YEAR-END REPORT FOR SANIONA AB (PUBL)
556962-5345
January - December 2020
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Saniona well-positioned for success in 2021 following significant clinical and fundraising progress in 2020

Financial highlights

Jan - Dec 2020 (Jan - Dec 2019 restated)

Revenue was SEK 8.2 M (7.2 M)
Operating loss was SEK -159.4 (-93.6 M)
Net loss was SEK -73.4 M (-68.8 M)
Earnings per share were SEK -1.79 (-2.67)
Diluted earnings per share were SEK -1.75 (-2.67)

Q4 2020 (Q4 2019 restated)

Revenue was SEK 1.6 M (0.0 M)
Operating loss was SEK -68.8 M (-28.2 M)
Net loss was SEK -45.6 M (-6.8 M)
Earnings per share were SEK -0.73 (-0.24)
Diluted earnings per share were SEK -0.73 (-0.24)

Business highlights in Q4 2020

- Saniona achieved **positive top-line Phase 2 results** from the open-label extension study of Tesomet in patients with HO. Patients treated with Tesomet for nearly one year (24 weeks in a double-blind trial followed by a 24-week open label extension) demonstrated statistically significant and clinically meaningful reductions in body weight and waist circumference, as well as improvements in glycemic control. Tesomet was well tolerated, and no clinically meaningful differences in heart rate or blood pressure were observed over the course of the 48-week trial.
- Saniona received written **feedback from the U.S. Food and Drug Administration (FDA)** regarding pre-Investigational New Drug (IND) submissions for Tesomet in Prader-Willi syndrome (PWS) and HO. In both indications, the FDA recommended that the clinical development program include a supportive Phase 2b study followed by a Phase 3 study. Saniona anticipates initiating both Phase 2b studies in the first half of 2021.
- Saniona **refined its pipeline**, regaining exclusive, global rights to its GABAa5 negative allosteric modulator program from Boehringer Ingelheim, which terminated this collaboration for strategic reasons. This does not impact the 2020 collaboration between Saniona and Boehringer Ingelheim, which remains ongoing. Separately, Saniona and the Treatment Research Center (TRC) at the University of Pennsylvania jointly discontinued their collaboration to develop NS2359 for cocaine addiction. Saniona will evaluate the applicability of both programs in rare diseases.
- Saniona further **strengthened its executive team** with the addition of Denelle Waynick as Chief Legal Officer and Kyle Haraldsen as Chief Technical Operations Officer.

Significant events after the reporting period

- Saniona received an upfront payment of approximately **USD 2.9 million (SEK 24.2 million)** relating to Novartis's acquisition of Cadent Therapeutics, in which Saniona holds an ownership stake of approximately 3%. The acquisition may result in additional contingent consideration upon the achievement of future milestones.
- The U.S. FDA granted **orphan drug designation** to Tesomet for the treatment of PWS. This designation qualifies Saniona for certain development benefits, including tax credits, elimination of certain FDA license application fees, and seven years of market exclusivity in the U.S. following approval.
- The U.S. FDA provided further clarity on a **regulatory path for Tesomet in the treatment of HO**. The FDA indicated overall agreement with Saniona's Risk Evaluation and Mitigation Strategy (REMS) proposal and cardiovascular monitoring proposal. Based on this feedback, Saniona is proceeding with plans to initiate a Phase 2b study in HO in the first half of this year.

Comments from the CEO

"Throughout 2020, Saniona continued to execute on our strategy of discovering, developing and delivering innovative rare disease treatments: we generated positive data with Tesomet in both the double-blind and open-label extension periods of our Phase 2 study for hypothalamic obesity, we established our executive team and infrastructure in the U.S., and we attracted

some of the most respected institutional investors in healthcare with the ability to support Saniona's long-term growth prospects," said Rami Levin, President & Chief Executive Officer of Saniona. "We are currently in the strongest cash position of Saniona's history, which will allow us to conduct three clinical trials simultaneously: two Phase 2b trials for Tesomet in hypothalamic obesity and Prader-Willi syndrome and a Phase 1 trial of SAN711 for rare neuropathic disorders. We are well-positioned to continue with our transformation in 2021 as we advance our pipeline and position Saniona to access the U.S. patients, physicians and financial market which will be critical to realize our potential."

As part of its evaluation of a potential U.S. listing, Saniona completed a company-initiated restatement of prior period financial statements and a subsequent audit of these financial statements under U.S. Public Company Accounting Oversight Board (PCAOB) audit standards. The restatements are included in the year-end report. The restatements relate to accounting adjustments and do not impact Saniona's cash position, forecast, operating plan or the conduct of our clinical trials.

For more information, please contact

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Letter from the CEO

One year ago, I wrote my first letter to shareholders laying out my aspirations for Saniona. While 2020 was a year filled with challenges related to the global COVID-19 pandemic, I am proud of our team who, in the face of this adversity, remained resolute in maintaining our commitment to improve the lives of rare disease patients through scientific innovation.
During the fourth quarter and throughout 2020, we took several important strides in transforming Saniona into a fully-integrated biopharmaceutical company with the ability to discover, develop and ultimately commercialize our own innovative treatments for rare disease patients around the world. A few of these key milestones included:

- **Advanced our lead clinical candidate, Tesomet:** In 2020, we announced positive results from both the double-blind and open-label extension portions of our Phase 2 study of Tesomet in hypothalamic obesity (HO). We also made significant progress in our discussions with the U.S. FDA in 2020 and early 2021: the agency granted us Orphan Drug Designation for Tesomet in the treatment of Prader-Willi syndrome (PWS) and allowed us to open an Investigational New Drug (IND) filing in support of this program. The agency also provided us with a regulatory path forward to continue our development program in HO. We are now working to initiate Phase 2b studies of Tesomet in HO and PWS during the first half of 2021, and we have already made significant progress in our preparations, including selecting the clinical research organization (CRO) that will support these trials, beginning to assess and select trial sites, selecting the contract manufacturer to produce Tesomet for Phase 2b and Phase 3 trials, beginning the clinical production process, and engaging with patient advocacy organizations in the PWS and HO communities.

- **Advanced our ion-channel pipeline:** Our preclinical pipeline is derived from our proprietary ion channel drug discovery engine. During 2020 we advanced two preclinical programs towards clinical studies: SAN711, a first-in-class, positive allosteric modulator of GABAA α3 receptors for rare neuropathic disorders, and SAN903, an IK channel blocker for the treatment of rare inflammatory and fibrotic disorders. We also regained the rights to our novel GABAa5 negative allosteric modulator program. We are working to advance SAN711 into the clinic in the first half of 2021 and continue to advance our other preclinical assets.

- **Established U.S. presence:** We established our U.S. footprint and reputation throughout 2020 with several key hires, infrastructure buildout and the addition of some of the most respected institutional investors in healthcare with the ability to support Saniona's long-term growth prospects. In addition to executive level hires, we built out our clinical development team, which has been actively interacting with the FDA and with CROs to prepare for the initiations of our Tesomet trials. We continue to believe access to U.S. patients, physicians and the U.S. financial market are critical for Saniona to unlock its long-term potential, which is why we are considering listing our shares on the U.S. Nasdaq exchange. As part of our evaluation of a potential U.S. listing, we conducted a company-initiated restatement of prior period financial statements and a subsequent audit of these financial statements under U.S. Public Company Accounting Oversight Board (PCAOB) audit standards. You will see the restatements in this report. The restatements relate to accounting adjustments and do not impact our cash position, forecast, operating plan or the conduct of our clinical trials. The accounting effect of these adjustments for 2019 was as follows: Net revenue increased from SEK 2.7 million to SEK 7.2 million, loss for the period decreased from SEK 75.8 million to SEK 68.8 million, total assets decreased from SEK 96.0 million to SEK 94.8 million, and equity decreased from SEK 58.4 million to SEK 53.9 million.

- **Strengthened balance sheet:** In 2020 we raised a total of approximately USD 74 million (approximately SEK 650 million), which was largely driven by the USD 65 million (approximately SEK 567 million) directed share issue led by US-based institutional investors. Additionally, following the announcement in December that Novartis will acquire Cadent Therapeutics, we received after the close of Q4 2020 an upfront payment of approximately USD 2.9 million (SEK 24.2 million), and we may receive additional contingent consideration upon the achievement of future milestones. Our existing cash resources will fund the Company's current operating plan into the second half of 2022.

Overall, I am incredibly proud of the progress Saniona has made in 2020. There have been challenges: the global COVID-19 pandemic has been a terror unlike any our society has ever faced. It has impacted so many facets of life, including the healthcare systems around the world. Our partners at Medix saw the review of their application for approval of tesofensine in the treatment of general obesity in Mexico delayed by the pandemic, but they cite evidence that reviews are now moving forward again, and they expect a decision in early 2021.

I am incredibly fortunate to be able to say that Saniona's position has never been stronger than it is today. Our last financing provided us with the capital to be able to conduct three clinical trials simultaneously: the two large Phase 2b clinical trials with Tesomet in PWS and HO and a Phase 1 trial with SAN711. The Company never had that capability before. We have a strong and experienced leadership team and have built our internal clinical development capabilities, which we never had before. We have also attracted some of the most well-respected institutional investors in healthcare. All of this puts us in the best position we have ever been to be able to advance our key activities.

