

## PRESS RELEASE

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## Saniona carries out a rights issue of units of approximately SEK 140 million

**The board of directors of Saniona AB ("Saniona" or the "Company") has today, subject to approval by the extraordinary general meeting in the Company on 16 January 2024, resolved to carry out an issue of units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Rights Issue primarily intends to finance repayment of part of outstanding loan, development of the Company's drug candidate SAN711 and development of other programs in the project portfolio, including SAN2219 and the Kv7 program, as well as other operational costs. In connection with the Rights Issue, the Company has received subscription undertakings of approximately SEK 5.6 million, corresponding to approximately 4 per cent of the Rights Issue. Furthermore, the Company has received guarantee commitments of approximately SEK 78.4 million, corresponding to approximately 56 per cent of the Rights Issue, which in total is covered by subscription undertakings and guarantee commitments of SEK 84 million, corresponding to approximately 60 per cent of the Rights Issue. Upon full subscription in the Rights Issue, Saniona will receive initial proceeds of approximately SEK 140 million before issue costs. Saniona has in connection with the Rights Issue renegotiated the outstanding loan originally raised in July 2021 from Formue Nord Fokus A/S ("Formue Nord"). The Rights Issue is subject to approval by the extraordinary general meeting on 16 January 2024. The notice of the extraordinary general meeting will be announced in a separate press release.**

*"Saniona's focus on epilepsy, most notably with our first-in-class, Phase 2 ready candidate SAN711, a novel precision approach for treatment of non-convulsive generalized epileptic seizures, and our Kv7 program, with its truly new and innovative mode-of-actions and selectivity profile, has garnered significant attention. Recent milestones include the strong SAN711 data recently presented, and initiation of the candidate selection phase in our Kv7 program, both activities that have generated substantial commercial interest. Our proven track record in partnerships was highlighted by a recent collaboration with AstronauTx earlier this year. Saniona's deep understanding of ion channel function is a cornerstone for our novel approaches in epilepsy which have shaped an attractive base for our portfolio going forward. The funds raised through this issue will play a pivotal role in advancing these assets further bringing us closer to strategic partnerships"* says Thomas Feldthus, CEO of Saniona.

## Summary

- The Rights Issue includes units and will initially provide Saniona with approximately SEK 140 million before issue costs. Each unit consists of two (2) shares and one (1) warrant series TO 4. One warrant series TO 4 entitles to subscription of one (1) share in the Company. The warrants are intended to be admitted to trading on Nasdaq Stockholm. In the event the warrants are exercised for subscription of new shares, the Company will receive additional proceeds in April 2025.
- Final terms of the Rights Issue, including subscription price, are intended to be published no later than 11 January 2024. The subscription price per share in the Rights Issue will be priced at a discount to TERP (theoretical share price after separation of unit rights) of at least 30 per cent based on the lower of (i) the volume-weighted average share price of the Company's share during the period from and including 4 January 2024 up to and including 10 January 2024, and (ii) the volume-weighted average share price of the Company's share on 10 January 2024 (whereby this alternative shall only be an option in case the Company announces news related to its business operations by way of a press release during the period from and including 4 January 2024 up to and including 10 January 2024), however that the subscription price shall in no event be less than the share's quota value.
- Provided that the Rights Issue is approved by the extraordinary general meeting on 16 January 2024, the record date for the Rights Issue will be 18 January 2024 and the subscription period will run from and including 22 January 2024 up to and including 5 February 2024.
- The Company intends to use the net proceeds from the Rights Issue to finance repayment of part of outstanding loan, development of the Company's drug candidate SAN711 and development of other programs in the project portfolio, including SAN2219 and the Kv7 program, as well as other operational costs.
- The Rights Issue is covered by subscription undertakings up to approximately 4 per cent and by guarantee commitments up to approximately 56 per cent, corresponding to a total of approximately 60 per cent of the Rights Issue.
- In connection with the Rights Issue, Saniona has renegotiated the outstanding loan initially raised in July 2021 from Formue Nord.

