



ANNUAL REPORT 2023

Saniona AB (PUBL)

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This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

2023 IN BRIEF

FINANCIAL OVERVIEW 2023 (2022)

REVENUE

SEK 16.8M (SEK 15.3M)

OPERATING EXPENSES

SEK 97.9M (SEK 240.7M)

NET LOSS

SEK -95.8M (SEK -211.6M*)

LOSS PER SHARE

SEK -1.49 (SEK -3.39)

DILUTED LOSS PER SHARE

SEK -1.49 (SEK -3.39)

CASH/CASH EQUIVALENTS

SEK 31.0M (SEK 111.7M)

* In 2023, Saniona has conducted a company-initiated restatement of 2022 financial statements.

ABOUT SANIONA

Saniona (OMX: SANION) is a clinical-stage biopharmaceutical company leading the way in ion channel modulation for the treatment of epilepsy and other neurological disorders. Saniona's epilepsy pipeline features SAN711, a Phase 2-ready candidate drug targeting absence seizures, SAN2219 for acute repetitive seizures, and SAN2355, addressing refractory focal onset seizures. Beyond epilepsy, Saniona oversees four clinical programs poised for collaboration. Tesofensine, Saniona's most advanced candidate, is progressing towards regulatory approval for obesity in Mexico through a partnership with Medix. Tesomet™ is ready for Phase 2b, targeting rare eating disorders, while SAN903 is ready for Phase 1 for inflammatory bowel disease and SAN2465 is set for preclinical development for major depressive disorder. Saniona has esteemed partners, including 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 Main Market.

For more information, please visit www.saniona.com.

2023 IN BRIEF

Significant Events in 2023

- On January 17, Saniona announced **successful preclinical in vivo validation** for treatment of migraine in the Cephagenix joint venture program.
- On February 25, Saniona announced that its partner Medix **received a favorable opinion** from the technical committee on new molecules at the Mexican food and drug administration, COFEPRIS, about approval of tesofensine for the treatment of obesity and weight management in Mexico.
- **Pierandrea Muglia** was at the Annual General Meeting May 25, 2023, elected as a new ordinary board member.
- On July 17, Saniona announced a new collaboration agreement with **AstronauTx** in Alzheimer's disease.
- On August 14, Saniona announced a change to the terms of the loan agreement with **Formue Nord**. The parties agreed to reduce the loan value, through a repayment of 3 MSEK by Saniona and a conversion of 10 MSEK into shares at 8.50 SEK per share, and changed the maturity date to January 31, 2025.
- On October 9, Saniona's partner, AstronauTx, closed a **\$61 million** financing led by the Novartis Venture Fund.
- On November 11-15, Professor Vincenzo Crunelli presented preclinical data at the annual meeting of the Society for Neuroscience demonstrating that **SAN711 represents a novel precision** approach for treatment of absence seizures.
- On November 21, Saniona announced that it has initiated the **candidate selection** phase with a frontrunner molecule from its Kv7 program for epilepsy.
- On December 14, Saniona announced that it plans to carry out a **right issue of units**.

- On December 18, Saniona announced that the research collaboration with **Boehringer Ingelheim** has been extended with up to two years.
- On December 27, Saniona strengthened its epilepsy pipeline with **selection of SAN2355** as the first preclinical candidate from the Kv7 program.

Significant Events after the Reporting Period

- On January 2, Saniona announced **selection of SAN2465** as a preclinical candidate for major depressive disorder.
- On January 10, the **board of directors resolved on an issue of units** consisting of shares and warrants with preferential rights for the existing shareholders, which was approved at the extraordinary general meeting on January 16, 2024.
- On February 7, Saniona announced outcome in rights issue of a proceed of approximately **SEK 88.9 million** before issue costs and a directed issue of units to guarantors in the rights issue as well as convertibles of SEK 10 million to Formue Nord.

CEO LETTER

Continued progress through a volatile 2023

Our focus during 2023 was two-fold; to keep establishing productive commercial collaborations and, at the same time, progressing our portfolio by leveraging Saniona's expertise in the field of ion-channel drug discovery to identify and propel additional selective ion channel clinical candidates in a range of epilepsy indications and beyond.

We selected two clinical candidates: SAN2355 for epilepsy and SAN2465 for major depressive disorder (MDD). The selection of SAN2355 as a clinical candidate marked a significant milestone as Kv7 activation represents a validated mechanism of action to control seizures based on the existing clinical experience. SAN2355 represents a promising new generation of subtype selective, effective, and well-tolerated anti-seizure medication. The selection of SAN2465 as a clinical candidate for MDD followed encouraging results positioning SAN2465 as an innovative and rapid-acting approach to treating MDD and its associated comorbidities. Development of rapid-acting treatments for depression has been a major hurdle for the pharmaceutical industry during the past decades, and we see a huge commercial potential for SAN2465. Following the selection announcement in January 2024, we started to reach out to companies with an interest in MDD.

Earlier in 2023, we partnered with AstronauTx on Alzheimer's research, potentially earning up to SEK 1.9

billion (\$177 million) in milestones payments plus royalties on global sales. Together with the prolonged research collaboration with Boehringer Ingelheim announced in December 2023, we expect total research funding of about SEK 27 million (€2.4 million) on annual basis. The objective of the collaboration with Boehringer Ingelheim is to identify new treatment options for schizophrenia. Saniona may receive up to SEK 860 million (€76.5 million) in milestone payments as well as royalties on worldwide net sales.

Medix, our Mexican partner, considers tesofensine to have a significant commercial potential for the treatment of patients with obesity in Mexico and predicts that it will be a key product for Medix going forward. The regulatory committee gave a positive opinion in 2023, and Medix has formally applied for approval. Medix is in dialogue with the regulatory agency, anticipating a favorable outcome. Tesofensine, a well-tolerated treatment with efficacy comparable to injectable GLP-1 analogs, could be a strong contender in the \$190 million Mexican obesity market. Saniona stands to gain royalties if approved, and we'll explore further commercialization in other regions, using Mexico as a reference for regulatory approval.

In February 2024, the rights issue announced in mid-December 2023 was subscribed. Initially, Saniona will receive approximately SEK 88.9 million before issue costs, and in the following exercise of issued series TO 4 warrants, Saniona may receive additional proceeds in April 2025. The rights issue was subscribed to a total of

approximately 63 percent and no issue guarantees needed to be used.

Following the rights issue, we also took certain initiatives to reduce our operational costs further without affecting our research activities, which are fully funded through partnerships and cover a fair share of our overheads. The new share issue and cost reductions have placed Saniona on a more solid financial footing.

We are focused on progressing our epilepsy assets, including SAN711 and SAN2355, and on establishing additional collaborations with the aim of initiating proof-of-concept studies for SAN711 and progressing other epilepsy assets into clinical development either in collaboration with partners or internally based on income from new partnerships, milestones under existing collaboration agreements, and potential royalties under the agreement with Medix.

Our research platform has demonstrated significant potential in creating innovative treatment candidates for a range of neurological and psychiatric diseases. With a track record of successful partnerships, we're poised for further engagements. Confident in ongoing discussions, I anticipate securing additional partnerships this year. I look forward to providing further updates on our progress.

CEO, Thomas Feldthus



PIPELINE

SANIONA'S PIPELINE

Product Candidate	Indication	Research	LOP/CS	Pre-clinical	Phase 1	Phase 2a	Phase 2b	Phase 3	Comment	
Tesofensine	Obesity	[Redacted]							Under regulatory review with potential approval in 2024 – partnership with market leader Medix, representing near-term revenue potential through mid-teens royalties and milestone	
Tesomet	HO, PWS	[Blue bar]								Positioned for partnering following successful phase 2a data (2019)
SAN711	Epilepsy	[Yellow bar]								Positioned for absence seizures following positive phase 1 data (2022) with expansion opportunities within pain, pruritus and essential tremor
SAN903	Fibrotic and inflammatory	[Blue bar]								Positioned for partnering following successful IND/CTA enabling studies
SAN2219	Epilepsy	[Yellow bar]							Positioned for acute repetitive seizures with multiple expansion opportunities in rare and severe epilepsy	
SAN2355	Epilepsy	[Yellow bar]							Positioned for focal/generalized epilepsy and paediatric epilepsy	
SAN2465	Depressive disorder	[Blue bar]							Positioned for partnering following candidate selection for rapid onset efficacy in major depressive disorder	
GABA program	Epilepsy	[Yellow bar]							Positioned for rare pediatric epilepsy syndrome with multiple expansion opportunities in rare and severe pediatric epilepsy	
AstronauTx	Alzheimer's	[Dark blue bar]							Partnership agreement	
Boehringer Ingelheim	Schizophrenia	[Dark blue bar]							Partnership agreement	
Cephagenix	Migraine	[Dark blue bar]							Joint venture, Saniona owns 33%	

PIPELINE

SANIONA'S EPILEPSY PIPELINE

Saniona's epilepsy pipeline comprises the clinical candidate SAN711, two preclinical candidates, SAN2219 and SAN2355, and a mature research program.

SAN711

Saniona's most advanced proprietary ion channel modulator is SAN711, which is being developed for absence seizures. SAN711 has successfully completed a Phase 1 clinical trial in healthy volunteers, and the results from this trial open the path for continued clinical development of SAN711.

SAN711 is a Positive Allosteric Modulator, or PAM, of GABA_A α 3 containing receptors. GABA is a neurotransmitter, that mediates inhibitory electrical signals between nerve cells in the brain. GABA_A is the target of the non-selective and highly effective medicines belonging to the chemical group referred to as "benzodiazepines". Unlike benzodiazepines, SAN711 does not have an impact on GABA_A α 1, α 2 and α 5 subunits, thus being devoid of the sedation, motor instability, abuse liability, and memory impairing effects that limit the use and tolerability of benzodiazepines.

Absence seizures are caused by short bursts of uncontrolled electrical activity in specific neuronal circuits in the brain.

During an absence seizure, the patient is unresponsive and has impaired consciousness, typically observed as "staring spells". Absence seizures normally last a few seconds (usually less than 15 seconds) and can occur up to 200 times a day. Absence seizures occur in multiple genetic generalized epilepsies, including childhood absence epilepsy (CAE), juvenile absence epilepsy (JAE), and juvenile myoclonic epilepsy (JME).

Childhood absence epilepsy is a pediatric epilepsy with an incidence of approximately 6.3 to 8.0 children per 100,000 per year. The age of onset is usually between

4-10 years and is often resolved in adolescence. Although the majority obtain good seizure control, 20-30 percent is refractory to current treatment and have associated attention problems. Further, young adults with a history of childhood absence epilepsy, many of them continuing to have absence in adulthood have poor long-term vocational, educational, and social outcomes.

First line treatment of childhood absence epilepsy consists of ethosuximide and valproate. Both ethosuximide and valproate adversely affect cognitive functioning. In addition, valproate poses an embryofetal risk making it unsuitable for young women of childbearing potential. The effectiveness of ethosuximide and valproate, in terms of seizure control, are comparable, as shown by similar response rate reported as freedom from failure rates of 45 percent and 44 percent respectively. Consequently, the currently most optimal initial monotherapy fails in 55 percent of children, leaving a significant need for improved treatment options with better efficacy without detrimental effects on attention and cognition.

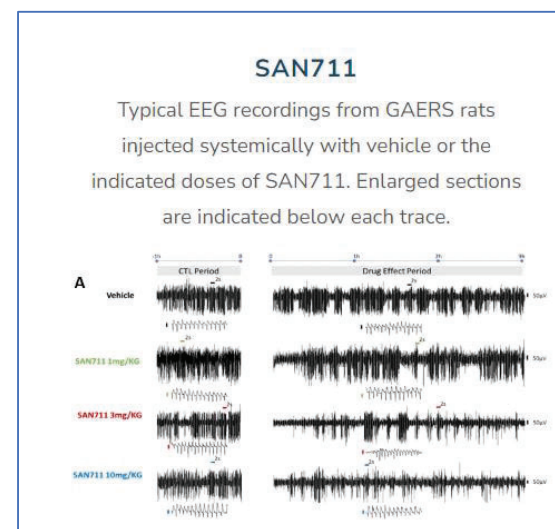
Saniona has specifically designed SAN711 to enhance the effect of the α 3 containing GABA_A receptors with high selectivity. The α 3 subunit is highly expressed in parts of the brain that are critically involved in initiation and maintenance of absence seizures. By selectively enhancing the effect of GABA at α 3 GABA_A receptors, Saniona believes that SAN711 is a precision approach for specific abortion of absence seizures while avoiding the adverse effects associated with the current first line therapy such as cognitions.

Preclinical data generated in a highly translatable rodent model for absence seizures (Genetic Absence Epilepsy Rat from Strasbourg, GAERS), confirms marked suppression of absence seizures.

Besides absence seizures, the preclinical data package indicates substantial potential value for SAN711 in

neuropathic pain exemplified by Trigeminal Neuralgia, migraine, Neuropathic pruritus (exemplified by brachioradial pruritis and prurigo nodularis), and Essential tremor as well as sleep disorders.

Superior tolerability was confirmed in Saniona's Phase 1 clinical trial of SAN711 in June 2022. The primary objective of the trial was to determine safety and tolerability through single ascending dose- and multiple ascending dose arms and confirm target engagement by a Positron Emission Tomography (PET) imaging biomarker study. The study demonstrated SAN711 to be safe and well tolerated even at receptor occupancies exceeding 80 percent, confirming the safety profile of this asset.



Source: Crunelli V et al., *Selective activation of alpha 3-containing GABA-A receptors block absence seizures and increases sleep spindles*. Society for Neuroscience annual meeting, Washington D.C., November 11-15, 2023. Poster no. 526.08.

PIPELINE

SAN2219

SAN2219 is a subtype selective Positive Allosteric Modulator (PAM) of GABA_A α 2- α 3- and α 5 containing receptors specifically designed to exert robust anti-seizure activity by dampening excessive neuronal activation broadly in the brain. The program has been advanced to preclinical development and hence represents the first preclinical development candidate from Saniona's GABA_A α 2/ α 3 PAM program.

SAN2219 is specifically designed to exert broad antiseizure activity by enhancing the effect of GABA_A α 2, α 3 and α 5 containing receptors. As there is no enhancement of GABA_A α 1 subtype containing receptors, the adverse effects mediated by non-selective benzodiazepines are anticipated to be avoided.

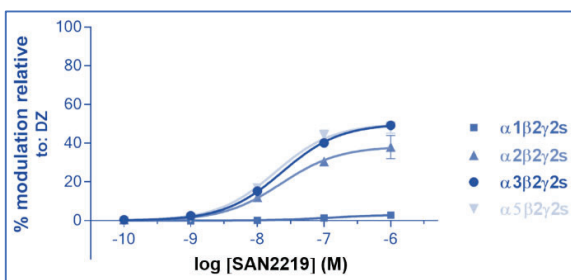
Saniona believes that this profile would be highly effective in aborting acute repetitive seizures, where seizures break through despite the patient being on maintenance antiseizure medications.

There is no universally accepted definition of acute repetitive seizures, but seizure clusters are generally distinct from a patient's usual seizure patterns and are often defined as two to four seizures per < 48 hours, 3 seizures per 24 hours or three times the baseline seizure frequency. Acute repetitive seizures occur in a subset of individuals with epilepsy with a reported prevalence ranging from 10 and up to 50 percent of patients depending on the definition and study design.

Acute repetitive seizures require immediate attention. In the absence of prompt and effective treatment, acute repetitive seizures can evolve into status epilepticus, a potentially life-threatening seizure emergency. Benzodiazepines constitute the standard-of-care for acute on demand repetitive seizures, but the use is restricted to 2 doses per epileptic episode, and it is recommended to treat no more than five episodes per month due to the limitations associated with benzodiazepines including tolerance development.

SAN2219 demonstrates potent and robust effects in a variety of rodent seizure models for epilepsy indications including focal onset seizures, generalized tonic-clonic seizures, and generalized non-motor seizures (absence seizures).

Furthermore, SAN2219 is not sedative in standard rodent models assessing sedation. Therefore, SAN2219 is anticipated to arrest acute repetitive seizures without use limitations imposed on benzodiazepines.