We appreciate the continued support from all our shareholders during the past year. We look forward to providing continued updates in 2021 as we execute on our strategic initiatives and identify opportunities to increase value for patients and for shareholders.

Rami Levin
President & CEO

About Saniona

Saniona is a biopharmaceutical company focused on discovering, developing, and delivering innovative treatments for rare disease patients around the world. The company's lead product candidate, Tesomet, is in mid-stage clinical trials for hypothalamic obesity and Prader-Willi syndrome, severe rare disorders characterized by uncontrollable hunger and intractable weight gain. Saniona's robust drug discovery engine has generated a library now consisting of more than 20,000 proprietary modulators of ion channels, a significantly untapped drug class that is scientifically validated. Lead candidate SAN711 is entering Phase 1 for rare neuropathic disorders, with SAN903 for rare inflammatory and fibrotic disorders advancing through preclinical studies. Led by an experienced scientific and operational team, Saniona has an established research organization in Copenhagen, Denmark and is building its corporate office in the Boston, Massachusetts area, U.S. The company's shares are listed on Nasdaq Stockholm Small Cap (OMX: SANION). Read more at www.saniona.com.

Our vision
Improve the lives of rare disease patients around the world through scientific innovation.

Our mission
We leverage our ion channel targeting expertise to discover, develop and deliver innovative rare disease treatments.

Our strategy

Saniona's focus is on the discovery, development and commercialization of proprietary product candidates for the treatment of rare diseases with high unmet medical need.

We made the strategic decision to focus on rare diseases because of the tremendous unmet need: there are an estimated 7,000 rare diseases, and less than 10% have FDA-approved treatments. Additionally, clinical trials and regulatory reviews of medicines for rare diseases can potentially require less time and/or less financial investment than in more common disorders, and the commercial infrastructure required to serve rare patient populations is generally smaller, making rare diseases better aligned with Saniona's capabilities as a small biotech company.

We made the decision to recruit the expertise and build the capabilities to develop and eventually commercialize our proprietary molecules ourselves, rather than through partnerships, as we believe this strategy can provide the most long-term value to patients and shareholders. Ultimately, we intend to bring our medicines to patients around the world. Strategically, we will start in the U.S., which has the most established regulatory pathways, the most developed rare disease market, and the most extensive healthcare investor base.

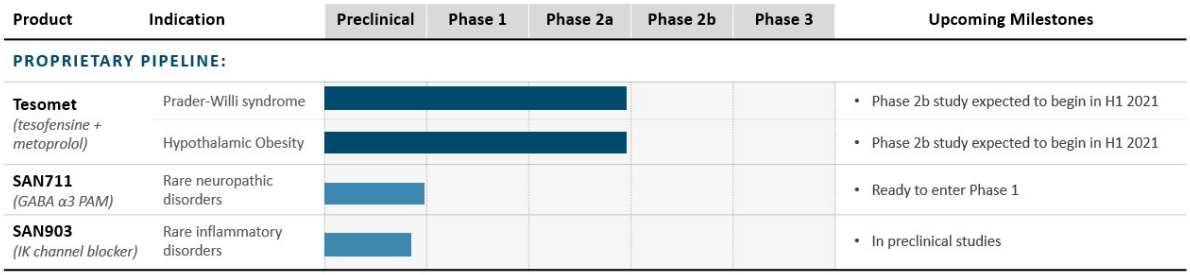
We believe our discovery, development and commercial expertise, as well as our ability to leverage our ion channel research engine, will enable us to advance Tesomet and generate a robust pipeline of clinical candidates with preferred pharmacological properties that we believe will make a meaningful difference in the lives of patients. In the long-term, we believe Saniona has the potential to bring multiple rare disease products to patients in the U.S. and globally, creating significant value for patients and shareholders.

Saniona's short term strategic priorities are the following:

- **Advance our clinical development programs**: We intend to initiate Phase 2b trials of Tesomet in PWS and HO and a first-in-human study of SAN711 in H1 of 2021.
- **Advance our preclinical assets**: We will continue to progress SAN903 to Phase 1 studies, currently planned for H1 2022, and we will advance other programs toward lead candidate selection.
- **Identify novel preclinical programs utilizing our proprietary ion channel drug discovery engine**: We seek to qualify new lead optimization programs and preclinical candidates.
- **Build our technical operations**: We will develop our capabilities to ensure timely product supply, in line with clinical development activities and timelines and potential commercialization.
- **Integrate stakeholder insights:** Saniona will build relationships with and collaborate respectfully and compliantly with key stakeholders across the healthcare ecosystem, including patients, caregivers, physicians and payors. We will seek to ensure that their voices and insights inform our strategies and decisions, optimizing outcomes for all.

Proprietary pipeline

Saniona's wholly-owned pipeline consists of three programs in clinical and preclinical development and a portfolio of programs in discovery and lead optimization, each of which has well-established biology.



Our most advanced proprietary clinical program is Tesomet for the treatment of hypothalamic obesity (HO) and Prader-Willi syndrome (PWS), severe rare disorders characterized by near total loss of appetite control, also called hyperphagia, intractable weight gain, and disturbances of metabolic functions.Tesomet is an investigational first-in-class, once-daily oral fixed-dose combination therapy of tesofensine (a triple monoamine reuptake inhibitor) and metoprolol (a beta-1 selective blocker). Saniona has completed Phase 2 proof-of-concept studies in PWS and HO and is planning to initiate Phase 2b trials in both indications in the first half of 2021.

PWS is recognized as the most common genetic cause of life-threatening obesity, with an estimated number of patients between 11,000 and 34,000 in the U.S. and between 17,000 and 50,000 in Europe. The disease results from a deletion or loss of function of a cluster of genes on chromosome 15, which leads to dysfunctional signaling in the brain's appetite/satiety center (hypothalamus). Many of those affected with PWS suffer from insatiable appetite (hyperphagia); abnormal growth and body composition; low muscle tone (hypotonia); and social, emotional, or cognitive deficits. Hyperphagia is reported by caregivers to be among the most worrisome aspects of PWS, as this insatiable hunger persists no matter how much the patients eat and often requires caregivers to install locks on refrigerators and cabinets where food is stored. Many of those affected with PWS become morbidly obese and suffer shortened life expectancy and significant mortality. Common causes of mortality in PWS include respiratory disease, cardiac disease, infection, choking, gastric rupture, and pulmonary embolism. There are no medications approved specifically for the hyperphagia associated with PWS, and there is no cure for this disease. Treatment depends on symptoms and often includes hormone replacement. If obesity is avoided and complications are well managed, life expectancy for individuals with PWS is normal or near normal, and most individuals can lead healthy lives.

We evaluated Tesomet in a randomized, double-blind, placebo-controlled Phase 2a trial in adults and adolescents with PWS. Adult patients receiving Tesomet achieved a statistically significant reduction in hyperphagia, as well as a clinically meaningful reduction in body weight at a dose of 0.5 mg per day. A smaller study extension in an adolescent population showed that Tesomet appeared to be well tolerated at lower doses (0.125 mg/day and 0.25 mg/day) and suggested dose-dependent effects on weight and hyperphagia.

Hypothalamic obesity (HO) is a rare disorder caused by injury to the hypothalamus, most commonly sustained during surgery to remove a rare, noncancerous tumor called a craniopharyngioma (CP). HO is characterized by rapid, excessive and intractable weight gain that persists despite limited food intake. Patients may have hyperphagia, an uncontrollable hunger, and may display abnormal food seeking behaviors such as stealing food. Additional symptoms may include memory impairment, attention deficit, excessive daytime sleepiness and lethargy, issues with impulse control, depression, and suicide. HO patients are also at increased risk of developing obesity-related comorbid conditions such as type 2 diabetes, non-alcoholic fatty liver disease, hypertension, stroke, and congestive heart failure. Ultimately CP survivors with hypothalamic injury report at least three times higher 20-year mortality than CP survivors without hypothalamic injury. There are no medications approved specifically for HO, and there is no cure for this disease. Many HO patients are treated with approaches used for general obesity such as surgery, medication and lifestyle counseling, but these are often ineffective. The prevalence of HO is estimated to be between 10,000 and 25,000 in the U.S. and between 16,000 and 40,000 in Europe. It occurs most often in children and older adults, creating a burden for both patients and families.

We evaluated Tesomet in a 24-week randomized, double-blind (DB), placebo-controlled Phase 2 study for HO followed by a 24-week open label extension (OLE). Patients treated with Tesomet for nearly one year (24 weeks DB + 24 weeks OLE) demonstrated statistically significant and clinically meaningful reductions in body weight and waist circumference, as well as improvements in glycemic control. Patients who received placebo in the DB portion of the study and were subsequently

switched to Tesomet for the OLE also achieved reductions in body weight and waist circumference compared to baseline. Tesomet was well tolerated, and no clinically meaningful differences in heart rate or blood pressure were observed over the course of the 48-week trial.

Saniona's preclinical pipeline is derived from our proprietary drug discovery engine, which combines our cumulative experience, expertise and proprietary resources and methods as a leader in the discovery of highly-specific ion channel modulators. Ion channels comprise a unique class of proteins that are central to the control of numerous physiological functions including the activity of muscles and nerves. They are a significantly untapped drug class that is scientifically validated. Saniona has generated a library now consisting of more than 20,000 proprietary ion channel modulators.

