

# Exercise of warrants of series TO 2

## Saniona AB

**Exercise period:** September 7 - 21, 2020

During September 7 - 21, 2020, holders of warrants of series TO 2 have the right to subscribe for newly issued shares in Saniona AB. If all warrants of series TO 2 are fully exercised Saniona will receive gross issuing proceeds of approximately SEK 37 million. The proceeds will mainly finance operations and further development of Tesomet in Hypothalamic Obesity and in Prader-Willi Syndrome. Saniona intends to initiate pivotal pivotal Phase 2b study in Prader-Willi Syndrome in 2020 and in Hypothalamic Obesity in the beginning of 2021.

#### IMPORTANT INFORMATION – REFERENCE TO PROSPECTUS

This teaser is a marketing brochure that has been prepared by Saniona and does not constitute a prospectus that has been approved and registered by the Swedish financial supervisory authority (sw. Finansinspektionen). Readers are advised to read the prospectus published by Saniona in February, 2020 for a description of the risks associated with an investment in the company.



# Saniona – a rare disease biopharmaceutical company with expanding global reach

**Saniona’s mission is to deliver innovative therapies to patients with rare diseases, including Hypothalamic Obesity and Prader-Willi Syndrome. The company’s focus is on the development and commercialization of proprietary products for the treatment of rare diseases with high unmet medical need.**

Saniona is focused on discovery, development and commercialization of its proprietary treatments for the central nervous system. The company currently has four programs in clinical development and its discovery platform is focused on ion channel research, which generated a broad portfolio of preclinical programs. Saniona is developing products internally with the aim of attaining market approval in the U.S., Europe, and other geographies for certain rare diseases.

In addition to its proprietary products, Saniona also has partnerships and out-licensing agreements with Boehringer Ingelheim, Productos Medix, Cadent Therapeutics, and Treatment Research Center (TRC) at the University of Pennsylvania.

Saniona’s most advanced product in development is Hypothalamic Obesity (HO) and Tesomet for Prader-Willi Syndrome (PWS) in the U.S., Europe, and other geographies. The company’s most recent Phase 2 trial results showed that Tesomet is safe and well-tolerated in HO patients, and that the treatment led to statistically significant reductions in the key efficacy endpoints. Saniona has also completed a Phase 2a study in PWS and is now planning for pivotal Phase 2b study. The required investments for developing Tesomet in these indications are comparatively small, while the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable.

Saniona also has earlier stage products, which it is investigating in specific rare diseases. SAN711 is being investigated for rare neuropathic itching disorders and is ready to enter in Phase 1 studies. SAN903 in being investigated for rare inflammatory and fibrotic disorders and is in pre-clinical stages of development. In addition to Saniona’s proprietary products, it also has strategic partnerships and out-licensing agreements with other pharmaceutical companies for development and commercialization.

While Saniona has not yet commercialized any products, the company has generated income through these partnerships and out-licensing agreements. The structure of Saniona’s partnerships and out-licensing agreements vary by product, indication, the investment and risk, as well as the interest and capabilities of Saniona’s partners. Saniona can either grant its partners commercial license to a limited territory or globally. In exchange, the partners typically finance future research and development activities along with upfront payments, research funding, milestone payments and royalties on future product sales when the product candidates are commercialized.

In 2019, Saniona reviewed and updated its global strategy with the goal of transforming from an organization mainly focusing on research, to a fully integrated biopharmaceutical company with a clinical development organization focused on rare diseases with eventual plans for commercialization. The company has also decided to build a full-fledged organization in the U.S. Saniona has expanded its executive team by hiring US-based industry veterans including: Chief Executive Officer, Chief Medical Officer, Chief Financial Officer, Chief Communications Officer and Chief Human Resources Officer. In August 2020, the company conducted a share issue directed to a number of well-respected American and institutional investors, providing Saniona with gross proceeds of roughly USD 65 million. This financing will enable Saniona to advance towards key milestones.

### Saniona’s short term strategic priorities are the following:

- To build internal capabilities in the organization to support late stage clinical development for rare disease programs and to adequately finance these activities through commercialization;
- To develop and attain market approval for Tesomet in the U.S. and Europe for treatment of the rare eating disorders Prader-Willi Syndrome and Hypothalamic Obesity;
- To strengthen the company’s position and presence in the U.S., in the initial phase by recruiting Rami Levin as CEO in January 2020, followed by the expansion of the executive team based in the Boston area;
- To develop at least one drug candidate internally from the company’s unique ion channel research platform;
- To continue leverage its leading position within ion channel research through out-licensing and partnerships with other pharmaceutical companies.