The figure shows the effect of SAN2219 on GABA potentiated Chloride conductance in *Xenopus Oocytes* relative to the non-selective positive allosteric modulator, Diazepam. SAN2219 selectively enhances the effect of GABA on GABA_A α 2, α 3 and α 5 containing receptors. There is no effect on GABA_A α 1 containing receptors.

PIPELINE

SAN2355

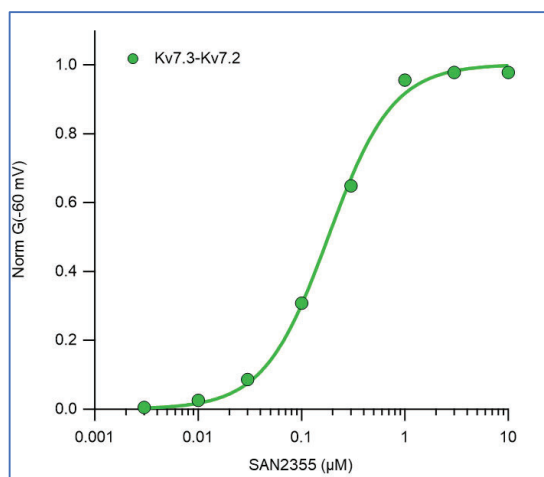
SAN2355 represents the first development compound from the Saniona Kv7 program. SAN2355 is a subtype selective Kv7.2/Kv7.3 activator for patients with treatment-resistant focal onset seizures. Focal onset seizures are the most common type of epileptic seizure and affect up to about 60 percent of patients with epilepsy.

Kv7 channels are voltage-dependent potassium channels which control the generation of nerve-impulses in CNS neurons. There are five subtypes of Kv7 channels (Kv7.1 to Kv7.5). Kv7.2 and Kv7.3 are the major Kv7 subtypes in CNS neurons and the Kv7.2/Kv7.3 channel is the relevant target for anti-epileptic treatment. Targeting the other subtypes of Kv7 channels may lead to severe CNS and peripheral side effects.

Kv7 channels are clinically validated targets for epilepsy as the non-selective Kv7.2-7.5 activator, Retigabine, proved effective in treatment-refractory focal onset epilepsy. However, the use of Retigabine was limited due to adverse effects (discoloration of skin and retina, urinary retention, and CNS adverse effects) and the drug was withdrawn from the market in 2017 for commercial reasons. The discoloration of skin and retina was known to be caused by chemical instability of the chemical class retigabine belongs to, whereas the urinary retention most likely resulted from activation of Kv7.4 and Kv7.5 in the bladder. Xenon Pharmaceuticals subsequently acquired retigabine for child epilepsies caused by Kv7.2 mutations (program stopped in spring 2023). A more potent retigabine analogue, XEN1101, is currently in Phase 3 development for focal onset and generalized epilepsy as well as major depression.

Just as retigabine, XEN1101 is unselective among the Kv7.2-Kv7.5 subtypes and the Phase 2 data suggests that the urinary retention problem persists as does also the retigabine-like CNS adverse effects that caused a high drop-out rate from the Phase 2 study.

SAN2355 has a highly differentiated profile that is specifically designed to avoid the use limitations associated with Retigabine and XEN1101. In contrast to Retigabine and XEN1101, SAN2355 selectively activates Kv7.2 and Kv7.3 channels and blocking Kv7.5 channels. This is anticipated to improve CNS tolerability and reduce urinary retention. Further, it belongs to a different chemical series thereby avoiding the discoloration of skin and retina. This highly differentiated profile is consequently anticipated to maintain strong seizure control while mitigating the limitations that caused Retigabine to be withdrawn from the market.



Concentration-responses of SAN2355 on Kv7.2/Kv7.3 (green graph). Patch-clamp (an electrophysiological tool for understanding ion channel behaviour) measurements of cloned and expressed Kv7.2/Kv7.3 channels.

GABA program

Saniona has progressed other compounds from its GABAA $\alpha 2/\alpha 3$ PAM program to the candidate selection phase. These compounds have other electrophysiologic profiles than SAN2219. Saniona is currently evaluating the potential value of one of these compounds for treatment of patients with a pediatric syndrome (Developmental/Epileptic Encephalopathy with Spike Wave Activation in Sleep (D/EE-SWAS)), which has severe consequences for the patients and their families. This is a rare form of epilepsy. The number of patients is estimated to be between 2,400 and 7,000 children in the U.S. The disease starts in children between 2 and 12 years of age. Most often it starts between 4 and 5 years of age.

The common symptoms are 1) failure to attain new development skills and loss of skills and 2) an EEG showing significant activation of abnormal discharge in sleep, compared to being awake. In some cases, children can develop normally before the onset of this syndrome. But then they regress or fail to gain new skills with the onset of this syndrome. In this case, the syndrome is known as epileptic encephalopathy with spike-wave activation in sleep (EE-SWAS). In other cases, children have some degree of developmental delay prior to the onset of this syndrome, but this becomes more severe with regression of skills. In this case, the syndrome is known as developmental and epileptic encephalopathy with spike-wave activation in sleep (DEE-SWAS).

There are no approved treatments for this syndrome. Patients are typically treated with high doses of benzodiazepines and/or steroids, none of which are good options due to safety issues and tolerance development. There is currently no industry sponsored clinical trials ongoing and the objective of the only ongoing non-industry sponsored clinical trial is to evaluate which of the current treatments, benzodiazepines or steroids, are superior.

PIPELINE

SANIONA'S NON-EPILEPSY PIPELINE TESOFENSINE

Saniona's partner Medix has completed a successful Phase 3 study and submitted a new drug application to the Mexican food and drug administration, COFEPRIS, for approval of tesofensine for the treatment of patients with obesity. In February 2023, COFEPRIS' technical committee expressed a favorable opinion on tesofensine for treatment of obesity. This non-binding technical opinion is issued as one of the steps in the process of reviewing new molecules. Medix holds an exclusive license to commercialize tesofensine in Mexico and Argentina, while Saniona is entitled to milestone payments and royalties on product sales. Saniona retains commercial rights in the rest of the world and rights to use any data generated from the Phase 3 trial.

Tesofensine is a monoamine reuptake inhibitor that modulates brain activity by increasing the levels of three neurotransmitters – dopamine, serotonin and noradrenaline – which are each intimately involved in regulating appetite, food-seeking behavior and metabolism. The weight reducing effect of tesofensine has been confirmed in a six-month Phase 2 clinical trial in patients with obesity (the TIPO-1 trial). The TIPO-1 trial in adult patients with obesity indicates that tesofensine at the expected recommended dose of 0.50

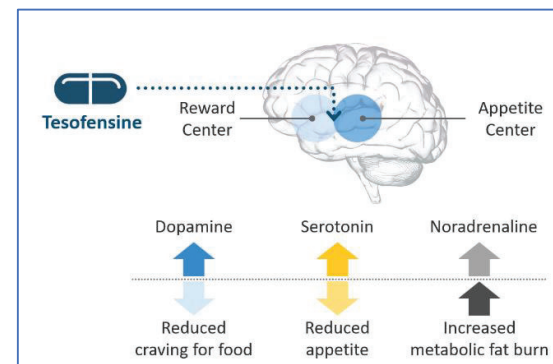
mg per day provides a weight loss of 10 percent or more in 24 weeks, which is in the same ballpark of some of the best GLP-1 analogs. As opposed to the GLP-1 analogs, tesofensine is provided in tablets and will not require titration.

Saniona's partner Medix' Phase 3 program was a 24-week, randomized, double-blinded, placebo-controlled, three-armed, parallel, longitudinal trial comparing the efficacy, safety, and satisfaction of two dose levels of once-daily oral tesofensine vs placebo in people with obesity treated with diet and exercise only. 372 patients were enrolled in the Phase 3 study and randomized 1:1:1 to receive either a dose of oral tesofensine (0.25 and 0.50 mg) or placebo once daily. The study's primary endpoint was the average percentage and absolute change in body weight compared to placebo. Secondary endpoints included the percentage of patients achieving weight loss of at least 5 percent and 10 percent of baseline body weight.

The Phase 3 study confirmed the compelling efficacy and favorable safety profile of tesofensine in obesity previously observed in Phase 2. At the 0.50 mg dose patients obtained about 10 percent average weight loss in 24 weeks, more than half of patients experienced a weight loss of more than ten percent and statistically significant reduction in key obesity-related risk factors were observed.

In general, tesofensine was very well tolerated with low incidence of adverse events and very similar to placebo. A similar pattern was observed when measuring cardiovascular effects, with a low but statically significant increase in heart rate and no significant effect on blood pressure at any of the doses tested.

Following this study, the combined clinical safety data base from more than 20 clinical trials with tesofensine contains approximately 1,600 patients exposed to relevant therapeutic doses for up to one year, providing a robust safety data set to support filings in Mexico and Argentina and potentially in other geographies, as well as the further development of Tesomet in rare eating disorders.



Tesofensine treats metabolic syndrome as a CNS disorder inhibitor.

PIPELINE

TESOMET™

Tesomet is a novel, potentially first-in-class, once-daily oral investigational therapy for the treatment of hypothalamic obesity (HO) and Prader-Willi syndrome (PWS). The Company is actively exploring partnership options, including worldwide partnerships, that could generate immediate non-dilutive income and enable Tesomet to move forward. Saniona has in parallel explored an alternative development plan for Tesomet in hypothalamic obesity, which potentially could be financed by Saniona. This work requires further analysis and interactions with regulators and will not be finalized before additional financing has been secured.

Tesomet is a fixed-dose combination of two active ingredients: tesofensine and metoprolol. Metoprolol is a cardio-selective β_1 receptor blocker historically used to treat several cardiovascular conditions and which has been approved for use in the United States since 1978.

Following discussions with the FDA on the proposed regulatory path for Tesomet in HO and PWS, the FDA confirmed that Tesomet may be advanced via the 505(b)(2) pathway for the treatment of HO and PWS. The FDA has granted orphan drug designation to Tesomet for the treatment of HO and PWS, respectively.

Saniona sees significant value in Tesomet. Saniona believes that the initial Phase 2 data support further development of Tesomet in both indications. The Company initiated Phase 2b studies in 2021, which was put on hold and subsequently closed in 2022 due to lack of funding. Prior to closing the Phase 2b studies in 2022, financial analysts have estimated annual peak sales for Tesomet between USD 850M – 1B+ (SEK 8B – 9.5B) (Saniona does not endorse or validate sales estimates provided by third parties).

HYPOTHALAMIC OBESITY (HO)

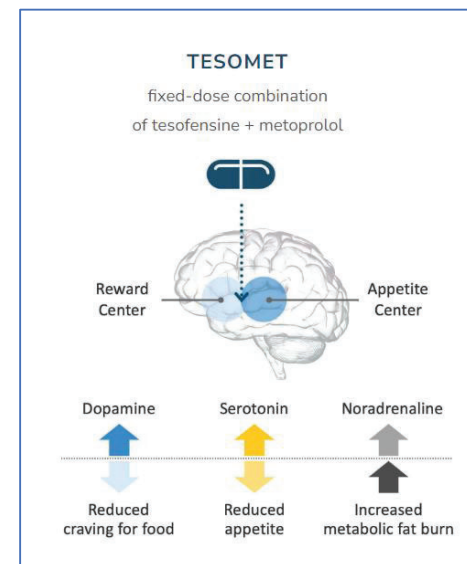
HO is a rare neuroendocrine disorder most commonly caused by damage to the hypothalamus sustained during the removal of a craniopharyngioma (CP), a rare, non-cancerous central nervous system tumor. The number of patients with HO is estimated to be as high as 25,000 in the United States and 40,000 in Europe. Currently, there are no FDA-approved treatments for HO and there is no cure for this disorder.

Saniona has completed a Phase 2 clinical trial of Tesomet for the treatment of HO. This trial was a single-center, 24-week, randomized, double-blind, placebo-controlled trial with an optional 24-week Open Label Extension (OLE). A total of 21 adult patients, 13 of whom were randomized to Tesomet and eight to placebo, were included within the protocol-specified modified intent-to-treat analysis pertaining to the double-blind period. The primary endpoint of the study was to establish the overall safety and tolerability of Tesomet in patients with HO, which was achieved. Several secondary endpoints relating to efficacy were also achieved. Double-blind treatment with Tesomet for 24 weeks resulted in statistically significant placebo-adjusted weight loss of 6.28 percent ($p < 0.0169$) and a mean reduction in waist circumference of 5.68 cm or 5.00 percent. In the 24-week OLE, Tesomet continued to demonstrate persistent improvements in body weight and waist circumference.

PRADER-WILLI SYNDROME (PWS)

PWS is a rare, genetic, complex, multisystem disorder that is the most common genetic cause of childhood obesity globally. The number of patients with PWS is estimated to be as high as 34,000 in the United States and 50,000 in Europe. The only FDA-approved treatment currently available for PWS is growth hormone therapy; however growth hormone therapy does not reduce the hyperphagia symptoms experienced by these patients.

Saniona has completed a Phase 2 clinical trial of Tesomet for the treatment of PWS. This trial was a two-center, randomized, double-blind, placebo-controlled trial. Nine adults and nine adolescents were treated daily with Tesomet or placebo for three months for the double-blind portion of the trial, with two open-label three-month extensions, referred to as OLE1 and OLE2, for adolescent patients. The primary endpoint was change in body weight; secondary objectives included hyperphagia, body composition, lipids and other metabolic parameters. The adult patients receiving Tesomet achieved a 5.4 percent reduction in body weight, which is notable in the small patient population, and a statistically significant 8.1 percentage point reduction in hyperphagia as measured by the Hyperphagia Questionnaire for Clinical Trials (HQ-CT), a caregiver questionnaire that is the generally accepted standard for evaluating hyperphagia in patients with PWS. In adolescents, upon the dose increase of Tesomet from 0.125 mg to 0.25 mg during the OLE2 portion of the trial, Tesomet-treated patients experienced a decrease in body weight and a further reduction in hyperphagia as measured by the HQ-CT questionnaire.



PIPELINE

SAN903

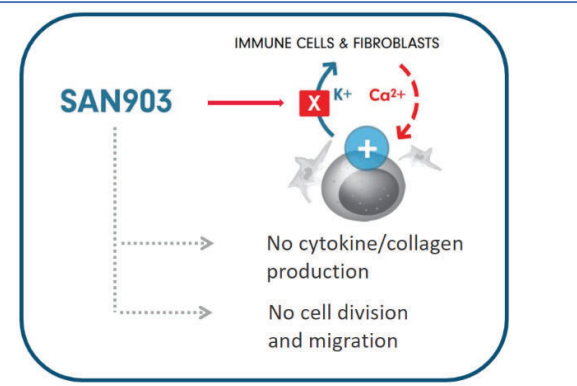
SAN903 has successfully completed preclinical development in 2022 and Saniona is preparing a Clinical Trial Application (CTA) for submission to the European Medicines Regulatory Agencies (EMA) enabling Phase 1 clinical trials either by Saniona alone or together with a partner. The primary indication for SAN903 is inflammatory bowel diseases (IBD) and Saniona sees a potential of SAN903 as a medicine with independent actions on intestinal inflammation and fibrosis.

SAN903 is a novel, potential first-in-class medicine based on inhibition of the calcium-activated potassium ion channel, K_{Ca}3.1 with a two-hit mode of action having anti-inflammatory as well as antifibrotic activity.

This ion channel is found on several types of immune cells, where it participates in the control of the cellular pathways that maintain pathogenic activation and inflammation in chronic diseases. The K_{Ca}3.1 channel is also expressed on fibroblasts, especially on myofibroblasts, where it supports the overproduction of connective tissue that can lead to fibrosis. Prevention of fibrotic complications is an aspect of the disease, which is poorly treated by current standard-of-care IBD medicines, and progressed fibrosis often requires surgical intervention to resolve potentially life-threatening gut obstructions. SAN903 dampens inflammation and fibrosis by preventing cell division and cell migration of activated immune cells and fibroblast and by impeding cytokine release and collagen secretion of the respective cell types.