Currently, Saniona is working to advance two preclinical stage assets into Phase 1 studies. The first of these assets is SAN711, a first-in-class positive allosteric modulator of GABAA α3 receptors in development for rare neuropathic disorders. SAN711 has the potential to provide pain relief and other benefits in the central nervous system with fewer side effects than benzodiazepines (i.e. Valium), which hit all of the GABAA receptors indiscriminately. SAN711 is expected to enter the clinic by H1 2021.

Saniona's second preclinical asset, SAN903, is an IK potassium channel inhibitor currently in preclinical development for the treatment of rare inflammatory and fibrotic disorders. We expect to begin clinical trials in the first half of 2022.

Out-licensing and partnerships

Saniona has and may continue to out-license promising research discoveries that do not fit our strategic focus on rare diseases, and in exchange we may receive upfront fees, milestone payments, royalties and/or equity stakes. Some of our more advanced out-licensed programs include:

- Medix licensed the rights to develop and commercialize tesofensine in Mexico and Argentina for general obesity. Mexico ranks among the most obese countries in the world. Medix submitted a new drug application to the Mexican Health Authority in December 2019 and expects a decision regarding the approval of tesofensine in the Mexican market in early 2021, with launch expected around mid-year. Saniona will receive a milestone payment upon approval and double-digit royalties on product sales.

- Cadent Therapeutics (now part of Novartis) previously acquired Ataxion, a spin-out established in 2013 by Saniona and Atlas Venture Inc. with the aim of developing Saniona's research on SK ion channels (small conductance, calcium-activated potassium ion channels) for movement disorders. The SK ion channel program produced CAD-1883, a first-in-class selective positive allosteric modulator of SK ion channels that Cadent has advanced into Phase 2 clinical trials. Novartis acquired Cadent for an upfront payment of USD 210 million, with up to USD 560 million in milestones, for a total of $770 million. This resulted in an upfront payment of approximately USD 2.9 million (SEK 24.2 million) to Saniona in February 2021 and may result in additional contingent consideration upon the achievement of future milestones. Separately, Saniona is entitled to receive royalties on any potential products developed and commercialized from the SK ion channel program that originated with Ataxion.

- Boehringer Ingelheim entered into a research collaboration agreement with Saniona for development of a proprietary ion channel program for the treatment of schizophrenia. Saniona may receive up to EUR 76.5 million in milestone payments as well as royalties on worldwide net sales of resulting products.

Financial review

Saniona has conducted a company-initiated restatement of prior period financial statement as part of its evaluation of a potential listing of its shares on the U.S. Nasdaq exchange. As a result of that initiative, certain of the amounts presented in the Financial review section for the comparative periods, i.e. the full year and the three months that ended December 31, 2019, have been restated. Refer to Note 13 to our Consolidated Financial Statements for details.

Financial key figures

		2020-10-01 2020-12-31	2019-10-01 2019-12-31 (Restated)	2020-01-01 2020-12-31	2019-01-01 2019-12-31 (Restated)
Revenue, KSEK		1,622	-	8,198	7,201
Total operating expenses, KSEK		-70,387	-28,182	-167,573	-100,829
Operating loss, KSEK	*	-68,765	-28,182	-159,375	-93,627
Operating margin, %	*	-4240%	-	-1944%	-1300%
Cash flow from operating activities, KSEK		-43,215	-28,218	-157,152	-98,469
Cash flow per share, SEK	*	-0.69	-1.02	13.79	-0.87
Operating loss per share, SEK	*	-1.10	-0.99	-3.80	-3.64
Diluted operating loss per share, SEK	*	-1.10	-0.99	-3.80	-3.64
Average shares outstanding		62,372,831	28,410,647	40,999,066	25,719,586
Diluted average shares outstanding		62,465,236	28,427,119	41,919,662	25,732,676
Shares outstanding at the end of the period		62,372,831	28,412,519	62,372,831	28,412,519
Average number of employees, #		33.5	22.2	26.2	22.4

		2020-12-31	2019-12-31 (Restated)
Cash and cash equivalent, KSEK		573,866	40,248
Equity, KSEK		603,458	53,884
Total equity and liabilities, KSEK		697,596	94,808
Liquidity ratio, %	*	797%	136%
Equity ratio, %	*	86%	57%
Equity per share, SEK	*	9.68	1.90

** = 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 believes 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.
Operating loss per share	Operating loss for the period divided by the average shares outstanding for the period.	Operating loss per share has been included to provide investors with information about the operating loss as represented by one share.
Diluted operating loss per share	Operating loss for the period divided by the diluted average shares outstanding for the period.	Diluted operating loss per share has been included to provide investors with information about the operating loss as represented by one share on a diluted basis.

Derivation of alternative performance measurers

	2020-10-01 2020-12-31	2019-10-01 2019-12-31 (Restated)	2020-01-01 2020-12-31	2019-01-01 2019-12-31 (Restated)
Operating loss, KSEK	-68,765	-28,182	-159,375	-93,627
Revenue, KSEK	1,622	-	8,198	7,201
Operating margin, %	**-4240%**	**-**	**-1944%**	**-1300%**
Cash flow for the period, KSEK	-44,407	-29,045	565,422	-22,491
Average shares outstanding	62,372,831	28,410,647	40,999,066	25,719,586
Cash flow per share, SEK	**-0.71**	**-1.02**	**13.79**	**-0.87**

	2020-12-31	2019-12-31 (Restated)
Current assets, KSEK	601,227	52,892
Current liabilities, KSEK	75,399	38,777
Liquidity ratio, %	**797%**	**136%**
Equity, KSEK	603,458	53,884
Total equity and liabilities, KSEK	697,596	94,808
Equity ratio, %	**87%**	**57%**
Equity, KSEK	603,458	53,884
Shares outstanding at the end of the period	62,372,831	28,412,519
Equity per share, SEK	**9.68**	**1.90**

Revenue and results of operations

Revenue
Total revenue during the fourth quarter of 2020 was SEK 1.6 million (0).

Total revenue during for the full year of 2020 was SEK 8.2 million (7.2).

In 2020, revenue comprised research funding under the agreements with Boehringer Ingelheim, Medix and Cephagenix. In 2019, revenue comprised research funding under the agreements with Boehringer Ingelheim and Medix.

Operating loss
The operating loss for the fourth quarter was SEK 68.8 million (28.2). The company recognized operating expenses of SEK 70.4 million (28.2) for the fourth quarter of 2020. External expenses amounted to SEK 36.2 million (20.1) and personnel costs amounted to SEK 31.0 million (6.5). In the fourth quarter of 2020, external expenses comprised primarily development costs in relation to Tesomet.

The company recognized an operating loss of SEK 159.4 million (93.6) for the full year of 2020. The company recognized operating expenses of SEK 167.6 million (100.8) of which external expenses amounted to SEK 98.5 million (69.2) and personnel costs amounted to SEK 62.4 million (25.9). In 2020 the personnel costs have increased in the fourth quarter as a result of building our executive and clinical development team in the U.S. In addition, the warrant programs had a non-cash impact on personnel costs of SEK 12.1 million (1.5). In 2020 external expenses comprised primarily development costs in relation to Tesomet, and the preparation for the initiations of our Phase 2b trials of Tesomet in PWS and HO and first-in-human study of SAN711 in H1 of 2021. In 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 IK program.

Cash flow
Operating cash flow for the fourth quarter of 2020 was an outflow of SEK 43.2 million (outflow of 28.2). Total cash flow for the fourth quarter of 2020 was an outflow of SEK 44.4 million (outflow of 29.0).

Operating cash flow for the full year of 2020 was an outflow of SEK 157.2 million (outflow of 98.5). Total cash flow for the full year of 2020 was an inflow of SEK 565.4 million (outflow of 22.5).

In 2020, the operating cash flow for the full year is explained by the operating loss. The total cash flow in 2020 is further explained by an inflow from investing activities from the sale of Scandion shares of SEK 105 million, an inflow from finance activities through the issue of loan notes to Formue Nord totaling SEK 25 million, the issue of shares to Formue Nord totaling SEK 25 million, the exercise of warrants of Series TO 1 of SEK 24 million, TO 2 of SEK 33 million, and the Private placement in August of approximately SEK 567 million (USD 65 million), before expenses.

In 2019, the operating cash flow for the full year is explained by the operating loss. The total cash flow in 2019 is further explained by an inflow from finance activities of SEK 76.7 million through a rights issue providing net proceeds of SEK 53.6 million and the issuance of convertible loan notes to Nice & Green totaling SEK 24 million. In 2019, the convertible loan notes of SEK 24 million together with the outstanding loan notes at year-end 2018 totaling SEK 6 million have been converted into equity and the net proceeds of SEK 29 million is recorded under new share issues after deduction of issuing expenses.

Financial position
The equity ratio was 87% (57%) as of December 31, 2020, and equity was SEK 603.5 million (53.9). Cash and cash equivalents amounted to SEK 573.9 million (40.2) as of December 31, 2020. Total assets as of December 31, 2020, were SEK 697.6 million (94.8).

The share, share capital and ownership structure
On December 31, 2020, the number of shares outstanding amounted to 62,372,831 (28,412,519). On December 31, 2020, the company had 8,150 (6,108) shareholders excluding holdings in life insurance and foreign custody account holders.

In January it was resolved to perform a rights issue. Through the rights issue the Company's share capital increased by SEK 50,000 and the number of shares increased by 1,000,000.
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, on February 7, 2020 totaling 710,313 warrants, and in the period October 26 until December 31, 2020 totaling 5,923,348 warrants (see note 4).