## Pipeline

PRODUCT OR PROGRAM	INDICATION	RESEARCH	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	REGULATORY
<b>Proprietary pipeline</b>							
Tesomet	<ul style="list-style-type: none"> <li>• Prader-Willi Syndrome</li> <li>• Hypothalamic Obesity</li> </ul>						
SAN711	<ul style="list-style-type: none"> <li>• Rare neuropathic itching disorders</li> </ul>						
SAN903	<ul style="list-style-type: none"> <li>• Rare inflammatory disorders</li> </ul>						
<b>Partnered pipeline</b>							
Tesofensine	<ul style="list-style-type: none"> <li>• Obesity</li> </ul>						
NS2359	<ul style="list-style-type: none"> <li>• Cocaine addiction</li> </ul>						
CAD-1883	<ul style="list-style-type: none"> <li>• Essential tremor</li> <li>• Spinocerebellar ataxia</li> </ul>						
GABA α5	<ul style="list-style-type: none"> <li>• Schizophrenia</li> </ul>						
Undisclosed	<ul style="list-style-type: none"> <li>• Schizophrenia</li> </ul>						

■ In planning   ■ Ongoing   ■ Completed



# CEO Rami Levin comments

**Saniona finds itself in a truly transformative stage. We are now taking important steps towards becoming a global company, with growing presence in the U.S., the biggest market in rare diseases.**

I joined Saniona as CEO in January 2020, with great excitement about this company and where we are heading. As we have previously announced, we are in the process of taking the final leap from our roots in Scandinavia onto the global stage, most importantly through an organizational expansion in the U.S. While a strategic transformation is thus currently ongoing, we are also continuing to see very positive results coming out of our drug development programs. Most recent are the results that we announced in late April, regarding the positive topline results from our Phase 2 trial of Tesomet in Hypothalamic Obesity (HO). The very encouraging outcome of the trial showed that our Tesomet treatment was safe, well tolerated and effective. The results also support the continued development of Tesomet for HO, with the hope of becoming the first ever approved treatment for HO, a devastating rare disease. During the summer, we completed a pre-IND meeting with the FDA and received positive feedback on our proposal for the way forward. We are now working towards submitting a formal IND-application in the second half of 2020, and ultimately make this treatment available on the market for all patients who can benefit from it.

In terms of our strategic partnerships, we have had some exciting news to share with you in recent months. One of which was the collaboration, our second in fact, with Boehringer Ingelheim, which focuses on developing new treatment options for Schizophrenia, by using Saniona's unique ion channel drug discovery platform. The deal could result in Saniona receiving EUR 76.5 million in milestones plus royalties on worldwide net sales. This is a strong illustration of how our partnership and out-licensing model for exploitation of non-core Saniona programs works, providing the company with an additional revenue stream next to income from our own development and commercialization of proprietary products. Other good news worth mentioning is the announcement we made in December regarding our partner Medix, which submitted a New Drug Application to the Mexican food and drug administration for approval of tesofensine for the treatment of patients with obesity.

Going forward, there is little doubt that 2020 will be a busy year for Saniona. As previously communicated, we are now refocusing our efforts towards the U.S., the biggest biotech market in the world. A stronger foothold in the U.S. not only gives us access to key investors, but also to regulatory and R&D experts. Our intention is to establish a fully-fledged organization based out of Boston. A significant step was taken in that direction at the end of the summer, as we conducted a directed issue to highly regarded American and institutional investors, such as RA Capital Management, Pontifax Venture Capital, New Leaf Venture Partners and the Swedish pension funds AP2, AP3 and AP4.

The directed share issue provided Saniona with roughly USD 65 million and truly marks an important milestone for the company, allowing us to continue to build the business according to plan.

Other upcoming milestones include, as mentioned above, the filing of an Investigational New Drug (IND) application for Hypothalamic Obesity (HO) and in Tesomet in Prader-Willi Syndrome (PWS) in the U.S. in the second half of this year, followed by the initiation of Phase 2b pivotal clinical trial for PWS before the end of this year and in HO in early 2021. In our strategic partnerships and out-licensing, we anticipate that the aforementioned application submitted by Medix for tesofensine in Mexico will be approved in the second half of 2020. Once approved, Medix intends to pursue a similar strategy for tesofensine in Argentina, seeking approval for the treatment in Argentina during next year. This could potentially mean an added revenue stream for Saniona through royalties.

