rights Issue

### **Prospectus**

A prospectus relating to the Rights Issue and the admittance to trading of the warrants issued in the Rights Issue and the Directed Unit Issue will be available on Saniona's and Sedermera's webpages [www.saniona.com](http://www.saniona.com) and [www.sedermera.se](http://www.sedermera.se), respectively before the start of the subscription period.

### **Changed date for publication of financial reports**

Due to the transactions, Saniona has resolved to change the date of release of the year-end report for 2019 to 7 February 2020 (previously intended to be released 20 February 2020) and to change the date of the release of the quarterly report for the first quarter in 2020 to 7 May 2020 (previously intended to be released on 27 May 2020).

### **Financial and legal advisors**

Sedermera Fondkommission is financial advisor and issuing agent and Setterwalls Advokatbyrå is legal advisor to Saniona in connection with the financing.

### **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 08:00 a.m. CET on January 10, 2020.*

### **About Saniona**

*Saniona is a rare disease biotechnology company focused on research and development company focused on drugs for treatment of eating disorders and diseases of the central nervous system. 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 units 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 units in Saniona will only be made through the prospectus that Saniona will publish around 14 February 2020.



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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.

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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.