In immune cells and fibroblasts:

- **SAN903** inhibition of the K_{Ca}3.1 potassium channel leads to reduced calcium influx
- **SAN903** inhibits inflammation and fibrosis
 - Effectively dampens cell division and migration
 - Reduces cytokine and collagen production



PIPELINE

SAN2465

SAN2465 is a highly potent and selective negative allosteric modulator (NAM) of GABA_A α5 containing receptors with a pharmacological profile different from conventional antidepressant therapies, novel NMDA-antagonists, as well as psychedelic investigational drugs. It shows an unprecedented affinity towards the GABA_A α5 target with low picomolar potency. SAN2465 is positioned as a first-in-class treatment opportunity for rapid resolution of depression.

Depressive disorders affect 280 million people globally and stand as the leading cause of disability. Current conventional treatment relies on modulation of the monoaminergic system such as selective serotonin reuptake inhibitors, monoamine oxidase inhibitors and tricyclic antidepressants. However, existing conventional therapies exhibit delayed clinical responses, low remission rates, and a substantial portion of patients (more than 30 percent) do not respond adequately, leading to treatment resistant depression. In 2019, the FDA approved esketamine (Spravato™), the first prescription NMDA-antagonist-based fast-acting antidepressant. However, esketamine is associated with significant risks, including sedation, dissociation, respiratory depression, and abuse and misuse. Therefore, use of esketamine is restricted by a Risk Evaluation and Mitigation Strategy (REMS) Program.

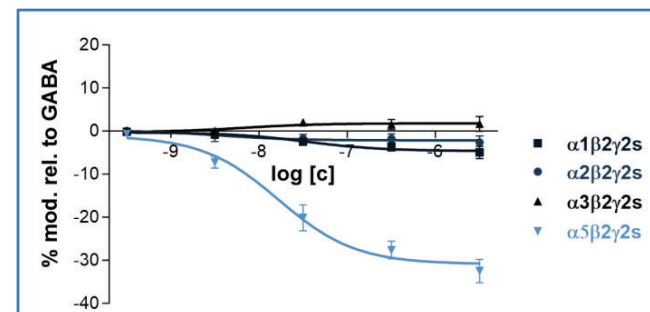
Because of the risk associated with esketamine, there is a significant medical need for improved safe treatment options with rapid-onset and clinical response devoid of the use limitations associated with NMDA-antagonists, in the large population of treatment-resistant patients.

SAN2465 has been tested in the chronic mild stress model of depression, which is widely acknowledged as the most valid animal model of depression with translational potential to human disease. Results indicate that a single oral treatment of SAN2465 effectively reverses depressive-like symptoms, as assessed by stress-induced reduction of sucrose intake already within 24 hours after dosing. Furthermore, anxiogenic-like behaviors and cognitive impairments

induced by stress were also significantly normalized after a single oral treatment with SAN2465, without any adverse effects observed. Importantly, the onset and robustness of the effects are comparable to the NMDA antagonist ketamine, suggesting that SAN2465 may induce rapid antidepressant effects like those observed with esketamine (Spravato™), which has demonstrated clinical response within hours after the first dose in patients.

Importantly, in contrast to NMDA-antagonists (e.g., esketamine (Spravato™)) and psychedelics (e.g., Psilocybin), the mechanism of action of SAN2465 does not predict adverse effects related to sedation, dissociation, respiratory depression, perceptual changes/hallucinations and abuse and misuse.

Consequently, this innovative approach for the treatment of major depressive disorder differs substantially from conventional antidepressant drugs in its mechanism of action, and it has the potential to become a first-in-class rapid-acting antidepressant without the significant adverse effects associated with esketamine.



The figure shows the effect of SAN2465 on GABA potentiated Chloride conductance in *Xenopus Oocytes*. SAN2465 negatively modulates the effect of GABA on GABA_A α5 containing receptors selectively. There is no effect on GABA_A α1, α2 or α3 containing receptors.

PARTNERSHIPS AND SPINOUTS

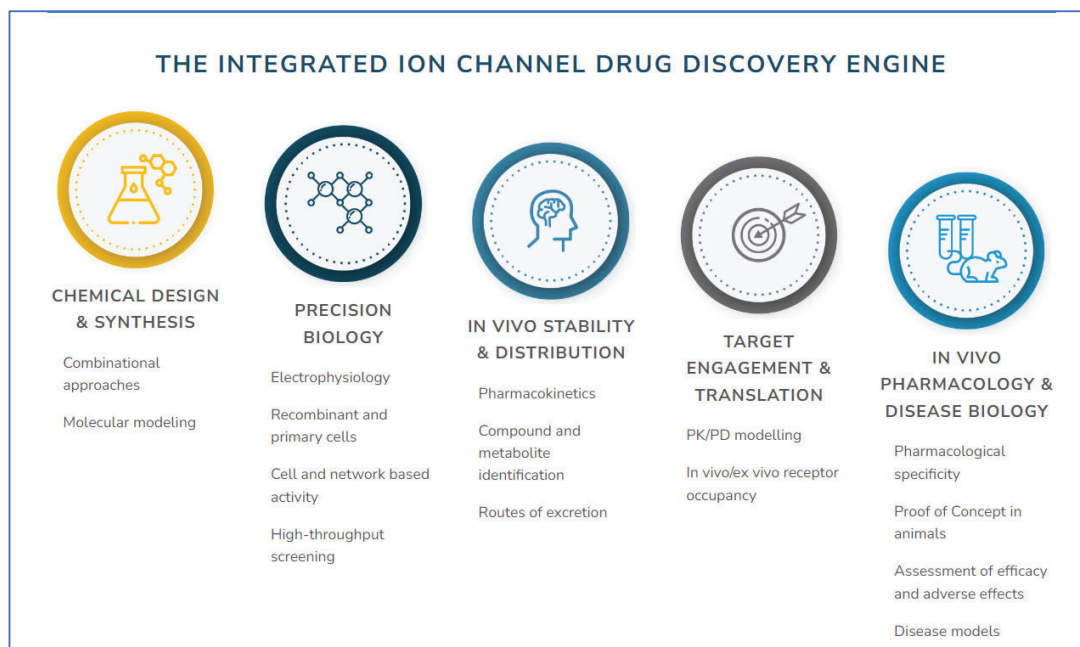
Leveraging Saniona’s expertise in the field of ion channel drug discovery and the company’s proprietary focused compound library and robust database (IONBASE), Saniona is continuously advancing its research programs to identify and advance additional selective ion channel clinical candidates in a range of therapeutic areas, including rare genetic and neurological disorders. Saniona’s industry-leading research has formed the basis of many successful spinouts, partnerships, and licensing agreements with pharmaceutical companies internationally, such as Boehringer Ingelheim, AstronauTx, Pfizer, Johnson & Johnson, Proximagen, Ataxion Therapeutics (later known as Cadent Therapeutics, acquired by Novartis AG), Cephagenix, Initiator Pharma, Scandion Oncology and Medix.

R&D Ion Channel Pipeline

Saniona’s earlier stage discovery and development efforts are focused on the validated drug class of ion channels, which have been implicated in the pathophysiology of many disease settings and include many successful drugs such as Norvasc (amlodipine), Xylocaine (lidocaine) and Valium (diazepam). The company’s ion channel drug discovery engine combines in-house expertise in chemistry, precision biology, in vivo stability/distribution, target engagement, in vivo pharmacology, and artificial intelligence to accelerate the discovery of highly selective, subtype-specific, and state-dependent ion channel modulators.

The core of this engine is Saniona’s proprietary IONBASE database, which contains structure-activity data for more than 130,000 compounds. Of these, more than 25,000 are the company’s proprietary compounds, generated over 20 years and enriched for properties conferring optimal ion channel modulation.

As a result of Saniona’s ion channel drug discovery engine, The company has generated a robust pipeline of orally available, potent, highly selective and differentiated ion channel modulators, including SAN711, SAN903, SAN2219, SAN2355 and SAN2465. Saniona anticipates that this robust discovery engine will continue to generate multiple new drug candidates to add to the Saniona pipeline.



SANIONA SHARE

Saniona is listed at Nasdaq Stockholm main market. Saniona's share is traded under the ticker SANION and the ISIN code SE0005794617.

Share price performance and turnover

The market price of Saniona's share was SEK 4.01 at the end of 2023, representing an increase of 31 percent from the end of 2022. The highest price paid during the year was SEK 12.44 on June 6, and the lowest price was SEK 2.9 on January 16. The average daily trading volume was 477,486 in 2023, compared to 757,607 in 2022, and the average daily trading value was SEK 3,295,053 in 2023, compared to SEK 2,747,983 in 2022.

Market capitalization was 257 MSEK at the end of 2023, compared to 191 MSEK at the end of 2022.

Share Capital

On December 31, 2023, the number of share outstanding was 64,126,978 (compared to 62,385,677). All shares have equal entitlement to dividends and each share has equal voting rights. Each share has one vote at the Annual General Meeting. At year-end, the share capital was SEK 3,206,348 (3,119,284), equal to a par value per share of SEK 0.05.

Shareholders

On December 31, 2023, Saniona had 13,092 (10,145) shareholders, excluding holdings in life insurance and foreign custody account holders. The shareholders are presented as reported by Modular Finance AB, which compiles and processes data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen). The list may not show shareholders whose shares have been registered in the name of a nominee, through trust of bank and similar.

LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2023

Shareholder	Number of shares	Ownership and votes
Avanza Pension	5,102,595	7.96 %
Jørgen Drejer	2,364,711	3.69 %
Nordnet Pensionsförsäkring	2,323,778	3.62 %
Third Swedish National Pension Fund	1,886,792	2.94 %
Dan Peters	1,550,000	2.42 %
Nordea Liv & Pension	1,099,871	1.72 %
Joakim Tedroff	1,086,494	1.69 %
Thomas Feldthus	965,000	1.50 %
Thomas Kreutzfeldt	860,800	1.34 %
Leif Andersson Consulting ApS	793,725	1.24 %
Other shareholders (13,082)	46,093,212	71.88 %
Total	64,126,978	100.00 %

FIVE-YEAR SUMMARY

Income statement, KSEK	2023	2022 (Restated**)	2021	2020	2019
Revenue	16,840	15,283	10,478	8,198	7,201
Operating expenses	-97,905	-240,656	-422,048	-167,573	-100,829
Operating loss	-81,065	-225,373	-411,570	-159,375	-93,628
Total financial items	-23,215	7,194	-6,810	78,159	17,164
Loss before tax	-104,280	-218,179	-418,380	-81,216	-76,464
Tax on net loss	8,470	6,610	7,482	7,786	7,713
Loss for the year	-95,810	-211,569	-410,898	-73,430	-68,751

Balance sheet, KSEK	2023	2022	2021	2020	2019
Intangible, tangible assets & right of use assets	15,492	22,438	27,941	34,196	11,095
Financial assets	3,093	3,114	20,793	61,660	30,455
Other non-current assets	392	799	670	513	366
Current receivables	14,204	15,638	33,989	21,946	12,644
Cash and cash equivalents	30,962	111,707	356,855	573,866	40,248
Total assets	64,143	153,696	440,248	692,181	94,808
Equity	-21,940	52,708	281,999	603,458	53,884
Non-current and current liabilities	86,083	100,988	158,249	88,723	40,924
Total equity and liabilities	64,143	153,696	440,248	692,181	94,808

Cash flow, KSEK	2023	2022 (Restated**)	2021	2020	2019
Cash flow from operating activities	-85,531	-281,537	-345,038	-174,280	-98,591
Cash flow from investing activities	-129	6,843	43,162	99,512	-749
Cash flow from financing activities	-7,967	-20,521	50,596	621,180	76,728
Cash flow for the year	-93,627	-295,215	-251,280	546,412	-22,621

ALTERNATIVE PERFORMANCE MEASURES

Key figures, %	2023	2022	2021	2020	2019
Operating margin *	Negative	Negative	Negative	Negative	Negative
Liquidity ratio *	255%	556%	599%	846%	136%
Equity ratio *	-34%	34%	64%	87%	57%

Share data, SEK	2023	2022 (Restated**)	2021	2020	2019
Earnings per share	-1.49	-3.39	-6.59	-1.79	-2.67
Diluted earnings per share	-1.49	-3.39	-6.59	-1.79	-2.67
Equity per share *	-0.34	0.84	4.52	9.68	1.90
Dividend	0.00	0.00	0.00	0.00	0.00
Cash flow per share *	-1.46	-4.73	-4.03	13.79	-0.87

Share data	2023	2022	2021	2020	2019
Average shares outstanding	63,067,885	62,385,677	62,381,454	40,999,066	25,719,586
Diluted average shares outstanding	63,067,885	62,385,677	62,381,501	41,919,662	25,732,676
Shares outstanding at the end of the period	64,126,978	62,385,677	62,385,677	62,372,831	28,412,519

* = Alternative performance measures

** In 2023, Saniona has conducted a company-initiated restatement of 2022 financial statements.

FIVE-YEAR SUMMARY

Saniona presents certain financial measures in the annual report that are not defined according to International Financial Reporting Standards (IFRS), so called alternative performance measures. These have been noted with an “*” in the tables 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.

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.

DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

	2023	2022	2021	2020	2019
Operating loss, KSEK	-81,065	-225,373	-411,570	-159,375	-93,627
Revenue, KSEK	16,840	15,283	10,478	8,198	7,201
Operating margin, %	-481 %	-1,475 %	-3,927 %	-1,944 %	-1,300 %
Cash flow for the year, KSEK	-93,627	-295,215	-251,280	565,422	-22,491
Average number of shares outstanding	64,126,978	62,385,677	62,381,454	40,999,066	25,719,586
Cash flow per share, SEK	-1.46	-4.73	-4.03	13.79	-0.87

	2023	2022	2021	2020	2019
Current assets, KSEK	45,166	127,345	390,844	595,812	52,892
Current liabilities, KSEK	17,695	22,897	65,277	70,416	38,777
Liquidity ratio, %	255 %	556 %	599 %	846 %	136 %
Equity, KSEK	-21,940	52,708	281,999	603,458	53,884
Total equity and liabilities, KSEK	64,143	153,696	440,248	692,181	94,808
Equity ratio, %	-34 %	34 %	64 %	87 %	57 %
Equity, KSEK	-21,940	52,708	281,999	603,458	53,884
Shares outstanding at the end of the period	64,126,978	62,385,677	62,385,677	62,372,831	28,412,519
Equity per share, SEK	-0.34	0.84	4.52	9.68	1.90

RISK FACTORS AND RISK MANAGEMENT

All business operations involve risk. Managed risk-taking is necessary to maintain operations, and Saniona has an integrated process for risk management to ensure that risks and uncertainties are identified, assessed and managed at the earliest stage possible. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be company specific.

Saniona is exposed to various kinds of risks that may impact the Group's results and financial position. The risks can be divided into operational risks, market risks and financial risks. The main risks and uncertainties which Saniona is exposed to are related to pharmaceutical development, capital requirements, collaboration agreements, intellectual property, regulatory requirements, product liability, and competition.

The risks presented below could have a material negative impact on Saniona's operations, earnings and financial position.

MARKET AND INDUSTRY RELATED RISKS

Risks related to macroeconomic trends and the demand for pharmaceutical products

Macroeconomic effects, such as the Covid-19 pandemic and other economic factors around the world such as the ongoing situation in Ukraine, may negatively affect the Company's earnings capacity, growth opportunities and operating profit. The general demand for medicines is affected by various macroeconomic factors and trends, such as inflation, deflation, recession, trade barriers and currency fluctuations. An economic downturn can also affect healthcare payers, such as patients, hospitals, authorities and insurance companies, and for this reason result in a reduced willingness to pay for medicines. In addition, uncertain market conditions, for example as a result of the consequences of Covid-19 and the uncertain situation in Ukraine, may have a negative impact on the Company's opportunities to

enter into collaborations with third parties or suppliers. Furthermore, there is uncertainty about the impact that pandemics, may have on the Company in the future. Based on the above, there is a risk that the Company's clinical studies will be delayed or become more expensive than the Company has planned and that the results from the clinical studies will be delayed for this reason, which could have an adverse impact on the Company's operations and future prospects.

