

PRESS RELEASE

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE IN ACCORDANCE WITH APPLICABLE LAW.

August 10, 2020

Saniona successfully raises USD 65 million (approximately SEK 567 million) in a directed issue of shares

Saniona (OMX: SANION) (“Saniona” or the “Company”), a clinical-stage biopharmaceutical company focused on rare diseases, today announced that its Board of Directors has resolved on a directed issue of 30,660,374 shares to a number of U.S. and international institutional investors and sector specialists based on the authorization granted by the Annual General Meeting held on 6 May 2020 (the “Directed Issue”).

- The new shares were issued at a subscription price of USD 2.12 per share (SEK18.50), and represents a discount of approximately 45 per cent compared to the volume weighted average price (VWAP) on Nasdaq Stockholm for the period of the last 45 days up to and including 7 August 2020.
- Through the Directed Issue, the Company will receive gross proceeds of USD 65 million (approximately SEK 567 million).
- The Directed Issue was led by RA Capital Management with participation from Pontifax Venture Capital and New Leaf Venture Partners among other U.S. and international healthcare investors as well as the Second Swedish National Pension Fund (AP2), the Third Swedish National Pension Fund (AP3) and the Fourth Swedish National Pension Fund (AP4).
- The net proceeds will be used to continue Saniona’s advancement of its late-stage clinical trials with Tesomet in two rare eating disorders, hypothalamic obesity (HO) and Prader Willi Syndrome (PWS), as well as to build its U.S.-based organization in support of these programs.

Comment from Rami Levin, President & CEO of Saniona

“The participation of multiple well-respected U.S. and International institutional healthcare investors in this financing led by RA Capital Management demonstrates the significant potential of Saniona’s rare disease pipeline. With this financing, we will be able to further increase shareholder value by advancing Tesomet to registration for approval, moving our early-stage pipeline into the clinic, and building our U.S. organization. We believe achieving these milestones will position us as potentially the first treatment for two rare diseases, hypothalamic obesity and Prader-Willi Syndrome” said Rami Levin, President and CEO of Saniona.



The Directed Issue

The Board of Directors of Saniona has, in accordance with the issue authorization granted by the Annual General Meeting on May 6, 2020, resolved on a directed issue of 30,660,374 shares at a subscription price of USD 2.12 per share (SEK 18.50), consequently raising gross proceeds of USD 65 million (approximately SEK 567 million) before deduction of costs related to the transaction.

The net proceeds will be used to continue Saniona's advancement of its late-stage clinical trials with Tesomet in two rare eating disorders, hypothalamic obesity (HO) and Prader Willi Syndrome (PWS), as well as to build its U.S.-based organization in support of these programs.

The Directed Issue was led by RA Capital Management with participation from Pontifax Venture Capital and New Leaf Venture Partners among other U.S. and international healthcare investors as well the Second Swedish National Pension Fund (AP2), the Third Swedish National Pension Fund (AP3) and the Fourth Swedish National Pension Fund (AP4). The subscription price per share of USD 2.12 (SEK 18.50) has been established through arms' length negotiations with a number of institutional investors over a period of time. The Company's Board of Directors is therefore of the opinion that the subscription price has been set at market terms and accurately reflects current market conditions and demand. The reasons for the deviation from the shareholders' preferential right were mainly to diversify the shareholder base with financially strong and well reputable U.S. and Swedish institutional investors and sector specialists and to enable a capital raise in a time and cost-efficient manner. It is the assessment of the Board of Directors that the Directed Issue is beneficial to the Company and hence for all existing shareholders.

Through the Directed Issue, the number of shares in the Company will increase by 30,660,374 to 61,043,690, and the share capital will increase by SEK 1,533,018.70 to SEK 3,052,184.50. The Directed Issue entails a dilution of approximately 50 per cent for existing shareholders, based on the number of shares in the Company after the Directed Issue.

In connection with the Directed Issue, the Company has agreed pursuant to a lock-up undertaking, subject to customary exceptions, not to issue additional shares or other securities for a period of 90 days following settlement of the Directed Issue. In addition, in connection with the Directed Issue, members of the Board of Directors and management of Saniona have agreed not to sell any shares or other securities in the Company for a period of 90 days following the settlement of the Directed Issue, subject to customary exceptions and furthermore subject to that warrants of series TO2 (where the exercise period runs between 7 September 2020 – 21 September 2020) or shares subscribed through exercise of such warrants are not covered by the lock-up undertaking.

A prospectus relating to the listing of the shares in the Directed Issue on Nasdaq Stockholm is expected to be approved and registered by the Swedish Financial Supervisory Authority ("SFSA") on or about 13 August, 2020, i.e. before the new shares are subject to trading on Nasdaq Stockholm.

The completion of the Directed Issue is subject to certain customary conditions of the investment agreement entered into by the Company with the investors in connection with the Directed Issue, whereby the investors may for customary reasons terminate the placing in full if it occurs before settlement of the placing.



Financial and legal advisors

Oppenheimer & Co. Inc. and ABG Sundal Collier AB acted as Joint Bookrunners (“**Joint Bookrunners**”) while Setterwalls Advokatbyrå AB acted as legal advisor to Saniona in relation to Swedish law and Goodwin Procter LLP acted as legal advisor to Saniona in relation to US law.

For more information, please contact

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

Don DeBethizy, Chairman of the Board, Saniona, Mobile +45 2159 0774, Email: whitecityconsulting@gmail.com

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 07:00 a.m. CET on August 10, 2020.

About Saniona

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

IMPORTANT INFORMATION

Publication, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from Saniona nor from anyone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company’s shares. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This announcement does not constitute a recommendation concerning any investor’s option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations or would



require prospectuses, registration or any other measures than those required by Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation 2017/1129 of the European parliament and of the council (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Saniona has not authorized any offer to the public of shares or rights in any member state of the EEA and no offer prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This press release is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this press release relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this press release must satisfy themselves that it is lawful to do so.

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

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Saniona have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Saniona may decline and investors could lose all or part of their investment; the shares in Saniona offer no guaranteed income and no capital protection; and an investment in the shares in Saniona is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Saniona.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Saniona and determining appropriate distribution channels.