## Background and reason for the Rights Issue

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of medicines modulating ion channels. Saniona's internal epilepsy pipeline includes the candidate SAN711 positioned for clinical Phase 2 studies for treatment of absence seizures (a form of epileptic seizures), the preclinical development compound SAN2219 for acute repetitive seizures and the drug-discovery program on Kv7 modulators for treatment of refractory focal onset seizures.

Outside epilepsy Saniona has three clinical programs, which are positioned for partnering. The most advanced candidate, tesofensine, has progressed towards regulatory approval for obesity by Saniona's partner Medix, whereas Tesomet is ready for Phase 2b studies for rare eating disorders, and SAN903 is ready for Phase 1 studies for inflammatory bowel disease. Saniona has research and development partnerships with Boehringer Ingelheim GmbH, Productos Medix, S.A de S.V, AstronauTx Limited and Cephagenix ApS.

Saniona's most advanced patented ion channel modulator is SAN711, which is being developed for treatment of absence seizures. In July 2022, the Company reported positive results from a Phase 1 clinical study of SAN711 in healthy volunteers. In order to secure the development of SAN711 towards proof-of-concept (studies conducted with the aim of demonstrating clinical relevance), Saniona has decided to carry out the Rights Issue.

Provided that the Rights Issue is fully subscribed, the Company will receive initial proceeds of approximately SEK 140 million before issue costs, which upon full subscription are expected to amount to approximately SEK 16.1 million. The net proceeds from the Rights Issue thus amount to approximately SEK 123.9 million. The Rights Issue is mainly intended to finance repayment of part of outstanding loan, development of the Company's drug candidate SAN711 and development of other programs in the project portfolio, including SAN2219 and the Kv7 program, as well as other operational costs.

In April 2025, the Company may receive additional proceeds if the warrants series TO 4 that are issued in the Rights Issue are exercised for subscription of new shares. The proceeds from the exercise of warrants series TO 4 are intended to be used to 50 per cent to finance repayment of outstanding loan, and to 50 per cent to finance the Company's operational costs.

### **Terms of the Rights Issue**

The board of directors has today, subject to the approval by the extraordinary general meeting on 16 January 2024, resolved on an issue of units consisting of shares and warrants series TO 4, with preferential rights for existing shareholders, of approximately SEK 140 million before issue costs and excluding the additional proceeds that may be received upon exercise of the warrants that are issued in the Rights Issue. Those who are registered as shareholders in the Company on the record date 18 January 2024 are entitled to subscribe for units with preferential rights.

Final terms of the Rights Issue including subscription price, increase of the share capital and number of shares and warrants issued, are expected to be announced no later than 11 January 2024. Each unit consists of two (2) shares and one (1) warrant series TO 4. The warrants are issued free of charge. The subscription price per share in the Rights Issue will be priced at a discount to TERP (theoretical share price after separation of unit rights) of at least 30 per cent based on the lower of (i) the volume-weighted average share price of the Company's share during the period from and including 4 January 2024 up to and including 10 January 2024, and (ii) the volume-weighted average share price of the Company's share on 10 January 2024 (whereby this alternative shall only be an option in case the Company announces news related to its business operations by way of a press release during the period from and including 4 January 2024 up to and including 10 January 2024), however that the subscription price shall in no event be less than the share's quota value.

Subscription of units with or without preferential rights shall be made during the period from and including 22 January 2024 up to and including 5 February 2024. Unit rights that are not exercised during the subscription period become invalid and lose their value. Trading in unit rights takes place on Nasdaq Stockholm during the period from and including 22 January 2024 up to and including 31 January 2024 and trading in BTU (paid subscribed units) during the period from and including 22 January 2024 up until the Rights Issue is registered with the Swedish Companies Registration Office (Sw . Bolagsverket).

One (1) warrant series TO 4 entitles the right to subscribe for one (1) new share in the Company to a subscription price corresponding to seventy (70) per cent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the period from and including 28 February 2025 up to and including 13 March 2025, however not less than the share's quota value. Subscription of shares by exercise of warrants shall be made during the period from and including 18 March 2025 up to and including 1 April 2025.