The demand for pharmaceutical products is also affected by the political development in relevant markets. Several initiatives to curb rising pharmaceutical costs have been or are being implemented in the EU/EEA and the United States, as well as in other relevant markets, which could affect future sales for pharmaceutical companies, including Saniona. If any of the above risks would occur, it could lead to the market acceptance and pricing of the Company's product candidates being negatively affected at any future market launch, which could lead to the Company receiving lower remuneration in the event of a successful commercialization of one or more of the Company's product candidates. This could in turn have a negative impact on the Company's ability to generate revenue in the future and result in poorer remuneration opportunities and lower remuneration levels in certain markets.

Risks related to competition and technological development

The pharmaceutical industry is highly competitive and is characterized by rapid technological development and extensive investment needs. The Company's competitors can be large multinational companies as well as smaller research companies operating in ion channel research.

Competitors, including those described above, may have greater resources than Saniona and its partners, which can give them advantages in, for example, research and development, contacts with regulatory authorities, marketing and product launching. Saniona anticipates that several of its competitors may succeed

in commercializing products earlier than Saniona. Saniona is in general attempting to develop products which are more effective or have a better side effect profile than its known competitors. However, there is a risk that competitors will succeed in commercializing products with similar profiles to Saniona's potential products earlier than Saniona and its partners, or that they will develop products that are more effective, have a better side effect profile and are more affordable than Saniona's potential products. Such competing products may limit the Company's abilities to commercialize its product candidates and thereby to generate revenue in the future.

BUSINESS RELATED RISKS

Risks related to pharmaceutical development

The Company's most advanced product candidate, tesofensine, has progressed towards regulatory approval for obesity by Saniona's partner Productos Medix, S.A de S.V ("Medix"). Saniona is advancing six product candidates, including Tesomet and the ion channel modulators SAN711, SAN903, SAN2219, SAN2355 and SAN2465. Tesomet has progressed to mid-stage clinical trials for rare eating disorders. SAN711 has completed Phase 1 studies for absence seizures and neuropathic pain conditions. SAN903 is ready for Phase 1 studies for inflammatory and fibrotic disorders. SAN2219, SAN2355 and SAN2465 are in preclinical development for epilepsy. Apart from the potential regulatory approval of tesofensine, Saniona and its partners have not completed the clinical development of any product candidate to date and there is no guarantee that the Company will ever have marketable drug products. All the Company's programs require continued research and development and are thus subject to customary risks associated with drug development, such as product development being delayed and costs being higher than expected or that the product candidates at some stage of the development prove not to be sufficiently effective or secure. Any negative, unclear, or insufficient result

RISK FACTORS AND RISK MANAGEMENT

increases the risk that the Company will not obtain the necessary regulatory approvals to launch completed products on the market, or if approvals are obtained, that these are associated with conditions that can make the products more difficult to commercialize. It can therefore be difficult to evaluate and predict time and cost aspects as well as the future sales potential for the Company's product candidates.

The level of risk in drug development is generally high and a setback in an individual project could result in significant delays and materially harm the Company's business. The Company's near-term prospects, including its ability to fund its operations and generate revenue, will depend substantially on the successful development and commercialization of its product candidates.

Risks related to clinical studies

Before a product candidate can be launched on the market, the Company or its partners must conduct preclinical and clinical studies to document and demonstrate that the product candidate has a significant treatment effect and an acceptable safety profile. Saniona currently has several product candidates in clinical and preclinical phase. The clinical processes are usually extensive, costly and time-consuming, and the outcome is inherently uncertain. Positive results in previously conducted preclinical and clinical studies do not guarantee positive results in later development stages and subsequent clinical studies, and interim, top-line and preliminary data from clinical studies may change as more patient data become available. Moreover, preclinical and clinical data is often subject to varying interpretations and analyses. The Company cannot predict with certainty when planned clinical trials can be initiated or when ongoing studies are terminated, as there are several factors outside the Company's direct control that may affect this, such as the need and timing of regulatory approvals and permits from ethics review boards, access to patients and study sites and considerations among the Company's collaborative partners. Furthermore, any adverse

events, undesirable side effects or other unexpected properties of such product candidates could cause the interruption, delay or halting of the Company's clinical trials. There is also a risk that macroeconomic trends and factors will lead to the Company's clinical studies being delayed or becoming more expensive than the Company has planned and that the results from the clinical studies will be delayed for this reason, see above under "Risks related to macroeconomic trends and the demand for pharmaceutical products".

It is also difficult to accurately predict the costs associated with clinical studies. The actual costs of conducting a study may significantly exceed estimated and budgeted costs. Clinical studies can also produce results that do not demonstrate the intended treatment effect or an acceptable safety profile due to unwanted side effects or an unfavorable risk/benefit assessment of the product candidate. This can lead to the termination of clinical trials, the product candidate not obtaining the necessary regulatory approvals for further clinical studies or sales in the market, and that the commercialization of the product is more difficult or cannot be completed. Furthermore, the Company is dependent on its ability to identify and enroll a sufficient number of eligible patients to participate in its clinical trials. Patient enrolment is a significant factor in the timing of clinical trials and may be affected by, among other things, the size and nature of the patient population, the severity of the disease under investigation and competing clinical trials. Enrolment delays may result in additional development costs and the Company may not be able to maintain participation in its clinical studies throughout the treatment.

Risks related to potential future commercialization of the Company's product candidates

The Company is, inter alia, entitled to royalties for successfully developed and marketed products and milestone payments under several collaborative partnerships. Thus, the Company is largely dependent on future commercialization to generate revenue. As stated above, the Company's development programs

require continued research and development that is subject to several risks that can make it difficult to obtain, or prevent, market approval and commercialization.

Even if market approval is obtained, there is a risk that sales do not meet expectations and that commercial success is not achieved. The Company has never commercialized an approved product before and may lack the necessary expertise, personnel, or resources to successfully commercialize its products on its own or together with its partners. The degree of sales depends on several factors such as, for example, the product characteristics, competing products, distribution opportunities, marketing, market acceptance, price, and availability. The Company's product candidates may be subject to unfavorable pricing regulations and reimbursement policies, which could adversely affect the Company's business. Furthermore, the potential market opportunities for the Company's current or future product candidates are difficult to estimate and will depend on the ability of relevant experts to diagnose and identify the patients, as well as the success of competing therapies. Failure to achieve commercial success for one or several products may adversely affect the Company's ability to generate revenue and become profitable in the future.

Risks related to collaborations with third parties

The Company currently relies, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of regulatory approval, clinical trial management and manufacturing. For example, the Company has entered into agreements with third parties for chemical synthetics, clinical testing and regarding the manufacture of pharmaceutical substances for clinical and commercial use. The Company also enters into agreements with third parties from time to time regarding studies of, among other things, drug absorption and efficacy in specific disease models. The Company relies on such third parties to perform under their agreements with the Company and

RISK FACTORS AND RISK MANAGEMENT

the Company is not able to control their activities, which exposes the Company to certain risks. Since a large part of the Company's activities have been financed through partners, partners are critical to the operation of certain of the Company's projects. The Company has, inter alia, entered partnerships with Medix, Boehringer Ingelheim GmbH, AstronauTx and Cephagenix ApS. If any of the Company's partners choose to terminate its collaboration with Saniona, there is a risk that projects may be delayed or cancelled. The Company may lack the financial resources required to continue the project on its own or fail to enter collaborations with a new partner for the project's continued operations. Furthermore, any disagreements with collaborators might cause delays or termination of the research, development, or commercialization of the Company's product candidates.

While the Company's need for drug development is to some extent covered by internal expertise, the Company also relies on the help of external parties, such as investigators and clinical research organizations ("CROs"). Moreover, the Company relies on third parties to manufacture its product candidates and for the preclinical and clinical supply of its product candidates. If current or future external parties do not meet their commitments, deadlines or the quality requirements set by the Company, as well as relevant regulatory requirements, or choose to terminate their partnerships with the Company, this may delay or hamper the development of the Company's programs. Hiring new external suppliers, or replacing existing suppliers, can also be more costly and time-consuming than the Company expects, which can delay the Company's development work. Furthermore, the Company may not be able to enter into agreements with alternative CROs, or investigators, or be able to do so on commercially reasonable terms, which in turn could delay or hamper the Company's clinical studies or development programs and adversely affect the Company's future prospects and ability to generate revenue in the future.

Risks related to the Company's IT system

The Company relies on well-functioning IT systems that the Company or any of its third-party providers operate to process, transmit and store electronic information in its day-to-day operations. In connection with its product development work, the Company may collect and use a variety of proprietary, sensitive, and confidential information, including personal data and clinical trial information. Cyberattacks are currently increasing in their frequency and intensity and have become increasingly difficult to detect. A successful cyberattack could result in the theft or destruction of intellectual property, data, or other misappropriation of assets, or otherwise compromise the Company's confidential or proprietary information and disrupt its operations. Faults, interruptions, or breaches in the Company's IT security, including possible errors in back-up systems or faults in handling the security of the Company's confidential information, could also harm the Company's reputation, business relationships and trust, which may result in loss of business partners, increased scrutiny by supervisory authorities and a greater risk of legal actions and financial liability. Although the Company devotes resources to protect its information systems, there can be no assurance that its efforts will prevent information security breaches that would result in business, legal, financial, or reputational harm, or would have a material adverse effect on the Company's results of operations and financial condition. In addition, there is a risk that the partners with whom the Company shares confidential or sensitive information lack sufficient IT security or on-site security procedures to protect the information shared by the Company with them or that such partners misuse the shared information.

Risks related to the Company's ability to attract and retain key personnel and employees

Saniona's key personnel and employees have a high level of expertise and long experience in the Company's business area and are thus central to the Company's operations. The Company's employees are employed in

its Danish subsidiary Saniona A/S. Despite certain notice requirements, key individuals can terminate their employment with minimal notice, which means that the Company may need to replace key individuals with short notice. If one or more key persons or employees terminate their employment with the Company or if the Company fails to recruit new persons with relevant knowledge and expertise, it may delay and/or hamper the development of the Company's programs and its operations. Furthermore, the Company's ability to compete in the highly competitive biotechnology and pharmaceutical industries is dependent on its ability to attract and retain highly qualified management, scientific and medical personnel. The Company might not be able to attract new qualified personnel or retain its key employees on conditions that are economically acceptable. Furthermore, the Company will need to recruit new qualified personnel to develop its business to expand into fields that will require additional competences. If the Company fails in attracting qualified personnel and retain its key employees, the Company might not achieve its objectives or implement its business strategy, which could have a material adverse effect on the Company's business and prospects.

REGULATORY RISKS

Risks related to regulatory approvals and registration

The Company needs to obtain, maintain, and comply with regulatory approvals and other requirements or approvals from relevant authorities for the development and potential commercialization of its product candidates. While the Company has received orphan drug designation in the United States for Tesomet in HO and PWS, it may also seek to obtain orphan drug designation or other regulatory designations for any of its current or future product candidates. In order to be able to carry out preclinical and clinical studies and/or to market and sell pharmaceutical products, registration must be made, and permission obtained from relevant authorities in each market, for example the Food and Drug Administration (the "FDA") in the United States

RISK FACTORS AND RISK MANAGEMENT

and the European Medicines Agency (the “EMA”) in the EU. The regulatory approval processes of the FDA and EMA and other comparable foreign regulatory authorities are expensive, time-consuming, and inherently unpredictable as to their outcome. The development of the Company’s programs may be delayed or prevented if, for example, the Company or its partners are not considered to meet the applicable requirements for clinical studies or pharmaceutical manufacturing or if authorities make other assessments than the Company and its partners in evaluating clinical study data. In such events, the Company may be required to conduct additional clinical trials, provide additional data and information, and meet additional standards for regulatory approval which may be costly and time-consuming.

Even after market approval, if obtained, the Company and its partners will be required to comply with regulatory requirements, including regulatory reviews and supervision of marketing and safety reporting requirements, as well as potential changes in existing requirements or the adoption of new requirements or policies. In addition, the Company and its partners will be required to comply with rules for pharmaceutical manufacturing, including rules for testing, quality control and documentation of the Company’s products. Production facilities must be approved by the authority inspection and will be subject to such inspections by the authorities on a regular basis, which may lead to remarks and new demands on production. The lengthy process towards approval as well as the unpredictability of future clinical trial results may result in the Company failing to obtain regulatory approval to commercialize any of its product candidates, which would significantly harm the Company’s future prospects and earning capabilities. Furthermore, obtaining and maintaining regulatory approval of the Company’s product candidates in one jurisdiction does not guarantee regulatory approval in any other jurisdiction. In order to obtain regulatory approval in several countries, the Company must comply with numerous and varying regulatory requirements of such countries. If the

Company or its partners, including external manufacturers, fail to comply with relevant regulatory requirements or with the specific indications and conditions for which regulatory approval has been granted, the Company may be subject to fines, withdrawals of products, revocation of regulatory permits or approvals, other operational restrictions, and criminal sanctions.

Risks related to compliance and regulatory developments in the pharmaceutical sector

As a pharmaceutical company, Saniona is to a large extent subject to compliance with various laws and regulations. The regulatory environment comprises, among other things, laws and regulations governing clinical trials, the safety and efficacy of product candidates, as well as environmental laws governing the use, storage and disposal of harmful chemicals and such materials and specified waste products. The Company’s current and future operations are also subject to healthcare-related statutory and regulatory requirements and enforcements by foreign regulatory authorities in all jurisdictions in which the Company conducts its business. There is a risk that the Company fails to comply with laws and regulations because its interpretation of the regulations is incorrect or that the Company has not been able to adapt its business to new laws and regulations. The cost of compliance may become significant, and the Company may lack the resources required for compliance. If the Company does not comply with or violate applicable laws and regulations or if its interpretation of applicable laws and regulations is incorrect, it may result in sanctions or penalties from relevant authorities, exclusion from government funded healthcare programs, additional reporting requirements or reputational harm. Furthermore, local laws, regulations and administrative provisions may differ considerably from jurisdiction to jurisdiction and measures that have been taken to comply with laws in one jurisdiction may be insufficient in terms of compliance in another jurisdiction. In addition, the consequences of insufficient compliance

may differ considerably between different countries and jurisdictions.

The laws, regulations, and administrative provisions that the Company must adhere to are subject to change over time, such as new legislative initiatives to broaden the availability of healthcare and contain or lower healthcare costs. Changes in patent laws or the interpretation of patent laws in any jurisdiction may furthermore diminish the value of the Company’s intellectual property. The Company is subsequently exposed to risks that arise due to the regulatory uncertainty and the rapidly changing and growing regulatory environment, including the risk that the basic prerequisites for the Company’s operations and business offer could change or that the market access opportunities are adversely affected. There is also a risk that local authorities will not interpret laws and regulations in the same way as the Company, and the courts and authorities may apply the regulations differently than the Company. Furthermore, there is a risk that the Company’s partners fail to fulfil applicable requirements or regulations, which may lead to a lower profit for the Company and damaged reputation.

LEGAL RISKS

Risks related to side effects, product liability claims and insurance cover

As the Company conducts research and development of pharmaceuticals, the Company faces an inherent risk of product liability exposure related to the testing of its current product candidates or any future product candidates in human clinical trials. The Company may be held liable for side effects, diseases, deaths, or other injuries to patients in connection with clinical trials, even if the clinical trials are performed by an external party. Product liability claims may also arise if the Company launches a product candidate in the market in the future. Any product liability claims made against Saniona may result in significant obligations for the Company. Regardless of the potential outcome in such a situation,

RISK FACTORS AND RISK MANAGEMENT

and regardless of whether a product liability claim is well-founded or not, a product liability issue may result in increased costs for the Company in handling the claim and any potential disputes, liability to affected patients, reputational damage, delay or termination of clinical trials, decreased demand for the Company's product candidates, loss of revenue and difficulties in successfully commercializing its product candidates in the future.