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.

In May, Saniona announced the outcome of warrant exercise TO 1, where Saniona received SEK 24.3 million, and in September the outcome of warrant exercise TO 2, where the proceeds were SEK 33.2 million, before issues costs. The Company's share capital increased by SEK 48,539.85 and number of shares increased by 970,797 in May. The Company's share capital increased by SEK 66,457.05 and number of shares increased by 1,329,141 in September.

The maximum number of shares that may be issued in TO 3 is 1,479,742. The measurement period for TO 3 the measurement period is March 17 to March 30, 2021. The exercise period for series TO 3 warrants is April 6 to April 20, 2021. The warrants will be subject to customary conversion conditions in conjunction with issues.

In August, Saniona received the gross proceeds of USD 65 million (approximately SEK 567 million) in a directed issue of 30,660,374 shares at a subscription price of USD 2.12 per share (SEK 18.50).

Personnel

As of December 31, the number of employees was 38 (24) of which 19 (13) are women and 19 (11) men. Of these employees, 4 (3) are part-time employees and 34 (21) are full-time employees, and a total of 28 (19) work in the company's research and development operations. 13 (11) of Saniona's employees hold PhDs, 10 (2) hold university degrees, 8 (8) have laboratory training and the remaining 7 (3) have other degrees.

Operational risks and uncertainties

All business operations involve risk. Managed risk-taking is necessary to maintain operations. 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 spin-outs funded by pharmaceutical companies and venture capital firms. Historically, the Group has not sustained any losses on trade receivables and other receivables. The Group does not expect any losses on the current research and development collaboration with Boehringer Ingelheim, that was initiated in March 2020.

Currency risks is the risk that the fair value of future cash flows fluctuate because of changes in 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. The funding in August 2020 was in USD, to match future investments that primarily will be in USD.

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, and the positive effect on the financial risk after the direct issued raising USD $65 million which will fund the business well into 2022.

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 disease 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 significantly impacted by COVID-19. The hypothalamic obesity phase 2 clinical trial, the last active clinical trial was concluded and closed in March 2020, and the open-label extension study was concluded and closed in November 2020, despite the COVID-19 pandemic.

Medix submitted a new drug application to the Mexican food and drug administration in December 2019. Our partners at Medix saw the review of their application for approval of tesofensine in the treatment of general obesity in Mexico delayed by the pandemic, but they have indicated that application reviews are now moving forward again, and they expect a decision in early 2021.

Audit review

The year-end report has not been audited or reviewed by the company's independent auditor.

Financial calendar

Annual Report 2020	April 29, 2021
Interim Report Q1	May 26, 2021 at 8:00 CET
Annual General Meeting	May 26, 2021
Interim Report Q2	August 26, 2021 at 8:00 CET
Interim Report Q3	November 18, 2021 at 8:00 CET
Year-End Report 2021	February 24, 2022 at 8:00 CET

Annual General Meeting 2021

In order to reduce the spread of the virus causing COVID-19, Saniona's Annual General Meeting will be held by advance voting (postal vote) only, on May 26, 2021.

The Board of Directors proposes that no dividend will be paid for the 2020 financial year.

The Annual Report for 2020 will be published on www.saniona.com no later than April 29, 2021. It will also be available at Saniona's head office at Smedeland 26B, 2600 Glostrup, Denmark.

Shareholders who wish to have a matter addressed at the Annual General Meeting should, to ensure that the proposal may be considered, send such proposal at least seven weeks prior to the meeting or at least in such time that the item, if necessary, can be included in the notice to attend the meeting. The Board of Directors can be contacted by email to clo@saniona.com marked "Annual General Meeting" or through regular mail to: Saniona AB, Att.: Denelle Waynick, Smedeland 26B, DK-2600 Ballerup, Denmark.

The Nomination Committee's member are: Søren Skjærbæk, owner of Ursus law, Vejle, Denmark, appointed by Jørgen Drejer; John Haurum, professional board member for life science companies and former CEO of F-star Biotechnology Limited, Cambridge, UK, appointed by New Leaf Venture Partners; and J. Donald deBethizy, Chairman of Saniona AB's Board of Directors.

Shareholders who would like to submit proposals to the Nomination Committee can do so via e-mail to clo@saniona.com marked "Recommendation to the Nomination Committee" or by ordinary mail to the address: Saniona AB, Att. Denelle Waynick, Smedeland 26B, DK-2600 Glostrup, Denmark.

YEAR-END REPORT FOR SANIONA AB (PUBL)
January – December 2020

The Board of Directors and the CEO of Saniona AB (publ) provide their assurance that the year-end 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.

Glostrup, 17 March 2021
Saniona AB

J. Donald deBethizy – Chairman	Rami Levin, CEO
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	2020-10-01 2020-12-31	2019-10-01 2019-12-31 (Restated)	2020-01-01 2020-12-31	2019-01-01 2019-12-31 (Restated)
	1,2				
Revenue	3	1,622	-	8,198	7,201
Total operating income		1,622	0	8,198	7,201
Raw materials and consumables		-1,176	-910	-3,252	-3,517
Other external costs		-36,236	-20,137	-98,499	-69,174
Personnel costs	4	-31,070	-6,521	-62,417	-25,936
Depreciation and write-downs		-1,905	-614	-3,405	-2,202
Total operating expenses		-70,387	-28,182	-167,573	-100,829
Operating loss		**-68,765**	**-28,182**	**-159,375**	**-93,627**
Share of result of associates	8	-	2,785	-433	-937
Financial income	8	-	648	13,731	656
Financial expenses	10	-4,159	64	-12,114	-456
Net gains/losses on financial items	8	27,366	17,900	76,975	17,900
Total financial items		23,207	21,397	82,554	17,163
Loss after financial items		**-45,558**	**-6,785**	**-81,216**	**-76,464**
Tax on net loss	5	-66	5	7,786	7,713
Loss for the period		**-45,624**	**-6,780**	**-73,430**	**-68,751**
Other comprehensive income/loss					
Item that may be reclassified to profit and loss					
Translation differences		-53,522	-17,688	-28,262	-699
Items that will not be reclassified to profit and losses					
Fair value financial assets	8	-33,223	-	68,466	-
Total other comprehensive income/loss net after tax		**-86,745**	**-17,688**	**40,204**	**-699**
Total comprehensive income/loss		**-132,369**	**-24,468**	**-33,226**	**-69,450**
Earnings per share, SEK		**-0.73**	**-0.24**	**-1.79**	**-2.67**
Diluted earnings per share, SEK		**-0.73**	**-0.24**	**-1.75**	**-2.67**

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	2020-12-31	2019-12-31 (Restated)	2019-01-01 (Restated)
ASSETS				
Intangible assets	9	6,072	7,682	7,568
Fixtures, fittings, tools and equipment		5,089	1,241	1,841
Right of use assets	12	23,035	2,172	-
Tangible assets		28,124	3,413	1,841
Other financial assets	8	59,560	25,060	7,426
Investments in associated companies	8	-	5,395	6,332
Other long-term receivables		2,613	299	1,161
Financial assets		62,173	30,754	14,919
Deferred tax		-	67	62
Non-current assets		**96,369**	**41,916**	**24,390**
Trade receivables		5,043	930	2,093
Current tax assets	5	7,421	7,682	7,568
Other receivables		3,956	2,509	2,762
Prepayments and accrued income		10,941	1,523	1,675
Current receivables		27,361	12,644	14,098
Cash and cash equivalent		573,866	40,248	54,678
Current assets		**601,227**	**52,892**	**68,776**
Total assets		**697,596**	**94,808**	**93,166**

Condensed consolidated statement of financial position – Group (continued)

KSEK	Note	2020-12-31	2019-12-31 (Restated)	2019-01-01 (Restated)
EQUITY AND LIABILITIES				
Share capital		3,119	1,421	1,166
Additional paid in capital		808,607	239,592	157,118
Reserves		36,908	-3,296	-2,597
Retained earnings including profit or loss for the period		-245,176	-183,833	-116,614
Equity		**603,458**	**53,884**	**39,073**
Lease liabilities	12	16,660	1,420	-
Other payables		2,079	727	-
Non-current liabilities		18,739	2,147	-
Trade payables		32,440	29,246	7,243
Loan	10	24,346	-	6,000
Other payables		2,128	745	616
Accrued expenses and deferred income		5,186	8,137	40,234
Warrants	10	4,794	-	-
Lease liabilities	12	6,505	649	-
Current liabilities		75,399	38,777	54,093
Total liabilities		**94,138**	**40,924**	**54,093**
Total equity and liabilities		**697,596**	**94,808**	**93,166**