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

## **Subscription undertakings and guarantee commitments**

Saniona has received subscription undertakings from certain existing shareholders and members of the board of directors and senior management, amounting to a total of approximately SEK 5.6 million, corresponding to approximately 4 per cent of the Rights Issue. No compensation will be paid for subscription undertakings. The Company has also entered into agreements with a number of existing and external investors on guarantee commitments of a total of approximately SEK 78.4 million, corresponding to approximately 56 per cent of the Rights Issue. Cash compensation is paid with eleven (11) per cent of the guaranteed amount, corresponding to a total of approximately SEK 8.6 million, or fourteen (14) per cent of the guaranteed amount in the form of newly issued units in the Company, with the same terms and conditions as for units in the Rights Issue, however that the subscription price per unit shall correspond to the volume-weighted average share price of the Company's share on Nasdaq Stockholm during the subscription period in the Rights Issue (i.e. during the period 22 January – 5 February 2024) multiplied by two (2), however not lower than the subscription price in the Rights Issue.

In total, the Rights Issue is covered by subscription undertakings and guarantee commitments amounting to SEK 84 million, corresponding to approximately 60 per cent of the Rights Issue.

In order to enable issue of units as guarantee compensation to the guarantors who choose to receive guarantee compensation in the form of newly issued units, the board of directors has proposed that the extraordinary general meeting on 16 January 2024, which is proposed, among other things, to resolve on approval of the Rights Issue, amendment of the Articles of Association, as well as authorization regarding issue of convertibles, also resolves on authorization for the board of directors to resolve on issue of such units to guarantors.

The guarantors Formue Nord, Fredrik Lundgren and Wilhelm Risberg have provided guarantee commitments of approximately SEK 78.4 million, which means that they may exceed ten per cent of the votes in Saniona if the Rights Issue is only subscribed up to the level covered by subscription undertakings and guarantee commitments. To the extent the guarantors' fulfilment of such guarantee entails that the investment must be approved by the Inspectorate of Strategic Products (*Sw. Inspektionen för strategiska produkter*) in accordance with the Swedish Screening of Foreign Direct Investments Act (*Sw. lagen (2023:560) om granskning av utländska direktinvesteringar*), such part of the guarantee is conditional upon notification that the application of the transaction is left without action or that approval has been obtained from the Inspectorate of Strategic Products.

## **Loan and convertibles**

In connection with the Rights Issue, Saniona has renegotiated the outstanding loan initially raised in July 2021 from Formue Nord and which, after previous amortization/set-off, amounts to a total of approximately SEK 61.2 million. Saniona will, in connection with the Rights Issue, repay SEK 20 million of the loan in cash or by set-off. Approximately SEK 31.2 million of the remaining loan of approximately SEK 41.2 million will continue to run as a loan and SEK 10 million will be converted into new convertibles in the Company.

The loan of approximately SEK 31.2 million shall accrue at an annual interest of STIBOR 3M plus an interest margin of eight (8) per cent, and the interest shall be paid in cash by the end of each calendar quarter. The loan matures on 31 July 2025. However, in connection with the exercise of the warrants series TO 4, an amount corresponding to 50 per cent of the proceeds that the Company receives upon exercise of the warrants series TO 4 shall be used for repayment of the loan. Furthermore, if the Company carries out a new rights issue, the net proceeds received by the Company shall be used for repayment and if the Company carries out a directed issue, 50 per cent of the net proceeds received by the Company shall be used for repayment of the outstanding loan.

The Company shall, provided that the extraordinary general meeting that resolves on the Rights Issue also resolves on an appropriate authorization for the board of directors, issue convertibles to Formue Nord in a total amount of SEK 10 million, to be paid by set-off against the corresponding amount of the existing loan. The issue of the convertibles shall take place no later than five banking days after the registration of the Rights Issue with the Swedish Companies Registration Office (Sw. Bolagsverket), and the convertibles shall have a final maturity date of 31 July 2025. The convertibles shall have the same interest terms as the loan of SEK 31.2 million as set out above and shall be subject to the same early repayment terms in connection with rights issues and directed issues. During the term, Formue Nord shall have the right to request conversion at a conversion price corresponding to 150 per cent of the subscription price per share in the Rights Issue. The conversion rate may be subject to customary recalculation in certain situations.