The Company's insurance coverage may be insufficient to cover any costs associated with product liability claims, for example if a product liability claim is outside the scope of the insurance cover or if the claim for damages exceeds the insurance amount. In addition, these types of insurances do usually not cover reputational damage that can occur regardless of the outcome of any product liability claim. The Company believes that it will need to increase its insurance coverage as its current product candidates or any future product candidates advance through clinical trials and if the Company successfully commercializes any products in the future. Insurance coverage is increasingly expensive, and the Company may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks related to the Company's processing of personal data

In the framework of its operations, the Company collects and processes a large amount of personal data related to, for example, patients participating in the Company's clinical studies and the Company's employees. The Company is thus subject to Regulation (EU) 2016/679 of the European Parliament and of the Council ("GDPR"), as well as similar laws, regulations and standards relating to privacy, data protection and data security in other jurisdictions in which the Company operates. The Company has taken measures to ensure secure personal data processing and expects to

continue to allocate resources for GDPR compliance and to evaluate the need for further compliance measures. Such measures could prove to be both costly and time consuming for the Company, which could negatively impact the Company's results. There is a risk that the Company at present, or in the future, will be unable to fulfil the requirements imposed by the GDPR. In addition, there is a risk that an IT or systems disruption or breach could lead to a leak of personal data and other sensitive information. Incorrect or insufficient processing of personal data, shortcomings in the Company's obligations to those whose personal data is processed and other violations under the GDPR could entail extensive sanctions in the form of fines amounting to the higher of MEUR 20 or 4 per cent of the Company's annual sales, which could lead to considerable costs and have a material negative impact on the Company and its business, both in terms of reputation and financially. Decisions from relevant supervisory authorities in the jurisdictions in which the Company conducts business that the Company must modify its current personal data processing procedures may also result in additional costs and administration for the Company.

Risks related to the Company's ability to obtain and maintain intellectual property rights

Patents, trademarks, and trade secrets in the countries in which the Company operates with respect to its proprietary product candidates, Tesomet, SAN711, SAN903, SAN2219, SAN2355 and SAN2465, as well as with respect to its ion channel drug discovery engine, are key assets in the Company's operations. The Company's potential success depends on its ability to obtain and retain the required patent protection for individual projects, technology, and production methods. As of 31 December 2023, the Company's patent portfolio consisted of 20 different patent families and a total of 159 individual patents and patent applications. If the Company does not adequately

protect its intellectual property rights, competitors may be able to erode, negate or use any competitive advantage the Company may have, which could harm its business and ability to achieve profitability. The patent application process is expensive and time-consuming, and the Company may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Furthermore, laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe, which could make it difficult for the Company to stop any infringement of its patents or misappropriation of its other intellectual property rights.

Even if the Company obtains patent protection, there is a risk that an approved patent will not provide satisfactory commercial protection in the future. For example, if the scope of the patent protection the Company obtains is not sufficiently broad, it may not be able to prevent others from developing and commercializing technology and products similar or identical to the Company's. The same applies to any intellectual property rights that the Company may license. Other parties' patents may also limit the ability of the Company or its partners to freely use the product or method of production concerned. This may hamper or prevent further development and successful commercialization of the Company's product candidates and thus the Company's possibilities to generate revenue in the future. Moreover, patents have a limited lifespan and given the amount of time required for the development, testing, and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized.

There is no assurance that all potentially relevant prior technology relating to the Company's patents and patent applications has been discovered. Publications

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of discoveries in the scientific literature is often released after the actual discoveries, and patent applications are typically not published until several months after filing or, in some cases, not at all. Therefore, the Company cannot know with certainty whether it was the first to make the inventions claimed in its patents or pending patent applications, or that it was the first to file for patent protection of such inventions. Any challenges of the Company's patents or patent applications may result in loss of the patent or in patent or patent application claims being restricted, invalidated, or held unenforceable, in whole or in part, any of which could limit the Company's ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of its technology and products.

Risks related to potential infringements of intellectual property rights of third parties

The Company's research, development and commercialization activities may be subject to claims that the Company infringes or otherwise violates patents or other intellectual property rights owned or controlled by third parties. Since a patent application can take many years to issue, there may be currently pending patent applications that may later result in issued patents that the Company may be accused of infringing. There is also a risk that third parties infringe the Company's patent protection, which may result in the Company being subject to legal proceedings. Litigation is expensive and time-consuming and the risk associated with patent protection means that the outcome of such proceedings is difficult to predict. Furthermore, there is a risk that a court will decide that the asserted patents are invalid or unenforceable. Negative outcomes of intellectual property disputes can lead to reduced or lost protection or obligation for the Company to pay damages. In addition, the cost of a dispute, even in the case of a favourable outcome for Saniona, may be substantial. If the Company is found

to infringe a third party's intellectual property rights it could also be prohibited to continue to use the current right and may thus be required to obtain a license from such third party in order to use the relevant technology or product. There is no guarantee that any such license will be available on acceptable terms or at all.

Furthermore, any of the Company's employees, consultants or contractors may assert a claim of inventorship of inventions made on behalf of that person, as they consider the intellectual property their own. While the Company typically requires employees, consultants and contractors who may develop intellectual property on the Company's behalf to execute agreements assigning such intellectual property to the Company (so-called assignment agreements), the Company may be unsuccessful in obtaining execution of assignment agreements with each party who in fact develops intellectual property that it regards as its own. If the Company is unsuccessful in entering into and executing assignment agreements from an employee, consultant or contractor who develops intellectual property on its behalf, such person may later claim ownership of the invention, which could lead to the Company losing the contested intellectual property or having to pay monetary damages.

Risks related to trade secrets and know-how

In addition to patents, the Company is dependent on confidential proprietary information such as trade secrets and know-how related to its product candidates, which cannot be protected by registration in the same way as other intellectual property rights. For example, this concerns knowledge of concepts, methods, and processes. The Company uses confidentiality agreements and invention assignment agreements with employees, partners, and other advisors in order to protect trade secrets and know-how, but these agreements may prove insufficient to prevent trade secrets and know-how from being disclosed and spread without the Company's control, and it cannot be certain

that such agreements have been entered into with all relevant parties. If the Company's trade secrets and know-how would be disclosed and spread without the Company's consent or control, there is a risk that competitors will be able to access and benefit from trade secrets and know-how developed by the Company. Such uncontrolled disclosure of confidential information may adversely affect the development of the Company's product candidates as well as its business and results of operations if, for example, it was to be used in the production of potentially competing products or other commercial use without the Company being compensated for or otherwise being able to benefit from this. Furthermore, the enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction and the Company may not be able to obtain adequate remedies for misappropriation (wilful or unintentionally) of its confidential proprietary information.

FINANCIAL RISKS

Risks related to the Company's financial position and future financing needs

Saniona is a clinical-stage biopharmaceutical company and has incurred significant operating losses since the beginning of its operations in 2011. The Company expects to continue to incur significant operating losses for the foreseeable future and does not know whether or when it will become profitable. If the Company's operational losses continue or increase, and the Company is not able to raise additional capital when needed, the Company's working capital and equity will decrease, which may have a negative effect on the Company's operations and its shareholders.

Saniona's research and development requires significant investments. The Company is thus dependent on its ability to raise capital in the future to finance its planned activities. In addition the Company has an outstanding loan with Formue Nord fokus A/S as well as outstanding convertibles, which will fall due and

RISK FACTORS AND RISK MANAGEMENT

require repayment on 31 July 2025 at the latest. Possible delays regarding clinical trials or product development, or early terminations of partnerships, may have a negative impact on the Company's cash flow. There is a risk that the Company will not be able to raise additional capital, retain or enter into additional partnerships or obtain other co-financing on acceptable terms or at all. This could result in a temporary halt to the Company's development programs or that the Company is forced to run operations at a slower pace than planned, which could adversely affect the Company's operations. Furthermore, the Company's ability to raise additional funds may depend on financial, economic and market conditions and other factors, over which the Company may have no or limited control. Market volatility or other factors could present additional challenges and adversely impact the Company's ability to raise capital when needed. If Saniona is unable to raise additional capital, repay outstanding loans, enter into additional partnerships or other co-financing, there is also a risk that the Company will not be able to further finance its clinical programs and the development of its operations.

Risks related to changes in exchange rates

Due to the international scope of the Company's operations, its assets, earnings, and cash flows are affected by fluctuations in the exchange rates of several currencies. Saniona is based in Sweden and reports results and financial position in SEK. However, most of the Company's operations take place in the Danish subsidiary Saniona A/S, whose functional currency is DKK. Revenue from the Company's partnerships mainly consist of EUR, USD and DKK. Internal operation costs mainly consist of DKK and to a certain extent also SEK, while the external development expenditures mainly consist of EUR and USD. Consequently, the Company's outflows mainly consist of DKK, EUR and USD and to a minor extent SEK while the Company's inflows from the operations mainly consist of EUR, USD and DKK. Cash flows in

connection with purchase and sale of goods and services in difference currencies cause a so-called transaction exposure.

The Company does not hedge its transaction exposure, why there is a risk that exchange rate fluctuations could affect the Company's accounts, for example through increased costs for the Group, which in turn could have a negative impact on the Company's cash flow, income statement and balance sheet. In addition, the assets in Saniona A/S constitute a significant part of the Company's total assets, therefore the Company is thus subject to balance exposure due to the recalculation of DKK to SEK.

Tax risks

Saniona is based in Sweden, but most of its operations are conducted in the Danish subsidiary Saniona A/S. The tax considerations that the Company makes are based on interpretations of current tax legislation, tax treaties and other tax regulations as well as requirements from relevant tax authorities in Sweden and Denmark, and other countries where the Company may conduct its business. The Company's tax considerations are subject to changes in tax laws, regulations, and treaties, or, in each case, the interpretation thereof.

The Company's tax considerations are also subject to tax policy initiatives and reforms under consideration and the practice of tax authorities in jurisdictions in which the Company operates, as well as tax policy initiatives and reforms related to the European Commission's state aid investigations and other initiatives. Tax treaties and other tax regulation have historically been subject to recurring changes which are expected to continue in the future. Such changes may include, but are not limited to, the taxation of operating income, investment income, dividends received, or, in the specific context of withholding tax, dividends paid.

The Company is unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on the Company's business. To

the extent such reforms are adopted into tax legislation, regulations, policies or practice, such changes could affect the Company's financial position and overall or effective tax rates in the future in countries where the Company operates, reduce post-tax returns to its shareholders, and increase the complexity and cost of tax compliance.

If the Company's interpretation or application of tax legislation, tax treaties or other tax regulations is incorrect, or if applicable tax laws, tax treaties, regulations or interpretations thereof change, or if practice in relation thereto is changed, including with retroactive effect, the Company's past and present tax position may be subject to review by the tax authorities. For example, a tax authority could challenge the Company's allocation of income by tax jurisdiction and the amounts paid between its affiliated companies pursuant to the Company's intra-group arrangements and transfer pricing. Contesting such an assessment could be costly and lengthy, and should the Company be unsuccessful in disputing such an assessment, an increased tax expense may be incurred, including fees and interest costs.

BOARD OF DIRECTORS REPORT

BOARD OF DIRECTORS REPORT

The Board of Directors, and Chief Executive Officer, of Saniona AB (publ), corporate identity number 556962-5345, hereby present the Annual Accounts and Consolidated accounts for the financial year January 1, 2023 – December 31, 2023.

The Group comprises the Parent Company Saniona AB and the subsidiaries Saniona A/S, which is located in Glostrup, Denmark.

The Parent Company is a limited liability company registered in the municipality of Malmö in the county of Skåne, Sweden. The address of the head office is Smedeland 26B, DK-2600 Glostrup, Denmark. Saniona is listed at Nasdaq Stockholm Small Cap.

Business Review 2023

For 2023, Saniona had two priorities: fostering fruitful commercial partnerships through business development and advancing the portfolio by leveraging Saniona's proficiency in ion-channel drug discovery. Regarding business development Saniona entered a new collaboration with AstronauTx on Alzheimer's disease and extended the existing research collaboration with Boehringer Ingelheim with up to two years, which combined is expected to provide research funding of about SEK 27 million on annual basis. Saniona decided to propose a rights issue end of 2023 to enable development of key assets.

Regarding the portfolio Saniona made substantial strides, especially within the epilepsy pipeline showing strong data and selecting SAN2355 as the first preclinical candidate from the Kv7 epilepsy program. All in all, Saniona made significant progress on its pipeline and reached important inflection points for 2023.

In February 2023, the Mexican regulatory authority's technical committee on new molecules gave a favourable opinion on tesofensine for treatment of obesity. This is an important step for our partner Medix towards the approval of tesofensine in Mexico as a new treatment option for obesity and represents a potential

new source of income for Saniona, which is entitled to royalties on product sales in Mexico.

In November 2023, Professor Vincenzo Crunelli, Cardiff University, U.K., presented preclinical data on Saniona's lead ion-channel drug candidate and phase 2 ready asset, SAN711, at the annual meeting of the Society for Neuroscience (SfN) in Washington DC. SAN711 is a first-in-class positive allosteric modulator of GABA_A α3 receptors and the data shows strong suppression of absence seizures, which demonstrates that SAN711 represents a novel precision approach for treatment of non-convulsive generalized seizures.

In November 2023, Saniona also announced that it has initiated the candidate selection phase with a proprietary subtype selective frontrunner molecule from Kv7 lead optimization program for epilepsy. While Kv7 modulation is a clinically proven concept for treatment of epilepsy, no drugs of this class are currently on the market, and we see significant potential for delivering new breakthrough epilepsy treatments in this field.

The ongoing ion channel research collaboration for schizophrenia with Boehringer Ingelheim, which is focused on a novel, undisclosed CNS ion channel target, is currently in the hit-to-lead stage following the successful completion of target validation, library screening and generation of selective hits using Saniona's ion channel drug discovery platform. In December 2023, the research collaboration was extended with up to two years.

Promising developments continued through the early months of 2024. In January, Saniona announced the selection of SAN2465 as a preclinical candidate for major depressive disorder. During the early months of 2024, Saniona also received funding from a new share issue and reduced costs, which together placed Saniona on a more solid financial footing. Coupled with a track record of developing innovative treatment candidates and securing successful partnerships, Saniona is well positioned for the future.

Financial Review 2023

Financial position

Cash and cash equivalents amounted to SEK 31.0 million and SEK 111.7 million as of December 31, 2023 and 2022, respectively. Liquidity ratio was 255% and 556%, respectively.

In August Saniona reduced the loan with Formue Nord with SEK 13 million from SEK 74 million to SEK 61 million, through a repayment of SEK 3 million and conversion of SEK 10 million into 1,741,301 shares. The number of shares in Saniona increased therefore with 1,741,301 from 62,385,677 to 64,126,978 and the share capital increase with SEK 87,065.05 from SEK 3,119,283.85 to SEK 3,206,348.90.

Total assets as of December 31, 2023 and 2022, were SEK 64.1 million and SEK 153.7 million, respectively. Equity ratio was -34% and 34%, respectively, and equity was SEK -21.9 million and SEK 52.7 million, respectively.

Revenue

Revenue increased by SEK 1.5 million from SEK 15.3 million for the full year 2022 to SEK 16.8 million for the full year 2023. Revenues in 2023 include amounts from Saniona's licensing and partnership agreements with Boehringer Ingelheim, AstronauTx and Cephagenix. Revenues in 2022 include amounts from licensing and partnership agreements with Boehringer Ingelheim, Productos Medix and Cephagenix.

Operating expenses

Operating expenses decreased by SEK 142.80 million from SEK 240.7 million for the full year 2022 to SEK 97.9 million for the full year 2023.

Within operating expenses, other external costs decreased by SEK 98.8 million from SEK 146.5 million for the full year 2022 to SEK 47.7 million for the full year 2023.

BOARD OF DIRECTORS REPORT

Personnel costs, which includes salaries, variable compensation, social security, and other employee benefits, decreased by SEK 48.4 million from SEK 82.2 million for the full year 2022 to SEK 33.8 million for the full year 2023.

Non-cash share-based compensation expenses are included in personnel costs with SEK 3.4 million for the full year 2023. Non-cash shared-based compensation are included in personnel costs with an income of SEK 18.0 million for the full year 2022, of which forfeited options during 2022 have been reversed with SEK 27.2 million.