Condensed consolidated statement of changes in equity – Group

	Share capital	Share premium	Translation reserves (Restated)	Fair value reserve (Restated)	Retained earnings (Restated)	Shareholders' equity (Restated)
January 1, 2019	**1,166**	**157,118**	**-2,597**	**0**	**-116,614**	**39,073**
Comprehensive income						
Loss for the year					-68,751	-68,751
Other comprehensive income:						0
Translation differences			-699			-699
Total comprehensive income			**-699**	**0**	**-68,751**	**-69,450**
Transactions with owners						
Shares issued for cash	255	96,348				96,603
Expenses related to capital increase		-13,874				-13,874
Share-based compensation expenses					1,532	1,532
Total transactions with owners	**255**	**82,474**			**1,531**	**84,261**
December 31, 2019	**1,421**	**239,592**	**-3,296**	**0**	**-183,833**	**53,884**
January 1, 2020	**1,421**	**239,592**	**-3,296**	**0**	**-183,833**	**53,884**
Comprehensive income						
Loss for the year					-73,430	-73,430
Other comprehensive income:						
Fair value reserve				68,466		68,466
Cumulative gain on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal						
Translation differences			-28,262			-28,262
Total comprehensive income			**-28,262**	**68,466**	**-73,430**	**-33,226**
Transactions with owners						
Shares issued for cash	1,698	649,537				651,235
Expenses related to capital increase		-52,723				-52,723
Issuance of Investor Warrants		-27,799				-27,799
Share-based compensation expenses					12,087	12,087
Total transactions with owners	**1,698**	**569,015**			**12,087**	**582,800**
December 31, 2020	**3,119**	**808,607**	**-31,558**	**68,466**	**-245,176**	**603,458**

Condensed consolidated statement of cash flows – Group

KSEK	Note	2020-10-01 2020-12-31	2019-10-01 2019-12-31 (Restated)	2020-01-01 2020-12-31	2019-01-01 2019-12-31 (Restated)
Loss before tax		-45,558	-6,785	-81,216	-76,464
Adjustments for non-cash transactions		-10,825	-28,376	-67,074	-30,691
Changes in working capital		13,521	-1,508	-15,725	783
Cash flow from operating activities before financial items and tax		**-42,862**	**-36,669**	**-164,015**	**-106,372**
Interest income received		230	673	275	674
Interest expenses paid		-583	64	-1,069	-483
Tax income received		-	7,713	7,657	7,713
Cash flow from operating activities		**-43,215**	**-28,218**	**-157,152**	**-98,469**
Investing activities					
Investment in tangible assets		-	-2,315	-3,115	-3,488
Sale of financial assets		-	-	104,511	-
Repayment of financial assets		-	1,435	-	2,739
Cash flow from investing activities		**-**	**-880**	**101,396**	**-749**
Financing activities					
Convertible loan		-	-	-	24,000
Loan		-	-	25,000	-
New share issue, net of expenses		-	53	598,510	52,728
Payment of lease liabilities		-1,192		-2,332	
Cash flow from financing activities		**-1,192**	**53**	**621,178**	**76,728**
Cash flow for the period		**-44,407**	**-29,045**	**565,422**	**-22,491**
Cash and cash equivalents at beginning of period		**647,058**	**59,126**	**40,248**	**54,678**
Exchange rate adjustments		-28,785	10,166	-31,804	8,061
Cash and cash equivalents at end of period		**573,866**	**40,248**	**573,866**	**40,248**

Statement of income – Parent Company

KSEK	Note	2020-10-01 2020-12-31	2019-10-01 2019-12-31 (Restated)	2020-01-01 2020-12-31	2019-01-01 2019-12-31 (Restated)
	1,2				
Other operating income		5,721	338	5,721	1,352
Total operating income		5,721	338	5,721	1,352
Raw materials and consumables		-3	-6	-25	-13
Other external costs		-2,766	-1,745	-7,774	-6,416
Personnel costs	4	-2,621	-1,302	-7,424	-5,110
Total operating expenses		-5,390	-3,053	-15,223	-11,539
Operating profit/loss		**331**	**-2,715**	**-9,502**	**-10,187**
Share of result of associates	8	-	2,785	-433	-937
Financial income	8	35,218	2,331	142,178	8,657
Financial expenses	10	-1,135	-38	-9,674	-269
Net gains/losses on financial items	8	17,328	-155	24,085	-173
Total financial items		51,411	4,905	128,359	7,278
Profit/loss after financial items		**51,742**	**2,208**	**146,654**	**-2,909**
Tax on net profit		-	-	-	-
Profit/loss		**51,242**	**2,208**	**146,654**	**-2,909**

Balance Sheet – Parent Company

KSEK	Note	2020-12-31	2019-12-31 (Restated)
ASSETS			
Investment in subsidiaries		927,820	204,565
Investment in associated companies	8	-	5,395
Other financial assets	8	1,746	-
Financial assets		929,566	209,960
Non-current assets		**929,566**	**209,960**
Receivables from group companies		5,721	-
Other receivables		397	286
Prepayments and accrued income		4,386	763
Current receivables		10,504	1,049
Cash and cash equivalent		45,733	9,899
Current assets		**56,237**	**10,948**
Total assets		**985,803**	**220,908**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		3,119	1,421
Unrestricted equity			
Share premium reserve		808,608	238,080
Retained earnings		-7,702	-16,429
Profit/loss for the period		146,654	-2,909
Equity		**950,679**	**220,163**
Loan	10	24,346	-
Other payables		5,984	745
Warrants	10	4,794	-
Current liabilities		35,124	745
Total liabilities		**35,124**	**745**
Total equity and liabilities		**985,803**	**220,908**

Notes

Note 1 General Information

Saniona AB (publ), the Parent Company, Corporate Registration Number 556962-5345, is a limited liability company registered in the municipality of Malmö in the county of Skåne, Sweden, and is listed at Nasdaq Stockholm Small Cap under the ticker SANION and the ISIN code SE0005794617. The address of the head office is Smedeland 26B, DK-2600 Glostrup, Denmark. These consolidated financial statements comprise the Parent Company and its subsidiaries, collectively the Group. The Group is primarily focused on research and development of drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain.

Note 2 Significant accounting policies

The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). The Group applies the International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. The interim report for the Parent Company is prepared under the requirements of chapter 9 of the Swedish Accounting Act (1995:1554). This interim report does not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's and the Parent Company's financial position and performance since the last annual financial statements.

The condensed consolidated financial statements for the Group 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), rounded to thousands, except for per share data or otherwise noted. The SEK is also the functional currency of the Parent Company.

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. The accounting principles applied in these condensed consolidated financial statements are in accordance with those described in the Annual Report for 2019, except for the following updates to these accounting principles which have been made to reflect new types of transactions for the Group:

Intangible assets
Intangible assets, including patents and other intellectual property, that are licensed or acquired by the Group are initially measured at cost. Payments related to the achievement of development or regulatory milestones are capitalized when paid unless such payments relate to the execution of activities (cost accumulation approach). Intangible assets are amortized when they become available for use. Until then, intangible assets are tested for impairment at least annually, irrespective of whether any indication of impairment exists, or when an indication of impairment is identified.

Financial assets
Financial assets at fair value through profit or loss (FVTPL)
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Effects of new accounting policies
None of the new or amended standards, interpretations or improvements adopted by the EU have had any significant impact on the Group. Standards which will come into effect in 2021 or later have not been early adopted and are not expected to have any significant impact on the Group.

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 comprises 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 years ended December 31, 2020 and 2019 totaled SEK 12.1 million and SEK 1.5 million, respectively. Share-based compensation expense for the three months that ended December 31, 2020 and 2019 totaled SEK 8.6 million and SEK 0.3 million, respectively. The fair value of the service that entitles an employee and board member to allotment of options under Saniona's option programs is recognized as a personnel cost with a corresponding increase in equity. Such compensation expenses represent the fair market values of warrants granted and do not represent actual cash expenditures. The assumptions used for calculating our share-based compensation expense prior to the 2020:2 program have been revised, the effects of these revisions did not have a material effect on the consolidated financial statements. Refer to Note 13 *Restatements*.

Incentive program	2017	2018:1	2018:2	2018:3	2019:1	2019:2
Options outstanding at January 1	38,292	286,003	32,792	10,513	34,500	15,770
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Options outstanding at Dec 31	38,292	286,003	32,792	10,513	34,500	15,770
Grant Date Fair Value* (SEK)	27.94	12.06	17.38	12.89	7.23	6.00
Share Price at Grant Date* (SEK)	49.60	26.95	33.85	33.85	17.76	17.76
Exercise Price* (SEK)	41.13	33.60	30.08	30.08	17.86	17.86
Expected volatility*	73.41%	69.24%	67.77%	53.67%	57.29%	53.67%
Estimated life*	3.75 years	3.88 years	3.73 years	2.80 years	3.67 years	2.8 years
Expected dividends*	0	0	0	0	0	0
Risk-free rate*	-0.2602%	-0.1092%	-0.2773%	-0.4218%	-0.6903%	-0.6709%

Incentive program	2020:1	2020:2	2020:3	Total
Options outstanding at January 1	-	-	-	417,870
Granted during the year	710,313	5,923,348	308,000	6,941,661
Forfeited during the year	-	-7,700	-	-7,700
Options outstanding at Dec. 31	710,313	5,915,648	308,000	7,351,831
Grant Date Fair Value* (SEK)	12.26	13.13	7.98	
Share Price at Grant Date* (SEK)	28.10	23.50	23.55	
Exercise Price*(SEK)	29.42	24.12	25.40	
Expected volatility*	58.66%	63.64%	57.00%	
Estimated life*	4.2 years	6.11 years	2.8 years	
Expected dividends*	0	0	0	
Risk-free rate*	-0.2280%	-0.2772%	-0.3602%	

** Weighted average*

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 comprises 710,313 employee options. Allotment took place on February 7, 2020. Each employee option entitles the holder a right to acquire one new share in 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 report, 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 fourth quarter of 2025.