As compensation for the restructuring of the loan terms, Formue Nord will receive a cash payment of approximately SEK 4.6 million.

### **Lock-up agreements**

In connection with the Rights Issue, the board of directors and senior management with shareholdings in Saniona have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell or carry out other transactions with a similar effect as a sale unless, in each individual case, first having obtained written approval from Vator Securities AB. Decisions to give such written consent are resolved upon by Vator Securities AB and an assessment is made in each individual case. Consent may depend on both individual and business reasons. The lock-up undertakings only cover the shares held prior to the Rights Issue and the lock-up period lasts for 180 days after the announcement of the Rights Issue.

### **Preliminary time plan for the Rights Issue**

11 January 2024	Publication of final terms of the Rights Issue, including subscription price
16 January 2024	Extraordinary general meeting
16 January 2024	Last day of trading incl. preferential rights
17 January 2024	First day of trading incl. preferential rights
18 January 2024	Record date for participation in the Rights Issue
18 January 2024	Estimated publication of prospectus
22 – 31 January 2024	Trading in unit rights on Nasdaq Stockholm
22 January – 5 February 2024	Subscription period

22 January 2024 – Until the Rights Issue is registered with the Swedish Companies Registration Office (Sw. Bolagsverket)	Trading in paid subscribed units (Sw. BTU)
Around 7 February 2024	Publication of outcome in the Rights Issue

### Extraordinary general meeting

The board of directors' resolution on the Rights Issue is subject to approval by the extraordinary general meeting on 16 January 2024. Notice of the extraordinary general meeting will be announced in a separate press release.

### Prospectus

Full terms and conditions for the Rights Issue, as well as other information about the Company will be presented in the prospectus that the Company is expected to publish around 18 January 2024 (the “**Prospectus**”).

### Advisers

Vator Securities AB is financial adviser and Setterwalls Advokatbyrå AB is legal adviser to the Company in connection with the Rights Issue. Vator Securities AB is also issuing agent in connection with the Rights Issue.

### For more information, please contact

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*This information is information that 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 persons set out above, at 2023-12-14 21:45 CET.*

### About Saniona

Saniona is an epilepsy focused clinical-stage biopharmaceutical company engaged in the discovery and development of medicines modulating ion channels. Saniona's epilepsy pipeline includes the Phase 2 ready asset SAN711 positioned for treatment of absence seizures, the preclinical development compound SAN2219 for acute repetitive seizures and the drug-discovery program on Kv7 modulators for refractory focal onset seizures. Outside epilepsy Saniona has three clinical programs, which are positioned for partnering. The most advanced candidate, tesofensine, has progressed towards regulatory approval for obesity in Mexico by Saniona's partner Medix, whereas Tesomet™ is ready for Phase 2b for rare eating disorders, and SAN903 is ready for Phase 1 for inflammatory bowel disease. Saniona has research and development partnerships with Boehringer Ingelheim GmbH, Productos Medix, S.A de S.V, AstronauTx Limited and Cephagenix ApS. Saniona is based in Copenhagen, and listed on Nasdaq Stockholm Small Cap (OMX: SANION). Read more at [www.saniona.com](http://www.saniona.com).

### Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Saniona. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in Saniona will only be made through the Prospectus that Saniona estimates to publish on 18 January 2024 on Saniona's website [www.saniona.com](http://www.saniona.com). The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares, warrants or any other securities.

This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 (“Prospectus Regulation”) and has not been approved by any regulatory authority in any jurisdiction. 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 shares, warrants or other securities in Saniona. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the



Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares, warrants or other securities in Saniona have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares, warrants or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares, warrants or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities etc. falling within Article 49(2) (a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "*intend*", "*will*", "*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.

This information, opinions and forward-looking statements contained in this press release applies only as of the date hereof and may be subject to change without notice. Saniona makes no commitment to publicly update or revise any forward-looking statements, future events or similar circumstances other than as required by applicable law.

## Attachments

Saniona carries out a rights issue of units of approximately SEK 140 million