Financial items

Net financial items increased by SEK 30.4 million from a gain of SEK 7.2 million for the full year 2022 to a loss of SEK 23.2 million for the full year 2023.

The financial expenses include interest and commitment fee to Formue Nord of SEK 11.3 million (10.4) and SEK 12.3 million (2.8), respectively, other interest expenses SEK 1.4 million (1.5), foreign exchange losses SEK 1.4 million (9.9), net loss from change in fair value for investment in equity instruments 0 (11.7), net income from translation reserve due to the liquidation of Saniona Inc of SEK 33.8) and financial income of SEK 3.2 million (9.7).

Tax benefit

The tax benefit increased by SEK 1.9 million from SEK 6.6 million for the full year 2022 to SEK 8.5 million for the full year 2023. The tax benefit in 2023 is based on net loss recognized in Saniona A/S under the Tax Credit Scheme in Denmark. The tax benefit in 2022 comprises a tax cost recognized in Saniona Inc. of SEK 1.6 million, and a tax benefit of SEK 8.2 million based on net loss recognized in Saniona A/S under the Tax Credit Scheme in Denmark.

Cash flow

Net cash used in operating activities decreased by SEK 196.0 million from SEK -281.5 million for the full year 2022 to SEK -85.5 million for the full year 2023.

The operating cash flow for the full year 2023 is primarily attributable to an operating loss of SEK 81.1 million.

The operating cash flow for the full year 2022 is primarily attributable to our operating loss of SEK 225.4 million.

In December 2023, Saniona announced in connection with the Rights Issue, a renegotiation of the outstanding loan with Formue Nord. We refer to Note 8.

Parent Company

Operating expenses decreased by SEK 20.9 million from SEK 28.4 million for the year 2022 to SEK 7.5 million for the year 2023.

The main component of the Parent Company's operating expenses are other external costs of SEK 4.1 million (10.6), personnel costs of SEK 2.0 million (2.2) and other operating expenses of SEK 1.4 million (15.6). The significant decrease in other operating expenses is due to closing of the U.S. operation in 2022.

Net losses from financial items increased by SEK 19.3 million from SEK 17.4 million for the year 2022 to SEK 36.7 million for the year 2023. The net loss includes interest and commitment fee to Formue Nord of SEK 11.3 million (10.1) and SEK 12.3 million (2.7), respectively, other interest expenses to Saniona A/S of SEK 13.2 million (5.0), and interest income of SEK 0.1 million (0.4).

The loss for the period increased by SEK 0.2 million from a loss of SEK 42.3 million for the full year 2022 to a loss of SEK 42.5 million for the full year 2023.

Total assets as of December 31, 2023 and 2022, were SEK 348.3 million and SEK 344.2 million, respectively. Equity ratio was 57% and 64%, respectively, and equity

was SEK 197.2 million and SEK 221.7 million, respectively.

Risks and uncertainties

All business operations involve risk. Managed risk-taking is necessary to maintain operations. Saniona is exposed to various kinds of risks that may impact the company's results and financial position. The main risks and uncertainties which Saniona is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and the company's ability to continue as a going concern. Risks may also relate to the war in Ukraine, clinical trials, legislation and regulatory approvals, key employees, protection of trade secrets and know-how, and licensing agreements. Regarding additional financial risks, the Board of Directors is ultimately responsible for the exposure, management and monitoring of the group's financial risks. The Board of Directors sets the framework that applies to the exposure, management and monitoring of the financial risks and this framework is evaluated and revised annually. The Board of Directors can decide on temporary departures from its predetermined framework.

For more detailed descriptions see the Risk Factors section in this Annual Report and Note 27. These risks could have a material negative impact on Saniona's operations, earnings and financial position. For a more detailed description of the risk related to the company's ability to continue as a going concern, refer to Note 2 to the Financial Statements within this Annual Report.

Organization

The average number of employees in the Group during the year amounted to 23 (34). As of December 31, 2023, Saniona had 23 (23) employees including 10 (10) employees with Ph.D. degrees. Of these employees, 17 (17) were engaged in research and clinical

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development activities and 6 (6) were engaged in general and administrative activities. Of the 23 (23) employees, 12 (12) were women and 11 (11) were male.

In addition to its employees, Saniona had several consultants who worked with the Group on an ongoing basis during the year.

Guidelines for Remuneration

At the annual general meeting held on May 25, 2023, the following guidelines for remuneration to senior executives were resolved. The board of directors has proposed for the 2024 annual general meeting updated guidelines for remuneration to senior executives which correspond, in all material respects, to existing guidelines, except that fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed monthly cash salary for 12 months (previously 24 months).

Scope and applicability of the guidelines

These guidelines comprise the persons who are part of Saniona's group management (including the CEO). The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration. These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual shareholders' meeting 2023. These guidelines do not apply to any remuneration resolved by the shareholders' meeting, such as e.g. board remuneration and share-based incentive programs.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Saniona is a clinical-stage biopharmaceutical company focused on the discovery and development of medicines modulating ion channels..

For more information about Saniona's business strategy, see the "About Us" section of this annual report.

A successful implementation of Saniona's business strategy and safeguarding of Saniona's long-term interests, including its sustainability, require that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Saniona must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Saniona. The share-based incentive programs have been approved by the shareholders' meeting and are therefore not covered by these guidelines.

Types of remuneration

The remuneration shall be on market terms and be competitive and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as work duties, expertise, position, responsibilities and performances. Additionally, the shareholders' meeting may – irrespective of these guidelines – resolve on, e.g. share and share price-related remuneration.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

Fixed salary

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed cash salary shall as a starting point be determined per calendar year with salary revision on an annual basis.

Variable cash remuneration

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Saniona's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Any variable cash remuneration may not exceed 50 per cent of the fixed annual cash salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as completing a financing of a specified amount by a specified time, or non-financial, such as successful completion of a development activity such as a clinical trial by a specified date. At least 20 per cent of the variable cash remuneration shall depend on financial criteria. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Saniona's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's

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ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the Remuneration Committee.

The board of directors shall have the possibility to, in whole or in part, reclaim variable cash remuneration paid on incorrect grounds.

Pension benefits

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Pension premiums for defined contribution pensions, including health insurance, may amount to a maximum of 15 per cent of the fixed annual cash salary.

Other benefits

Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than 20 per cent of the fixed annual cash salary.

Termination of employment and severance payment

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Saniona, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed monthly cash salary for 24 months. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

In addition to fixed cash salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and

shall only be paid in so far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed annual cash salary at the time of termination of employment and amount to not more than 60 per cent of the fixed annual cash salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Saniona have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to the members of the Board of Directors

To the extent a member of the board of directors renders services for the company, in addition to his or her assignment as a member of the board of directors, an additional consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of Saniona's business strategy and the safeguarding of Saniona's long-term interests, including its sustainability.

Preparation and decision-making progress

The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the board of directors' resolution to propose guidelines for remuneration to senior

executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the shareholders' meeting. The guidelines shall be in force until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from these guidelines

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

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Sustainability and the Environment

Saniona does not have any actual industrial production, so its discharge into the air, soil and water is exceedingly limited. Saniona believes that it follows current environmental laws and regulations, and the Group endeavors to partner with manufacturers and other third parties who do as well.

Saniona conducts its research in Denmark in accordance with the permits issued for the company by the authorities. The company has, for example, a permit for the handling of radioactive materials, a permit for handling gene modified organisms and a permit for conducting animal experiments. Saniona uses small quantities of radioactive trace elements in certain laboratory experiments. This radioactive material is stored and disposed of in compliance with the guidelines and instructions issued by the Danish National Institute of Radiation Hygiene. When new drugs are developed, regulatory authorities require that animal experiments are conducted. These experiments are necessary to evaluate the effect and mode of action of new drugs and to maximize safety for participants in the clinical studies. At Saniona, all animal experiments are conducted with the approval of the Danish Animal Experiments Inspectorate and comply with all regulatory requirements regarding animal studies. Saniona considers the three R's guideline principles (i.e. Replace, Reduce and Refine) for the use of animals in research highly important and conducts studies according to those principles. External contract research organizations are carefully selected when safety experiments are to be made in animals before clinical studies are conducted with the company's drug candidates. Saniona only uses organizations with a good international reputation which comply with all European standards on animal welfare and receive relevant inspections by the authorities.

Saniona considers it highly important to maintain a good working environment and at any time wishes to meet regulatory requirements regarding the way the workplace is designed. This also includes the

psychological and physical working environment, including exhaust and air change, ventilation, heating, furniture and in-house safety regulations in general. Saniona is screened from time to time by the Danish Working Environment Authority for compliance with the Danish Working Environment Act. Saniona operates its facilities according to all applicable laws, rules and regulations. Saniona is continuing its efforts to improve the working environment through an active working environment organization based on workplace assessments (physical, chemical, biological, ergonomic, accident-related and psychological working environment conditions) as well as based on analyses of developments in the number of days lost due to sickness. Saniona believes that a good working environment is very important to employee well-being and thus also to our staff's ability to always perform at best for the company.

Authorization for the Board of Directors regarding new issues

At the Annual General Shareholders' Meeting held on May 25, 2023, it was resolved, in accordance with the proposal from the Board of Directors, to authorize the Board, within the limits of the Company's Articles of Association, at one or several occasions, during the time up until the next annual shareholders' meeting, with or without deviation from the shareholders' preferential rights, to resolve to issue new shares, warrants and/or convertibles. An issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to source working capital, to be able to execute and finance acquisitions of companies and assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances.

Corporate Governance Report

For additional financial information regarding this section, please see the Corporate Governance Report on pages 87-97 of this Annual Report.

BOARD OF DIRECTORS REPORT

Events after the balance sheet date

- In January, Saniona announced **selection of SAN2465** as a preclinical candidate for major depressive disorder.
- In January, **the board of directors resolved on an issue of units** consisting of shares and warrants with preferential rights for the existing shareholders, which was approved at the extraordinary general meeting on January 16, 2024.
- In February, Saniona announced outcome in rights issue of a proceed of approximately **SEK 88.9 million** before issue costs and a directed issue of units to guarantors in the rights issue as well as convertibles of SEK 10 million to Formue Nord.

FINANCIAL CALENDAR

Interim Report Q1	May 29, 2024 at 8:00 CEST
Annual General Meeting	May 29, 2024 at 16:30 CEST
Interim Report Q2	August 29, 2024 at 8:00 CEST
Interim Report Q3	November 28, 2024 at 8:00 CET
Year-End Report 2024	February 27, 2025 at 8:00 CET

PROPOSED APPROPRIATION OF FUNDS

SEK	
Share premium reserve	827,802,748
Profit/loss carried forward	-591,243,760
Profit/loss for the year	-42,519,480
Total	194,039,508

The Board of Directors proposes that the funds at their disposal, SEK 194,039,508 be carried forward. The results and position of the Group and the Parent Company in other respects are presented in the following income statements, balance sheets, cash flow statements and statements of equity with related notes and supplementary information, which form an integral part of this annual report. All amounts are stated in SEK 000s unless otherwise indicated.

FINANCIAL STATEMENTS

THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income – Group

The Group's consolidated financial statements have been prepared based on the accounting policies described in Note 7 *Significant accounting policies*.

KSEK	Note	2023	2022 (Restated)
Revenue	1-8 9	16,840	15,283
Total operating income		16,840	15,283
Raw materials and consumables		-5,059	-4,475
Other external costs	10, 11	-47,664	-146,486
Share of result of associate	20	-1,719	346
Personnel costs	12	-33,812	-82,223
Depreciation and write-downs	18, 19	-9,651	-7,818
Total operating expenses		-97,905	-240,656
Operating loss		-81,065	-225,373
Financial income	14	3,131	9,726
Financial expenses	14	-26,346	-24,659
Results from divestment of shares in subsidiaries	14, 15	—	22,127
Total financial items		-23,215	7,194
Loss before tax		-104,280	-218,179
Income tax	16	8,470	6,610
Result for the year		-95,810	-211,569
Other comprehensive income (loss) for the period			
<i>Item that may be reclassified to profit and loss</i>			
Translation differences		3,084	259
Total other comprehensive income for the year, net after tax		3,084	259
Total comprehensive loss for the year		-92,726	-211,310
Loss per share, SEK	17	-1.49	-3.39
Diluted Los per share, SEK	17	-1.49	-3.39

The recognized loss and total comprehensive income for 2022 and 2023 are all attributable to the shareholders of the Parent Company, since there is no non-controlling interest in the subsidiaries of the Group

Consolidated statement of financial position – Group

KSEK	Note	2023-12-31	2022-12-31
ASSET	1-8		
Intangible assets	18	4,947	6,737
Property and equipment	19	3,297	5,703
Right of use assets	19	7,248	9,998
Investment in associate	20	392	799
Other financial assets	21	3,093	3,114
Non-current assets		18,977	26,351
Trade receivables	27	2,526	4,628
Current tax assets	16	8,206	8,234
Other assets	22	3,472	2,776
Cash and cash equivalents	23	30,962	111,707
Current assets		45,166	127,345
Total assets		64,143	153,696

FINANCIAL STATEMENTS

Consolidated statement of financial position – Group

KSEK	Note	2023-12-31	2022-12-31 (Restated)
EQUITY AND LIABILITIES	1-8		
Share capital	24	3,206	3,119
Additional paid-in capital		827,803	813,261
Reserves		4,359	1,275
Accumulated deficit		-857,308	-764,947
EQUITY	12,15	-21,940	52,708
Other financial liabilities	25	65,238	70,636
Lease liabilities	25	686	5,063
Other liabilities	26	2,464	2,392
Non-current liabilities		68,388	78,091
Trade payables		8,245	14,073
Lease liabilities	25	5,485	5,822
Other liabilities	26	3,965	3,002
Current liabilities		17,695	22,897
Total liabilities		86,083	100,988
Total equity and liabilities		64,143	153,696

FINANCIAL STATEMENTS

Consolidated statement of change in equity – Group

KSEK	Share capital	Additional paid-in capital	Translation reserves (Restated)*	Fair value reserve (Restated)*	Accumulated deficit (Restated)*	Shareholders' equity
January 1, 2022 (previously reported)	3,119	813,261	1,016	73,529	-608,926	281,999
Restatement	—	—	—	-73,529	73,529	—
January 1, 2022 (restated)	3,119	813,261	1,016	—	-535,397	281,999
Comprehensive income						
Loss for the year	—	—	—	—	-211,569	-211,569
Other comprehensive income	—	—	259	—	—	259
Total comprehensive income (loss)	—	—	259	—	-211,569	-211,310
Transactions with owners						
Shares issued for cash	—	—	—	—	—	—
Expenses related to capital increase	—	—	—	—	—	—
Share-based compensation expenses	—	—	—	—	-17,981	-17,981
Total transactions with owners	—	—	—	—	-17,981	-17,981
December 31, 2022	3,119	813,261	1,275	—	-764,947	52,708
January 1, 2023	3,119	813,261	1,275	—	-764,947	52,708
Comprehensive income						
Loss for the year	—	—	—	—	-95,810	-95,810
Other comprehensive income	—	—	3,084	—	—	3,084
Total comprehensive income (loss)	—	—	3,084	—	-95,810	-92,726
Transactions with owners						
Shares issued for conversion of loan	87	14,715	—	—	—	14,802
Expenses related to capital increase	—	-173	—	—	—	-173
Share-based compensation expenses	—	—	—	—	3,449	3,449
Total transactions with owners	87	14,542	—	—	3,449	18,078
December 31, 2023	3,206	827,803	4,359	—	-857,308	-21,940

* Components in Equity has been restated (we refer to note 15).