2020:2 On October 23, 2020, the extraordinary shareholders' meeting voted in favor of establishing an employee option program. The Employee Option Program 2020 comprises up to 7,976,690 employee options. A total of 5,923,348 warrants were allotted at various points in time in the fourth quarter of 2020. Each employee option entitles the holder a right to acquire one new share in Saniona for a subscription price equal to the closing price of our common stock on the day before the allotment. The allotted employee options will be vested with 25 per cent on the 12-month anniversary following the allotment date whereafter the remaining employee options will vest with 6.25 per cent quarterly thereafter. Accordingly, all employee options allotted to a participant will be vested 48 months following the allotment date. The number of employee options that vests on each vesting day shall be rounded downwards to the nearest whole number and any excess employee options shall only vest on the last vesting day. The employee options shall be allotted without consideration. The holder can exercise allotted and vested employee options from the time of vesting until the date that falls 10 years after the allotment date. However, for a participant that ceases to be employed or in a service relationship in the Saniona Group, vested options have to be exercised within 90 days from the date when the participant ceased to be employed or in a service relationship in the Saniona Group (or, in the case such cessation is due to the participant's death or disability, 12 months from such date).

2020:3 On October 23, 2020, the extraordinary shareholders' meeting voted in favor of establishing a board option program. The board option program 2020 comprises up to 308,000 options. The board option program 2020 shall comprise all the members of the board of directors, excluding the chairman of the board of directors. Each participant shall be allotted 77,000 options. Allotment of 308,000 warrants took place on October 26, 2020. Each board option entitles the holder a right to acquire one new share in Saniona for a subscription price of SEK 25.40. The allotted options will be vested with 1/3 on the date when the annual general meeting of 2021 is held, additionally 1/3 will vest on the date when the annual general meeting of 2022 is held, and the remaining 1/3 will vest on the date when the annual general meeting of 2023 is held. The options shall be allotted without consideration. The holder can exercise allotted and vested board options during 30 days from the day following after the announcement of the company's quarterly reports, or for full year, the year-end report, the first time after the announcement of the quarterly report for the fourth quarter of 2023 and the last time after the announcement of the quarterly report for the fourth quarter of 2024.

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.

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 2020 and 2019 the R&D expense tax-base is capped to DKK 25.0 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.

The Group recognized a tax income from the Danish R&D tax credit scheme of SEK 7.8 million and SEK 7.7 million during the years ended December 31, 2020 and 2019, respectively. Tax income/loss for the three months ended December 31, 2020 and 2019 was SEK -0.1 million and SEK 0.0 million, respectively. As of December 31, 2020 and 2019, and January 1, 2019, the Group had SEK 7.4 million, SEK 7.7 million, and SEK 7.6 million, respectively, in current tax assets. The receivable as of December 31, 2020 is expected to be paid in November 2021.

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 December 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 and subsequent extraordinary general meetings, there has been no transaction with related parties during 2020 and 2019.

Note 8 Other financial assets

Saniona holds investments in two entities, Scandion Oncology A/S ("Scandion"), a publicly-traded company, and Cadent Therapeutics, Inc. ("Cadent"), a privately-held company.

The investment in Cadent is measured at fair value through profit or loss (FVTPL). As of December 31, 2020 and 2019, and January 1, 2019, the investment in Cadent was recorded at SEK 37.3 million, SEK 25.1 million, and SEK 7.4 million, respectively. We have recognized financial income of SEK 13.4 million in the fourth quarter of 2020 and 17.9 million in the fourth quarter of 2019.

The investment in Scandion is measured at fair value through other comprehensive income (FVTOCI). As of December 31, 2020, the investment in Scandion was recorded at SEK 22.2 million. As of December 31, 2019 and January 1, 2019, the investment in Scandion was accounted for under the equity method of accounting and presented in Investments in associated companies (SEK 5.4 million and SEK 6.3 million, respectively). We have recognized financial income of SEK 53.3 million during the year ended December 31, 2020 as a result of changing from the equity method of accounting to the accounting of this investment as a financial instrument. Subsequent changes to the fair value of the investment in Scandion are recognized through other comprehensive income.

Refer to Note 11 *Financial instruments – fair values* for details regarding the measurement of these assets.

Parent

In the Parent Company financial statements, our investment in Scandion is measured at cost subject to potential impairments. As of December 31, 2019 and January 1, 2019, the investment in Scandion was accounted for under the equity method of accounting.

KSEK	Balance sheet	P/L effect
January 1, 2020	5,395	-
Divestment	-3,649	-
Amounts recognized in P/L	-	100,844
December 31, 2020	**1,746**	**100,844**

Note 9 Intangible assets

Saniona purchased certain intellectual property from NeuroSearch A/S ("NeuroSearch") between 2012 and 2017. Saniona had determined that the total cost of these assets (SEK 7.1 million) should be allocated to two development-stage compounds, tesofensine and NS2359, which are not yet available for use. During the third quarter of 2020, our collaboration partner University of Pennsylvania terminated their clinical development program for NS2359. As a result, we recorded an impairment charge for the entire recorded value of the NS2359 compound of SEK 1.4 million in the three months ended September 30, 2020.

Note 10 Formue Nord

On January 10, 2020, Saniona completed a private placement of SEK 25.0 million at SEK 25.00 per share to Formue Nord and entered into a loan facility agreement with Formue Nord entitling Saniona to draw loans in an aggregate amount of SEK 25.0 million.

In connection with this, Saniona carried 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 Formue Nord (the "Lender Warrants"), and a rights issue to shareholders of 1,014,224 units consisting of a total of 3,042,672 warrants of the same series (the "Investor Warrants"), collectively, the "Warrants". The Lender Warrants were issued on February 7, 2020, and the Investor Warrants were issued on February 17, 2020.

In March 2020 Saniona drew loans of SEK 25.0 million under the loan facility agreement. The loans are subject to market interest rates and mature on February 7, 2021. The loans were repaid on February 5, 2021.

Note 11 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/	2020-12-31	2019-12-31	2019-01-01	2020-12-31	2019-12-31	2019-01-01	2020-12-31	2019-12-31	2019-01-01
Financial assets									
Investment in Scandion	22,241	-	-	-	-	-	-	-	-
Investment in Cadent	-	-	-	-	-	-	37,319	25,060	7,426
Financial liabilities									
TO 3 Warrants	4,794	-		-	-	-	-	-	-

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 investment in Scandion has been measured using Scandion's closing share price at the Spotlight Stock Exchange on December 30, 2020. The TO 3 Warrants are valued at the TO 3 trading price on Nasdaq at December 30, 2020.

The investment in Cadent as of December 31, 2020 has been measured using a discounted cash flow valuation technique, which considers the present value of expected payments, discounted using a risk-adjusted discount rate. Expected payments have been estimated based on the consideration that Novartis AG (Novartis) has agreed to pay to the shareholders of Cadent in connection with Novartis' acquisition of Cadent that was announced in December 2020 and closed in January 2021. Expected cash flows range from SEK 23 million to SEK 137 million. Expected cash flows resulting from development and regulatory-milestone based contingent consideration have been adjusted for estimated probabilities that underlying milestones are achieved (9% - 34%). The risk-adjusted discount rate was 11.5%. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower); or the probability of achieving milestones increases (decreases); or the risk-adjusted discount rate were lower (higher).

The investment in Cadent as of January 1, 2019 has been measured using the Contingent Claims Analysis valuation techniques, which determines the value of equity in a company based on the principles of option pricing theory. Significant unobservable inputs include the term (2.5 years) and the equity volatility (70%), which was calculated using historical equity volatilities of publicly traded comparable companies. The equity value of Cadent was determined using the price paid during a rights issue for Series B Preferred Stock of Cadent during the second half of 2018. The estimated fair value would increase (decrease) if the expected term was longer (shorter); or the volatility was higher (lower).

The investment in Cadent as of December 31, 2019 has been measured using a combination and linear interpolation based on the values as of December 31, 2020 and January 1, 2019, absent any additional publicly available information.

Note 12 Right-of-use assets

KSEK	Rent facility	Equipment	Total
January 1, 2020	0	2,172	2,172
Additions	19,008*	5,395**	24,403
Depreciations	-2,244	-316	-2,560
Exchange rate adjustments	-917	-63	-980
December 31, 2020	**15,847**	**7,188**	**23,035**

KSEK	Group
Non-current	16,660
Current	6,505
Lease liabilities	**23,165**

* New leasing contracts have been signed regarding premises for Saniona A/S and Saniona Inc.
** New leasing contracts have been signed regarding laboratory equipment for Saniona A/S.

Note 13 Restatement

The condensed consolidated financial statements for the Group that were previously issued for the year ended December 31, 2019, and the condensed consolidated financial statements for the Group that were previously issued for the three months ended March 31, 2019, June 30, 2019, September 30, 2019, March 31, 2020, June 30, 2020, and September 30, 2020 (collectively the "Previously Issued Consolidated Financial Statements") have been restated with respect to certain items within the consolidated statement of comprehensive income, consolidated statement of financial position/balance sheet, statement of changes in equity and consolidated statement of cash flows. This also includes restatements to the opening statement of financial position/balance sheet and statement of changes in equity as of January 1, 2019.