There is now an exciting opportunity for you all to continue to be part of our growth journey. We invite you as holders of warrants to utilize warrants to subscribe for new shares, which could provide Saniona with gross proceeds up to approximately SEK 37 million. The funds will partly be used for the continued development of our key asset Tesomet for the rare diseases HO and PWS. We hope that you will continue your investment in the company and join us in our mission to become a global leader in rare diseases.



Rami Levin | CEO

## The offer in brief

**Exercise period:** September 7 - 21, 2020

**Exercise price:** Each warrant of series TO 2 entitles the holder the right to subscribe for one (1) new share in Saniona at a subscription price of SEK 25.00.

**Issue volume:** There are 1,479,742 outstanding warrants of series TO 2. If all warrants of series TO 2 are fully exercised Saniona will receive gross issuing proceeds of approximately SEK 37 million.

**Last day of trading in the warrants:** September 17, 2020

**Current number of shares in Saniona:** 61,043,690

**Valuation (pre-money):** Approximately SEK 1 526 million.

## Use of issuing proceeds

**The Company intends to use the issuing proceeds for:**

- General business purposes including administrative and staff costs
- External costs for other research and clinical programs
- Further funding of the ongoing Phase 2a study and preparations for Phase 2b/3 studies for Tesomet

# Terms for warrants of series T0 2 in brief

There are 1,479,742 outstanding warrants of series T0 2. The holder of warrants of series T0 2 has the right to subscribe for one (1) new share in Saniona for each warrant held at a price of SEK 25.00 per share. Subscription of new shares in Saniona, by exercise of warrants of series T0 2, can be made during September 7 - 21, 2020. Subscription of new shares is made by cash payment no later than 5:00 p.m. CEST on September 21, 2020.

## Action from you as a warrant holder is required – How to exercise your warrants of series T0 2

In order for your warrants not to expire worthless your action is required. You must apply for subscription of new shares, by exercise of warrants, no later than 5:00 p.m. CEST September 21, 2020, alternatively sell your warrants no later than September 17, 2020.

### You can have your warrants registered in two ways:

1. In a securities custody account with a bank or other nominee (for example, Avanza or Nordnet), in an investment savings account (Sw. Investeringssparkonto) or endowment account (Sw. Kapitalförsäkring). Your warrants are then nominee registered.
2. In a VP-account (a VP-account starts with three zeros). Your warrants are then directly registered.

### If your warrants are nominee registered

Subscription and payment of new shares, by exercise of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with instructions from each such bank or nominee. Usually, the bank/nominee sends out a digital notice to the account holder, otherwise it is enough to log into the securities custody account from the first day in the exercise period in order to get instructions on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your bank or trustee. Please note that banks and other nominees may set different time limits for the last day for subscription, hence it is recommended to contact the account-holding bank/nominee early in the exercise period. This folder will be sent out to most nominee registered warrant holders. Subscribed and paid for shares may be entered as "interim shares" or "IA" into your securities custody account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in Saniona.

### If your warrants are directly registered

No VP-account statement will be sent out. Subscription of new shares, by exercise of warrants, shall be made by sending a completed subscription form to Sedermera Fondkommission. In conjunction with sending the completed subscription form, payment must be made to Sedermera Fondkommission in accordance to the payment details stated on the subscription form. Subscription form along with this folder will be sent to VP-account holders. The subscription form and folder are also available at the respective websites of Saniona ([www.saniona.com](http://www.saniona.com)) and Sedermera Fondkommission ([www.sedermera.se](http://www.sedermera.se)). Completed subscription form and payment must be registered with Sedermera Fondkommission no later than 5:00 p.m. CEST September 21, 2020. Subscribed and paid for shares will be entered as "interim shares" or "IA" into your VP-account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in Saniona.

### Subscription over EUR 15,000 where applicable

In the event that your subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed and submitted to Sedermera Fondkommission at the same time as payment is made according to the Swedish law (2017:630) on measures against money laundering and terrorist financing. Please note that interim shares cannot be delivered to the subscriber even though payment has been received until the money laundering form has been approved by Sedermera Fondkommission. Money laundering forms are available from Sedermera Fondkommission.

## Important dates for warrants of series T0 2



**NOTE** – In order for your warrants not to expire worthless, you must actively subscribe and pay for shares no later than 5:00 p.m. CEST September 21, 2020, alternatively sell your warrants no later than September 17, 2020.

In case of any questions regarding warrants in Saniona, please contact Sedermera Fondkommission. Sedermera Fondkommission is the financial advisor and issuing agent for Saniona in connection with the issue.

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