Consolidated statement of cash flow – Group

KSEK	Note	2023	2022
	1-8		
Loss before tax *	15	-104,280	-218,179
Adjustments for non-cash transactions	23	13,629	-42,587
Changes in working capital	23	6,770	-17,554
Cash flow from operating activities before financial and tax items		-83,881	-278,320
Interest income received		2,534	593
Interest expenses paid		-12,625	-11,937
Tax credit received	16	8,441	8,126
Cash flow from operating activities		-85,531	-281,537
Investing activities			
Investment in tangible assets	19	-129	-985
Proceeds from sale of financial assets		—	7,522
Proceeds from sale of tangible assets		—	306
Cash flow from investing activities		-129	6,843
Financing activities			
Repayment of loan **	23	-3,000	-15,000
Costs related to issuance of new shares		-173	—
Payment of lease liabilities	23	-4,794	-5,521
Cash flow from financing activities		-7,967	-20,521
Net increase (decrease) in cash and cash equivalents		-93,627	-295,215
Cash and cash equivalents at beginning of year		111,707	356,855
Exchange rate difference in cash and cash equivalents		12,882	50,067
Cash and cash equivalents at end of year		30,962	111,707

* Loss before tax in 2022 is restated (we refer to note 15)

** In 2023 the terms of the Formue Nord Loan have been renegotiated and modified to include an amortization of SEK 13 million of the loan of which SEK 3 million was repaid in cash and SEK 10 million was converted into shares.

PARENT COMPANY'S FINANCIAL STATEMENTS

Statement of income – Parent Company

The Parent Company's financial statements have been prepared based on the accounting policies described in Note 7 *Significant accounting policies*.

KSEK	Note	2023	2022
	1-8		
Other operation income		1,651	3,418
Total operating income		1,651	3,418
Raw materials and consumables		-37	-30
Other external costs	10	-4,118	-10,602
Other operating expenses		-1,337	-15,585
Personnel costs	12	-1,978	-2,143
Total operating expenses		-7,470	-28,360
Operating loss		-5,819	-24,942
Financial income	14	111	391
Financial expenses	14	-36,811	-17,785
Total financial items		-36,700	-17,394
Profit (loss) after financial items		-42,519	-42,336
Taxes	16	—	—
Loss for the year/comprehensive loss for the year		-42,519	-42,336

FINANCIAL STATEMENTS

Statement of financial position – Parent Company

KSEK	Note	2023-12-31	2022-12-31
ASSETS	1-8		
Investment in subsidiaries	28	344,965	341,703
Financial assets		344,965	341,703
Non-current assets		344,965	341,703
Other assets	22	903	222
Current receivables		903	222
Cash and cash equivalent	23	2,460	2,228
Current assets			2,450
Total assets		348,328	344,153
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	24	3,206	3,119
<i>Unrestricted equity</i>			
Share premium reserve		827,803	813,261
Retained earnings (accumulated deficit)		-591,244	-552,357
Profit (loss) for the period		-42,519	-42,336
Equity		197,246	221,687
Other financial liabilities	25	65,238	70,636
Non-current liabilities		65,238	70,636
Trade payables		644	806
Payables to group companies		85,049	50,790
Other liabilities	26	151	234
Current liabilities		85,844	51,830
Total liabilities		151,082	122,466
Total equity and liabilities		348,328	344,153

Statement of changes in equity – Parent Company

KSEK	Share capital	Share premium reserve	Retained earnings (including net loss for the period)	Shareholders' equity
January 1, 2022	3,119	813,261	-534,377	282,003
Total comprehensive income	—	—	-42,336	-42,336
Transactions with owners				
Share-based compensation expenses	—	—	-17,981	-17,981
December 31, 2022	3,119	813,261	-594,694	221,687
January 1, 2023	3,119	813,261	-594,694	221,687
Total comprehensive income	—	—	-42,519	-42,519
Transactions with owners				
Shares issued for conversion of loan	87	14,715	—	14,802
Expenses related to capital increase	—	-173	—	-173
Share-based compensation expenses	—	—	3,449	3,449
December 31, 2023	3,206	827,803	-633,764	197,246

Statement of cash flows – Parent Company

KSEK	Note	2023	2022
Profit/loss after financial items		-42,519	-42,336
Adjustments for non-cash transactions	23	4,764	1,589
Changes in working capital	23	52,340	55,917
Cash flow from operating activities before financial items		14,585	15,170
Interest income received		82	11
Interest expenses paid		-11,262	-10,059
Cash flow from operating activities		3,405	5,122
Investing activities			
Proceeds from sale of financial assets		—	—
Investment in financial assets		—	—
Cash flow from investing activities		0	0
Financing activities			
Repayment of loan *		-3,000	-15,000
Costs related to issuance of new shares		-173	—
Cash flow from financing activities		-3,173	-15,000
Net increase (decrease) in cash and cash equivalents		232	-9,878
Cash and cash equivalents at beginning of period		2,228	12,106
Cash and cash equivalents at end of period		2,460	2,228

* In 2023 the terms of the Formue Nord Loan have been renegotiated and modified to include an amortization of SEK 13 million of the loan of which SEK 3 million was repaid in cash and SEK 10 million was converted into shares.

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. These consolidated financial statements comprise the Parent Company and its subsidiaries (collectively the 'Group' or 'Saniona'). The Group is a clinical-stage biopharmaceutical company focused on discovering and developing of medicines modulating ion channels. The legal address of the head office and the research facility is Smedeland 26B, DK-2600 Glostrup, Denmark. The Parent Company is listed on Nasdaq Stockholm Small Cap, and its shares are traded under the ticker SANION and the ISIN code SE0005794617.

Note 2 Basis of accounting

A. General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The consolidated financial statements also comply fully with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, and IFRS as issued by the International Accounting Standards Board ('IASB'). These consolidated financial statements were authorized for issue by the Parent Company's Board of Directors (the 'Board'), on April 30, 2024. The Annual Report 2023 for the Parent Company was approved for publication by decision of the Board on April 30, 2024. The Annual Report will be submitted to the Annual General Meeting ('AGM') for adoption on May 29, 2024.

Details of the Group's significant accounting policies are included in Note 7 *Significant accounting policies*.

B. Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

As of December 31, 2023, the Group's current assets exceed current liabilities by SEK 27.5 million. Current assets include cash and cash equivalents of SEK 31.0 million.

In February 2024, Saniona raised SEK 88.9 million before issue costs through a rights issue. Prior to this financing we agreed with Formue Nord to use SEK 20 million of the net proceeds to pay off debt. Saniona may receive additional proceeds in April 2025 in relation to the exercise of issued series TO4 warrants granted in connection with the rights issue.

The company is pursuing partnering activities and the management is in discussions with several companies on different assets with the aim of securing additional partnerships this year. In addition, Saniona's partner Medix has filed for market approval of the company's most advanced asset, tesofensine, which could result in milestone payments in the near future.

There is a risk that the Company will not be able to retain or obtain additional partnerships, tesofensine will not be approved in Mexico, the Company will not be able to raise additional capital or obtain other co-financing on acceptable terms or at all. This could result in a temporary halt to the Company's development programs or that the Company is forced to run operations at a lower rate than desired, which could adversely affect the Company's operations.

Based on the above described factors, the Board has a reasonable expectation that the Group has and will have adequate resources to continue in operation existence during the financial year.

C. Restatement

The consolidated financial statements for the Group that were previously issued for the year ended December 31, 2022 has been restated. We refer to Note 15.

Note 3 Functional and presentation currency

The consolidated financial statements are presented in Swedish kronor ('SEK') which is also the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Note 4 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except in the case of certain financial assets and liabilities, which are measured at fair value at the end of each reporting period.

Note 5 Critical accounting judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, management has made assumptions, and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Assumptions and estimation uncertainties on December 31, 2023, that have a significant risk of resulting in a material change to the carrying amounts of assets and liabilities in the next financial year are as follows:

- Accruals for research and/or development projects (e.g. pre-clinical and clinical trials): Estimates regarding the amount of costs that meet the criteria for the recognition of a liability or prepaid (refer to Note 7);

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- Shares in subsidiaries: Shares in subsidiaries are recognized at cost less potential impairment losses. Transaction expenses are included in the carrying amount for holdings in subsidiaries. When there is an indication that shares and participations in subsidiaries have decreased in value, the recoverable amount is estimated. If it is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in the item Profit/loss from shares in Group companies. Valuation is performed on the separate project that are owned by the subsidiary.

- Share-based payments: Valuation method and inputs used to estimate the grant date fair value of equity-settled share-based payments (refer to Note 13); and

- Revenue recognition: Assumptions about the likelihood and constraint of future variable consideration from out-licensing or partnership agreements (refer to Note 7)

Note 6 Adoption of new or revised standards

A. Financial reporting standards applied for the first time in 2023

The amendments, and new standards had no material impact on the Group's financial position or results of operations.

B. Published financial reporting standards that have not yet been applied

The IASB has issued amendments to standards and new standards. The Group doesn't expect any of the new standards to have material impact on the financial position or results of operation.

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Note 7 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

A. Basis of consolidation

i. Subsidiaries

The consolidated financial statements include the Parent Company and entities directly or indirectly controlled by the Parent Company ('subsidiaries'). 'Control' is achieved when the Parent Company is exposed to, or has rights to, variable returns from its involvement with an entity, and has the ability to affect those returns through its power over the entity.

ii. Investments in associates

An 'associate' is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 'Significant influence' is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency translation

Transactions denominated in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the dates of the respective transactions. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the profit or loss under financial income or financial expense.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within total financial items.

The assets and liabilities of foreign operations with functional currencies other than SEK are translated into SEK at the exchange rates at the reporting date. Income and expenses of foreign operations items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in OCI and accumulated in the currency translation reserve.

For the consolidated cash flow statement, cash flows from foreign subsidiaries are translated at average exchange rates for the period.

Foreign exchange adjustment of balances that are considered as part of the overall net investment in subsidiaries with functional currencies other than SEK are recognized in OCI and accumulated in the currency translation reserve.

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C. Segment reporting

The Group is organized as a single business unit, focused on discovering, developing, and commercializing innovative treatments for rare disease patients. Consistent with its organizational structure, the Group's Chief Executive Officer ('CEO'), who is also the chief operating decision maker, views and manages the Group's operations and business as a single operating segment. The Group's intangible and tangible non-current assets are located in Denmark.

D. Revenue recognition

i. General

The Group generates revenue from out-licensing of intellectual property ('IP') and from providing research and development ('R&D') services. Out-licensing of IP is either standalone (through license agreements), or in combination with R&D services (through research and collaboration agreements). The Group also provides R&D services on a standalone basis.

For all contracts with customers, the Group (1) identifies the performance obligations in the contract, (2) determines the transaction price, (3) allocates the transaction price to the performance obligations in the contract, and (4) recognizes revenue when or as the Group satisfies a performance obligation.

ii. License agreements and research collaboration agreements

Research and collaboration agreements include promises in addition to the promised license. For such agreements, the Group determines if the license is 'distinct' by assessing whether the customer can benefit from the license on its own or together with other resources that are readily available, and whether the license is separately identifiable from other goods or services in the contract.

If the license is not distinct, then the Group recognizes revenue for the single performance obligation when or as

the combined goods or services are transferred to the customer.

If the license is distinct, or for license agreements that do not include promises other than the promised license, the Group determines the nature of the license. If the nature of the promise is to provide the customer with a right to access the Group's IP throughout the license period, then the Group recognizes revenue over time, because the customer simultaneously consumes and receives benefit from the Group's performance of providing access to its IP as that performance occurs. A promise to provide the customer with a right to use the Group's IP is satisfied at a point in time. Research services under a research and collaboration agreement that relate to very early stage compounds are typically deemed to be highly specialized and proprietary, resulting in a conclusion that the research services and the license are not distinct.

License agreements and research and collaboration agreements may include rights to variable consideration that is contingent on meeting specific develop or commercial milestones or other performance criteria. Given the significant uncertainties associated with achieving such milestones, we consider such consideration constraint and do not recognize such consideration until the performance criteria are highly probable of being met.

iii. Service revenue

Revenue from providing R&D services is recognized when a contractual promise to a customer (performance obligation) has been fulfilled as promised services are provided to the customer.

E. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

F. Net income/expense from financial items

Financial items comprise interest realized, realized and unrealized currency translation adjustments, and fair value adjustments of financial instruments. Financial income and financial expenses are recognized in profit or loss with the amounts related to the financial year.

G. Income tax

i. General

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in profit or loss to the extent that it relates to the income or loss for the year and in OCI or equity to the extent that it relates thereto.

ii. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Under the Danish 'Skatteordningen' (the 'Tax Credit Scheme'), loss-making companies can claim payment of the tax base of the portion of their loss which is attributable to certain R&D activities. The net operating

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loss ('NOL') for the year for which the Group claims a payment is reduced by the amount of the tax base of the loss claimed. Payment typically occurs within 12 months after the reporting period. The Group accounts for the Tax Credit Scheme as a current tax benefit.

H. Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation. Cost comprises acquisition price and costs directly related to acquisition until the time when the Group starts using the asset. The basis for depreciation is cost less estimated residual value after the end of useful life. Assets are depreciated under the straight-line method over the expected useful lives of the assets. The depreciation periods are as follows:

Machinery: 5 years

IT equipment: 3 years

Other fixtures, tools and equipment: 2-3 years

Profits and losses arising from disposal of property and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognized in profit or loss under other external costs.

I. Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to

the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate on the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a

change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value items and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

J. Intangible assets

i. Research and development

All internal research costs are expensed in profit or loss as incurred. A significant portion of our research and development activities is performed on our behalf by third parties. Often, our agreements with such parties provide for a payment schedule that is not necessarily aligned with the progress to completion. We make estimates of our accrued expenses and prepayments as of each reporting date for such third party agreements based on facts and circumstances known at that time.

Internal development costs are capitalized only if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, internal development costs are expensed in profit or loss as incurred. As of December 31, 2023, no internal development costs incurred by the Group have met these recognition criteria.

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ii. In-licensing and separately acquired intangible assets

Intangible assets, including patents and other IP, 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.

K. Impairment of non-financial assets

The Group reviews on an annual basis the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They reduce the carrying amounts of the assets on a pro rata basis.

L. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investments with maturities of three months or less when acquired.

M. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement Financial assets – General

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs

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(e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

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 are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group

neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

iv. Impairment

The Group recognizes loss allowances for estimated credit losses ('ECLs') on financial assets measured at amortized cost. ECL for trade receivables are estimated based on a simplified approach which makes use of the Group's historical credit loss experience and more forward-looking information.

N. Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

O. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group 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. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group regularly reviews significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to the group audit committee.

P. Deferred offering costs

The Group defers costs that are directly associated with in-process equity offerings until such offerings are completed, at which time such costs are recorded as a reduction to the gross proceeds from the offering directly in equity. If an equity offering is abandoned, deferred offering costs are expensed.

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Q. Accounting policies for the Parent Company

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The application of RFR 2 means that as far as possible, the Parent Company applies all IFRS as endorsed by the EU within the auspices of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and considering the relationship between accounting and taxation. The differences between the Parent Company's and the Group's accounting policies are reviewed below:

- Classification and presentation: The Parent Company presents a separate Statement of Comprehensive Income, separately from the Income Statement.
- Investments in subsidiaries and other financial assets are recognized at cost in the Parent Company's financial statements subject to potential impairment. Dividends are recognized in the income statement.

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Note 8 Financing transactions

A. Formue Nord Loan 2021, 2022 and 2023

In July 2021, the Group entered into a non-dilutive SEK-denominated fixed-rate term loan agreement for SEK 87.0 million with Formue Nord Focus A/S. During the period September 2022 until December 2023 the terms have been renegotiated, and the remaining loan value was SEK 61 million.

In August 2023 Saniona announced a change to the terms of the loan agreement with Formue Nord. The terms have been renegotiated and modified to include an amortization of SEK 13 million of the loan of which SEK 3 million was repaid in cash and SEK 10 million was converted into shares. Furthermore, the parties have agreed to extend the term of the loan to January 31, 2025, and that the remaining loan value of SEK 61 million will continue to accrue at 1.5 per cent monthly interest. Formue Nord received a commitment fee of SEK 4.8 million in relation to the prolongation of the loan. The conversion of SEK 10 million of the loan, and the commitment fee of SEK 4.8 million have been converted into 1,741,301 shares, at a share price of SEK 8.50.