The total impact of the restatements on selected key performance measures for the year ended December 31, 2019 is as follows:

KSEK	2019-01-01 2019-12-31 (Restated)	Adjustments	2019-01-01 2019-12-31 (Previously Reported)
Revenue	7,201	4,543	2,658
Operating loss	-93,628	10,277	-103,905
Profit/loss for the period	-68,751	2,641	-75,787
Equity	53,884	-4,553	58,437

The total impact of the restatements on selected key performance measures for the three months ended December 31, 2019 is as follows:

KSEK	2019-10-01 2019-12-31 (Restated)	Adjustments	2019-10-01 2019-12-31 (Previously Reported)
Revenue	-	-	-
Operating loss	-28,039	84	-28,123
Profit/loss for the period	-6,780	-3,335	-3,445
Equity	52,269	-6,168	58,437

The nature and impact of each restatement is described below.

(a) *Measurement of financial assets*: During all periods that have been restated, Saniona A/S, a wholly-owned subsidiary of Saniona AB (publ) owned approximately 3% of the share capital of Cadent, a private company based in Cambridge, MA, United States. In our Previously Issued Consolidated Financial Statements, we had concluded that the fair value of our investment in Cadent could not be determined reliably and we had recorded the investment at zero cost, as disclosed in such Previously Issued Consolidated Financial Statements. IFRS 13 *Fair Value Measurement*, which defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (exit price) requires, however, the use of valuation techniques when an exit price for an identical asset is not observable. Using an appropriate valuation technique, we have determined that the fair value of our investment in Cadent was SEK 7.4 million and SEK 25.1 million as of January 1, 2019 and December 31, 2019, respectively. We are accounting for this investment as a financial asset measured at FVTPL. Accordingly, we recorded an increase in other financial assets and a corresponding financial income of SEK 17.9 million, and a decrease in other comprehensive income for the effect of foreign currency translation of SEK 0.4 million, in the fourth quarter of 2019.

(b) *Investments in associates*: The Group holds an investment in Scandion, a publicy-traded company. Through September 30, 2019, we had accounted for our investment in Scandion under the equity method of accounting, as the criteria for significant influence were met. Accordingly, we had classified the investment as an investment in associates and recorded Saniona's share of Scandion's profit and loss in the Group's consolidated statement of comprehensive income. Effective October 1, 2019, we reclassified our investment in Scandion from investments in associates to financial assets, as it was determined that we no longer met the criteria for significant influence upon Saniona's ownership percentage of Scandion decreasing below 20% to 18.23%. Upon the reclassification, in the fourth quarter of 2019, the Group recognized financial income of SEK 26.7 million related to the fair value of the Scandion investment as of October 1, 2019, and other comprehensive income of SEK 10.7 million related to the subsequent change in the fair value of the Scandion investment through December 31, 2019. IAS 28 Investments in Associates and Joint Ventures states that significant influence is the power to participate in the financial and operating policy decisions of the investee without the power to control or jointly control those policies. Based on a comprehensive analysis of all indicators for significant influence, including, but not limited to, representation on the Board of Directors and dispersion of shareholder base, we have determined that Saniona retained significant influence over Scandion through March 31, 2020. As a result, the financial income of SEK 21.2 million and other comprehensive income of SEK 10.7 million that was previously recognized during the fourth quarter of 2019 has been reversed. Alternatively, we recorded Saniona's share of Scandion's profit and loss for the fourth quarter of 2019, including a gain from dilution resulting from a rights issue performed by Scandion.

The effect of this restatement for the three months ended December 31, 2019 is as follows:

KSEK	Investments in associates	Other financial assets	Profit/(loss)	OCI
Previously reported				
September 30, 2019	2,783	-	2,783	-
Loss of significant influence on October 1	-2,783	26,719	23,936	-
Change in fair value after October 1	-	10,657	-	10,657
December 31, 2019	-	37,376	26,719	10,657
Restated				
September 30, 2019	2,610	-	2,610	-
Saniona's share of loss in fourth quarter	-1,610	-	-1,610	-
Saniona's gain from rights issue	4,395		4,395	-
December 31, 2019	5,395	-	5,395	-

Similarly, the first quarter of 2020 was restated by reversing the other comprehensive income of SEK 20.9 million related to the change in the fair value of the Scandion investment as of March 31, 2020. Alternatively, we recorded Saniona's share of Scandion's profit and loss for the first quarter of 2020 (SEK 0.4 million), and financial income of SEK 53.3 million related to the fair value of the Scandion investment as of March 31, 2020.

The effect of this restatement for the three months ended March 31, 2020 is as follows:

KSEK	Investments in associates	Other financial assets	Profit/(loss)	OCI
Previously reported				
December 31, 2019	-	37,376	26,719	10,657
Change in fair value	-	20,911	-	20,911
March 31, 2020	-	58,287	26,719	31,568
Restated				
December 31, 2019	5,395	-	5,395	-
Saniona's share of loss in first quarter	-433	-	-433	-
Loss of significant influence on March 31	-	53,325	53,325	-
March 31, 2020	-	-	58,287	-

(c) *Intangible assets*: Saniona purchased certain intellectual property from NeuroSearch between 2012 and 2017. In the third quarter of 2017, we had made a one-time cash payment of SEK 7.1 million to NeuroSearch in connection with the purchased intellectual property. In our prior period condensed consolidated financial statements, we had recorded the payment as a prepaid asset and presented it within current prepayments and accrued income. We had amortized it to other external costs over a period of 4 years, resulting in an accumulated amortization of SEK 2.8 million as of January 1, 2019, and an expense of approximately SEK 0.5 million in each of the quarterly periods of 2019 and each of the first three quarterly periods of 2020. We should have accounted for this payment as a separate acquisition of intangible assets that are not yet available for use in accordance with IAS 38 *Intangible Assets*. As a result, the aforementioned amortization expense and the associated accumulated amortization expense has been reversed. During the third quarter of 2020, we recorded an impairment loss of SEK 1.4 million. Refer to Note 9 *Intangible assets* for details.

(d) *Revenue Boehringer Ingelheim*: In August 2016, Saniona had received an upfront payment of SEK 48.8 million from Boehringer Ingelheim ("BI") as consideration for a term-based license and research collaboration agreement that included options for BI to extend the term. The payment had been recognized as revenue in full in 2016 upon receipt. Under IFRS 15 *Revenue from Contracts with Customers*, we should have accounted for the extension terms as modifications of the original contract when the respective extension options were exercised by BI in 2018 and 2019. Accordingly, to account for the first extension, we have derecognized SEK 3.4 million of previously recognized revenue by adjusting our December 31, 2018 retained earnings and recorded it as revenue in the first quarter of 2019. To account for the second extension, we derecognized SEK 7.4 million or previously recognized revenue and recorded it as revenue on a straight-line basis over the second and the third quarters of 2019.

(e) *Revenue Medix*: In 2016, we entered into a license and collaboration agreement with Productos Medix, S.A de S.V. (Medix). Under that agreement, Saniona received an upfront payment and is entitled to receive certain variable consideration when certain events occur. In February 2019 and 2020, uncertainties pertaining to contingent payments from Medix in the amount of SEK 0.9 million and SEK 2.0 million were resolved. In our Previously Issued Consolidated Financial Statements, we had not recognized revenue for these payments. We should have recorded revenue and corresponding trade receivables of SEK 0.9 million in the first quarter of 2019, and SEK 2.0 million in the first quarter of 2020.

(f) *Operating expenses*: We have adjusted for the allocation of certain external and internal costs between prior reporting periods. In addition, we have performed new grant-date valuations of existing share-based payment grants.

(g) *Measurement of financial liabilities*: Upon issuance of the Warrants in connection with the Formue Nord transaction (refer to Note 10 *Formue Nord*), and prior to the underlying financial instruments being publicly traded, we had estimated the total fair value of the Warrants to be SEK 2.5 million and recorded that amount as a reduction in equity and a corresponding increase in financial liabilities. IFRS 13 *Fair Value Measurement*, which defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (exit price), requires the use of valuation techniques when an exit price for an identical asset is not observable. Using an appropriate valuation technique, we have determined that the fair value of the Lender Warrants was SEK 7.2 million at the issuance date. In accordance with IFRS 9 *Financial Instruments*, this amount should have been recorded as a reduction of the loan balance as transaction costs and should have been amortized over the term of the loan based on the effective interest method. We have determined that the fair value of the Investor Warrants at the issuance date was SEK 27.8 million, based on the trading price of the underlying listed financial instrument on Nasdaq Nordic. We should have recorded that amount as a reduction of equity at the issuance date. Subsequent changes to the fair value of the Warrants, based on the trading price of the underlying listed instruments, were recorded through profit or loss.

The effect of this restatement on the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020 is as follows:

KSEK	Share premium	Share capital	Warrant Liabilities	Loan	Profit/(loss)
Previously reported					
January 1, 2020	**-**	**-**	**-**	**-**	**-**
Issuance of Warrants	-2,541	-	2,541	25,000	-
Change in fair value	-	-	2,464	-	-2,464
March 31, 2020	**-2,541**	**-**	**5,005**	**25,000**	**-2,464**
Exercise of TO1 warrants	24,071	48	-	-	-
Change in fair value	184	-	13,285	-	-13,469
June 30, 2020	**21,714**	**48**	**18,290**	**25,000**	**-13,469**
Exercise of TO2 warrants	33,053	66	-	-	-
Change in fair value	2,361	-	2,679	-	5,040
September 30, 2020	**57,128**	**114**	**20,969**	**25,000**	**5,040**
Restated					
January 1, 2020	**-**	**-**	**-**	**-**	**-**
Issuance of Warrants	-27,792	-	34,988	17,804	-
Change in fair value	-	-	-13,502	654	12,848
March 31, 2020	**-27,792**	**-**	**21,486**	**18,458**	**12,848**
Exercise of TO1 warrants	24,071	48	-	-	-
Change in fair value	-	-	-2,693	1,963	731
June 30, 2020	**-3,721**	**48**	**18,793**	**20,421**	**731**
Exercise of TO2 warrants	33,053	66	-	-	-
Change in fair value	-	-	1,923	1,963	-3,886
September 30, 2020	**29,332**	**114**	**20,716**	**22,384**	**-3,886**

(h) *Other restatements*: In accordance with presentation requirements under IAS 1, as well as other applicable recognition and measurement principles codified in other IFRS, the Company has made certain other adjustments and reclassifications which affect the consolidated statement of comprehensive income, consolidated statement of financial position, statement of changes in equity and consolidated statement of cash flows. Individually, such other restatements did not have a material impact on our consolidated financial statements.

The total impact of restatements on the year ended December 31, 2019 and the quarters ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020, June 30, 2020, and September 30, 2020, as well as the opening statement of financial position/balance sheet as of January 1, 2019, are presented in the tables below:

Reconciliation of the condensed statement of comprehensive income for the year ended December 31, 2019

KSEK	2019-01-01 2019-12-31 (Restated)	Adjustments		2019-01-01 2019-12-31 (Previously Reported)
Revenue	7,201	4,543	(d),(e)	2,658
Total operating income	7,201	4,543		2,658
Raw materials and consumables	-3,517	-		-3,517
Other external costs	-69,174	5,810	(f)	-74,984
Personnel costs	-25,936	-76	(h)	-25,860
Depreciation and write-downs	-2,202	-		-2,202
Total operating expenses	-100,829	5,734		-106,563
Operating profit/loss	**-93,628**	**10,277**		**-103,905**
Share of result of associates	-937	-21,151	(b),(h)	20,214
Financial income	656	-18	(h)	674
Financial expenses	-455	28	(h)	-483
Net gains on financial items	17,900	17,900	(a),(h)	
Total financial items	17,164	-3,241		20,405
Profit/loss after financial items	**-76,464**	**7,036**		**-83,500**
Tax on net profit/loss	7,713	-		7,713
Profit/loss for the period	**-68,751**	**7,036**		**-75,787**
Other comprehensive income				
Item that may be reclassified to profit and loss	-699	-512	(a),(c),(d),(e),(f),(h)	-187
Translation differences				
Items that will not be reclassified to profit and losses	-	-10,657	(b)	10,657
Fair value financial assets				
Total Other comprehensive income	-699	-11,169		10,470
Total comprehensive income	**-69,450**	**-4,133**		**-65,317**

Reconciliation of the quarters ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020, June 30, 2020, and September 30, 2020

KSEK	Restated	Adjustments		Previously Reported
September 30, 2020				
Equity	752,597	62,717	(a),(b),(c),(d),(e),(f),(g),(h)	689,880
Profit/loss for the period	-48,182	4,468	(c),(f),(g),(h)	-52,650
June 30, 2020				
Equity	204,001	58,040	(a),(b),(c),(d),(e),(f),(g),(h)	145,961
Loss for the period	-22,811	13,611	(c),(f),(g),(h)	-36,422
March 31, 2020				
Equity	119,678	46,128	(a),(b),(c),(d),(e),(f),(g),(h)	73,550
Profit/loss for the period	43,189	71,373	(b),(c),(f),(g),(h)	-28,184
December 31, 2019				
Equity	52,269	-6,168	(a),(b),(c),(d),(e),(f),(h)	58,437
Loss for the period	-6,780	-3,335	(a),(b),(c),(f),(h)	-3,445
September 30, 2019				
Equity	60,031	8,487	(a),(b),(c),(d),(e),(f),(h)	51,544
Profit/loss for the period	-20,794	6,947	(b),(c),(d),(f),(h)	-27,741
June 30, 2019				
Equity	70,553	1,478	(a),(b),(c),(d),(e),(f),(h)	69,075
Profit/loss for the period	-16,689	3,104	(b),(c),(d),(f),(h)	-19,793
March 31, 2019				
Equity	29,809	-1,604	(a),(b),(c),(d),(e),(f),(h)	31,413
Profit/loss for the period	-24,489	321	(b),(c),(d),(e),(f),(h)	-24,810

Reconciliation of the condensed consolidated statement of financial position – Group

December 31, 2019

KSEK	2019-12-31 (Restated)	Adjustments		2019-12-31 (Previously Reported)
ASSETS				
Intangible assets	7,682	7,682	(c)	-
Fixtures, fittings, tools and equipment	1,241	-2,174	(h)	3,415
Right of use assets	2,172	2,172	(h)	-
Tangible assets	3,413	-2		3,415
Other financial assets	25,060	-12,316	(a), (b)	37,376
Investments in associated companies	5,395	5,395	(b)	-
Other long-term receivables	299	-960	(c)	1,259
Financial assets	30,754	-7,881		38,635
Deferred tax	67	-		67
Non-current assets	**41,916**	**-201**		**42,117**
Trade receivables	930	930	(e)	-
Current tax assets	7,682	-		7,682
Other receivables	2,509	-1,921	(c)	4,430
Prepayments and accrued income	1,523	-		1,523
Current receivables	12,644	-991		13,635
Cash and cash equivalent	40,248	-		40,248
Current assets	**52,892**	**-991**		**53,883**
Total assets	**94,808**	**-1,192**		**96,000**

Reconciliation of the condensed consolidated statement of financial position – Group (continued)

December 31, 2019 (continued)

KSEK	2019-12-31 (Restated)	Adjustments		2019-12-31 (Previously Reported)
EQUITY AND LIABILITIES				
Share capital	1,421	-		1,421
Additional paid in capital	239,592	-		239,592
Reserves	-3,296	-12,989	(a),(b),(c),(d),(e),(f),(h)	9,693
Retained earnings including profit or loss for the period	-183,833	8,435	(a),(b),(c),(d),(e),(f),(h)	-192,268
Equity	**53,884**	**-4,554**		**58,438**
Lease liabilities	1,420	-		1,420
Other payables	727	-		727
Non-current liabilities	2,147	-		2,147
Trade payables	29,246	-		29,246
Other payables	745	-		745
Accrued expenses and deferred income	8,139	2,713	(f)	5,424
Lease liabilities	649	649	(h)	-
Current liabilities	38,777	3,362		35,415
Total liabilities	40,924	3,362		37,562
Total equity and liabilities	**94,808**	**-1,192**		**96,000**

January 1, 2019

KSEK	2019-01-01 (Restated)	Adjustments		2019-01-01 (Previously Reported)
ASSETS				
Intangible assets	7,568	7,568	(c)	-
Fixtures, fittings, tools and equipment	1,841	-		1,841
Tangible assets	1,841	-		1,841
Other financial assets	7,426	7,426	(a)	-
Investments in associated companies	6,332	-173	(b)	6,505
Other long-term receivables	1,161	-2,838	(c)	3,999
Financial assets	14,919	4,415		10,504
Deferred tax	62	-		62
Non-current assets	**24,390**	**11,983**		**12,407**
Trade receivables	2,093	-		2,093
Current tax assets	7,568	-		7,568
Other receivables	2,762	-1,892	(c)	4,654
Prepayments and accrued income	1,675	-		1,675
Current receivables	14,098	-1,892		15,990
Cash and cash equivalent	54,678	-		54,678
Current assets	**68,776**	**-1,892**		**70,668**
Total assets	**93,166**	**10,091**		**83,075**
EQUITY AND LIABILITIES				
Share capital	1,166	-		1,166
Additional paid in capital	157,118	-		157,118
Reserves	-2,597	-1,820	(a),(b),(c),(d),(f),(h)	-777
Retained earnings including profit or loss for the period	-116,614	1,437	(a),(b),(c),(d),(f),(h)	-118,051
Equity	**39,073**	**-383**		**39,456**
Trade payables	7,243	-		7,243
Loan	6,000	-		6,000
Other payables	616	-		616
Accrued expenses and deferred income	40,234	10,474	(d),(f)	29,759
Current liabilities	54,093	10,474		43,617
Total liabilities	**54,093**	**10,474**		**43,617**
Total equity and liabilities	**93,166**	**10,091**		**83,075**

Note 14 Subsequent Events to the Balance Sheet Date

- Saniona received an upfront payment of approximately **USD 2.9 million (SEK 24.2 million)** relating to Novartis's acquisition of Cadent Therapeutics, in which Saniona holds an ownership stake of approximately 3%. The acquisition may result in additional contingent consideration upon the achievement of future milestones.
- The U.S. FDA granted **orphan drug designation** to Tesomet for the treatment of PWS. This designation qualifies Saniona for certain development benefits, including tax credits, elimination of certain FDA license application fees, and seven years of market exclusivity in the U.S. following approval.
- The U.S. FDA provided further clarity on a **regulatory path for Tesomet in the treatment of HO**. The FDA indicated overall agreement with Saniona's Risk Evaluation and Mitigation Strategy (REMS) proposal and cardiovascular monitoring proposal. Based on this feedback, Saniona is proceeding with plans to initiate a Phase 2b study in HO in the first half of this year.

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 CET on March 17, 2021.

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