In December 2023, Saniona announced in connection with the Rights Issue, a renegotiation of the outstanding loan. 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. As compensation for the restructuring of the loan terms, Formue Nord received a cash payment of SEK 4.6 million. As of December 31, 2023 the total liabilities to Formue Nord was SEK 65.2 million. The loan and the convertibles of approximately SEK 41.2 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 hereafter on July 31, 2025.

Note 9 Revenue

A. Disaggregation of revenue

Category

KSEK	2023	2022
License agreements (other event-based payments)	—	3,760
Research and collaboration agreements (bundle, over time)	16,207	8,293
Research and development services (standalone)	633	3,229
Total	16,840	15,282

Major customers

KSEK	2023		2022	
Customer #1	8,721	51.8 %	8,293	54.3 %
Customer #2	7,486	44.5 %	—	—
Customer #3	633	3.7 %	3,229	21.1 %
Customer #4	—	—	3,760	24.6 %
Total	16,840	100.0 %	15,282	100.0 %

Geographical markets (based on customer)

KSEK	2023	2022
Sweden	—	—
Germany	8,721	8,293
Denmark	633	3,229
United Kingdom	7,486	—
Mexico	—	3,760
Total	16,840	15,282

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B. Contracts with customers

i. Boehringer Ingelheim research and collaboration agreement

In 2020, the Group entered into a research and collaboration agreement with Boehringer Ingelheim International GmbH ('BI'), regarding joint research to further validate a specific non-disclosed novel potential drug target involved in Schizophrenia and identify potential drug leads for this target. Under the agreement (the 'BI 2020 Agreement') BI gets exclusive worldwide license for BI to research, develop, manufacture, and commercialize therapeutics identified through the collaboration. The Group provides research services during an initial term of 12 months and BI has the option to extend the research term up to three times for an additional twelve months period each, the first of these extension options was exercised in 2021, extending the term through March 2022, again in 2022, through March 2023, and finally in 2023, through March 2024. In December 2023 Saniona announced that the research term has been extended with additionally up to two years.

The Group receives quarterly research funding payments from BI based on actual full-time employees used by the Group for the joint research. The Group is also eligible to receive future milestone payments of up to SEK 784.8 million (EUR 76.5 million) related to the achievement of prespecified development, regulatory, commercialization, and sales milestones, none of these were achieved as of December 31, 2023. The Group is also eligible to receive tiered low single-digit percentage royalties on BI's sales of all products stemming from this collaboration. The BI 2020 Agreement expires on the later of the tenth anniversary of the execution of the agreement and the last claim to a patent or patent application. After the first anniversary of the agreement, BI has the right to terminate the agreement for convenience by giving ninety days prior written notice, in this case, the licensed IP is returned to the Group.

The Group did not have a contract liability from the agreements with BI as of December 31, 2023, and December 31, 2022.

ii. Medix License Agreement

In 2016, the Group entered into a License Agreement with Productos Medix, S.A. de C.V. ('Medix') for rights to develop and commercialize tesofensine and/or Tesomet in Mexico and Argentina (the 'Medix Agreement'). Under the terms of the Medix Agreement, Medix paid a non-refundable upfront payment of SEK 10.7 million (USD 1.25 million) in 2016. Saniona is eligible to receive future milestone payments of up to SEK 20.8 million (USD 2.0 million) related to the achievement of prespecified regulatory milestones, none of which were achieved as of December 31, 2023. Milestone payments are recognized as revenue when the relevant milestones are achieved. The Group is also entitled to receive tiered non-refundable annual license payments ranging from SEK 0.0 million (USD 0.0 million) to SEK 5.2 million (USD 0.5 million), as well as tiered low double-digit percentage royalties on Medix' sales of products. The Medix Agreement expires on the later of ten years after the first commercial sale and five years following the establishment of generic competition. Medix has the right to terminate the agreement for convenience by giving ninety days prior written notice, in this case, the licensed IP is returned to the Group. The Group has the right to terminate the Medix Agreement with respect to tesofensine on a country-by-country basis in the event that Medix has not initiated a clinical trial for tesofensine product within two years after the effective date of the Medix Agreement for the purpose of obtaining regulatory approval for tesofensine in such country. The Group has the right to terminate the Medix Agreement with respect to Tesomet on a country-by-country basis in the event that Medix has not initiated a clinical trial for Tesomet product within one year after the issuance of patent rights for Tesomet for the purpose of obtaining regulatory approval for tesofensine in such country. Revenue from annual license payments is recognized at the beginning of each annual license period. Revenue recognized with regard to Medix in 2022 relates to annual license payments. No milestone event was achieved, and no product was marketed, during these years.

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iii. Cephagenix

In 2020, the Group entered into a research services agreement and a collaboration agreement with Headchannel ApS (subsequently renamed Cephagenix ApS ('Cephagenix')) related to the identification and development of novel migraine treatments based on the Group's unique ion channel competence and central nervous system technology platform, with an initial term of one year. The Group is compensated for research services based on actual full-time employees used by the Group for providing such services. External costs incurred by the Group in connection with the performance of research services are passed through to Cephagenix and are included in revenue. The initial term has been extended multiple times.

The Group has significant influence in Cephagenix and account for this as an investment in associate, refer to Note 20 *Investment in associate for details*.

iv. AstronauTx collaboration agreement

In 2023, the Group entered into a collaboration agreement with AstronauTx in Alzheimer's disease. Saniona may receive up to SEK 1.9 billion (\$177 million) in milestone payments as well as royalties on worldwide net sales of resulting products under the collaboration. The Group receives quarterly research funding payments from AstronauTx based on actual full-time employees used by the Group for the research.

AstronauTx has an option to obtain exclusive worldwide rights to research, develop, manufacture, and commercialize therapeutics identified through the collaboration. Saniona will receive milestone payments of up to SEK 1.1 billion (\$102 million) upon the achievement of certain research, development, and regulatory milestones. In addition, Saniona is entitled to commercial milestone payments of up to SEK 0.8 billion (\$75 million) and tiered royalties on net sales of any potential products commercialized by AstronauTx as a result of this collaboration.

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Note 10 Auditors fees and remuneration

The auditor assignment relates to an audit of the financial statements and accounts as well as an audit of the administration of the Board of Directors and the Chief Executive Officer.

At the annual shareholders' meeting May 25, 2023, Öhrlings PricewaterhouseCoopers AB was elected as new auditor and that the remuneration for the auditor shall be paid in accordance with customary norms and approved invoice. Öhrlings PricewaterhouseCoopers has notified that the certified accountant Cecilia Andrén Dorselius will be the auditor in charge.

Audit activities other than the audit assignment in 2022 relate to an audit of our consolidated financial statements under standards of the U.S. Public Company Accounting Standards Board ('PCAOB') which would be required in the event that the Group would apply for a U.S. listing with the U.S. Securities and Exchange Commission ('SEC'), as well as comfort letters and limited assurance reports. The U.S. listing was cancelled in April 2022, where Saniona closed its business in U.S.

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Deloitte				
Audit assignment	150	929	—	460
Audit activities other than audit assignment	138	1,651	105	1,651
Other assignments	—	22	—	15
Total	288	2,602	105	2,126

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Öhrlings PricewaterhouseCoopers				
Audit assignment	1,060	—	550	—
Audit activities other than audit assignment	50	—	50	—
Other assignments	30	—	—	—
Total	1,140	—	600	—

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Total				
Audit assignment	1,210	929	550	460
Audit activities other than audit assignment	188	1,651	155	1,651
Other assignments	30	22	—	15
Total	1,428	2,602	705	2,126

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Note 11 External Research & Development expenses

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Tesomet	3,995	49,907	—	—
SAN711	8,392	35,259	—	—
SAN903	1,086	11,261	—	—
Other programs	9,311	17,328	—	—
Total	22,784	113,755	—	—

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Note 12 Employee benefits

A. Number of employees, salaries, other remuneration and social security expenses

As of December 31, 2023, and 2022 the number of employees including the CEO was 23 (23) of which 12 (12) were women and 11 (11) were men. Of these employees, 17 (17) work in the Group's research and development operations, and 10 employees (10) hold PhDs.

By December 31, 2023, and 2022 the Group had an executive management consisting of 5 (5) individuals, namely a Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Scientific Officer (CSO), Chief Development Officer (CDO) and Executive Vice President, Research. Of these, 2 were women and 3 were men.

By December 31, 2023, Saniona's Board had 4 members, of which 1 was women, and 3 were men. By December 31, 2022, Saniona's Board had 3 members, of which 1 was woman, and 2 were men.

Guidelines for Remuneration are described on page 28 to 29.

SALARIES AND REMUNERATION FOR THE YEAR 2023 GROUP AND PARENT COMPANY

KSEK	Board fee ^{a)}	Fixed salary	Variable salary	Pension costs	Share based payment ^{c)}	Reversed share based payment ^{c)}	Social security expenses	Other staff expenses	Total
Jørgen Drejer, Chairman ^{e)}	350	—	—	—	62	—	—	—	412
Carl Johan Sundberg, Board member	280	—	—	—	62	—	88	—	430
Anna Ljung, Board member	330	—	—	—	62	—	104	—	496
Pierandrea Muglia, Board member ^{b) e)}	117	—	—	—	—	—	—	—	117
Total Board ^{a)}	1,077	—	—	—	186	—	192	—	1,455
Thomas Feldthus, CEO	—	2,417	—	241	1,288	—	5	30	3,981
Other Executive Management ^{d)}	—	7,353	—	543	1,283	—	20	119	9,318
Total Executive Management	—	9,770	—	784	2,571	—	25	149	13,299
Other Employees	—	16,319	—	1,421	819	-127	91	536	19,059
Total	1,077	26,089	—	2,205	3,576	-127	308	685	33,813

a) The board fee relates to fee in the Parent Company, and also includes fee to Audit Committee and Remuneration Committee.

b) At AGM May 25, 2023, Pierandrea Muglia was elected to the Board of Directors.

c) These transactions do not involve payment and do not affect the company's cash flow.

d) 4 executive employees. Refer to Executive management on page 100 to 101.

e) Jørgen Drejer and Pierandrea Muglia have also worked as consultants for the company in 2023. Refer to Note 29 Related parties.

Parent company

The parent company accounts for 3.3 MSEK (17.7) in personnel and other operating expenses, salary 462 KSEK (287), board and committee's fee of 1,077 KSEK (1,445), social expenses of 192 KSEK (185), warrants of 186 KSEK (225) and invoiced intercompany salaries of 1.3 MSEK (15.6).

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A. Number of employees, salaries, other remuneration and social security expenses (continued)

SALARIES AND REMUNERATION FOR THE YEAR 2022 GROUP AND PARENT COMPANY

KSEK	Board Fee ^{a)}	Fixed salary	Variable salary	Pension costs	Share based payment ^{c)}	Reversed share based payment ^{c)}	Social security expenses	Other staff expenses	Total
Jørgen Drejer, Chairman	204	—	—	—	154	—	—	—	358
Carl Johan Sundberg, Board member	268	—	—	—	156	—	84	—	508
Anna Ljung, Board member	322	—	—	—	156	—	101	—	579
J. Donald deBethizy ^{b)}	192	—	—	—	—	—	—	—	192
Edward Saltzman ^{b)}	186	—	—	—	120	-361	—	—	-55
Robert Hoffman ^{b)}	213	—	—	—	—	—	—	—	213
Total Board ^{a)}	1,385	—	—	—	586	-361	185	—	1,795
Thomas Feldthus, CEO ^{d)}	—	1,312	707	287	560	—	3	9	2,878
Rami Levin (former CEO) ^{f)}	—	12,013	—	80	1,632	-5,875	459	2	8,311
Jørgen Drejer (deputy CEO) ^{e)}	—	1,022	—	—	—	—	2	7	1,031
Other Executive Management ^{d),g)}	—	31,098	342	971	4,022	-17,010	655	70	20,148
Total Executive Management	—	45,445	1,049	1,338	6,214	-22,885	1,119	88	32,368
Other Employees	—	41,977	371	2,048	2,424	-3,959	4,718	481	48,060
Total	1,385	87,422	1,420	3,386	9,224	-27,205	6,022	569	82,223

a) The board fee relates to fee in the Parent Company, and also includes fee to Audit Committee and Remuneration Committee.

b) At AGM May 25, 2022, J. Donald deBethizy, Edward Saltzman and Robert Hoffman stepped down from the Board of Directors.

c) These transactions do not involve payment and do not affect the company's cash flow.

d) On April 30, 2022, Saniona appointed Thomas Feldthus as CEO, Anita Milland as CFO, Karin S. Nielsen as CSO, Janus Schreiber as CDO and Palle Christophersen as EVP, Research, and at the same time Rami Levin resigned as CEO, together with all other US employees, when Saniona Inc was closed.

e) On April 30, 2022, Jørgen Drejer resigned as CSO and Deputy CEO, and stepped in as interim Chairman of the Board, and was elected as Chairman of the Board at the AGM May 25, 2022.

f) On April 30, 2022, Rami Levin resigned as CEO. Rami Levin's fixed salary payment in 2022 includes a severance payout of SEK 9.9 million.

g) 8 executive employees from January 1, 2022, until April 30, 2022. 4 executive employees from May 1, 2022, until December 31, 2022.

NOTES

Note 13 Share-based payments

A. Description of share-based payment arrangements

As of December 31, 2023, the Group had the following share-based payment arrangements (collectively the 'Option Programs'). All Option Programs are equity-settled.

2018:1 On January 19, 2018, the extraordinary shareholders' meeting voted in favor of establishing an incentive program involving the allotment of a maximum of 217,625 options free of charge to the chairman of the board of directors, J. Donald deBethizy (the 'Option Program 2018/2024'). Allotment of 217,625 options took place in March 2018. Each option initially entitled the holder to acquire one new share in Saniona for a subscription price of SEK 33.60. The subscription price and the number of shares that each option entitles to subscription of were subsequently recalculated as a result of rights issues and are now SEK 33.20 and 1.03, respectively. 25% of the options vested on January 19, 2018, when the holder was elected as chairman of the Board of Directors. The remaining options are subject to a service condition and vest at a rate of 25% on each anniversary of the election as chairman of the Board of Directors over a period of 3 years. The holder can exercise vested options during 30 days from the day following the publication of the Group's quarterly reports, or in the case of full-year, the year-end report, the first time after publication of the quarterly report for the first quarter of 2021 and last time after publication of the quarterly report for the first quarter of 2024. In order to enable the Parent Company's delivery of shares under the option program and to secure social charges which may arise in connection with the option program, the extraordinary shareholders' meeting resolved to issue a maximum of 286,003 options to a wholly owned subsidiary in the Group.

2019:1 The 2019 AGM voted in favor of establishing an employee incentive program involving the allotment of a maximum of 34,500 options free of charge to certain

employees and others providing similar services of the Group (the 'Options Program 2019/2024'). Allotment of 34,500 options took place in September 2019. Each option initially entitled the holder to acquire one new share in Saniona for a subscription price of SEK 17.86. The subscription price and the number of shares that each option entitles to subscription of were subsequently recalculated as a result of rights issues and are now SEK 17.83 and 1.01, respectively. The options are subject to a service condition and vest gradually on a monthly basis over a total vesting period of 48 months. Holders can exercise vested options during 30 days from the day following the publication of the Group's quarterly reports, or in the case of full-year, full-year report, for the first time after publication of the quarterly report for the first quarter of 2023 and last time after publication of the quarterly report for the third quarter of 2024.

2020:1 On February 7, 2020, the extraordinary shareholders' meeting voted in favor of establishing an option program for the CEO, Rami Levin (the 'Options Program 2020/2025'). The Options Program 2020/2025 comprises 710,313 options free of charge. Allotment took place on February 7, 2020. Each option initially entitled the holder a right to acquire one new share in Saniona for a subscription price of SEK 29.42. The subscription price and the number of shares that each option entitles to subscription of were subsequently recalculated as a result of rights issues and are now SEK 29.36 and 1.01, respectively. The options are subject to a service condition and vest at a rate of 25% on the dates falling 12, 24, 36 and 48 months after allotment. The holder can exercise vested 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 incentive program involving the allotment of a

maximum of 7,976,690 options free of charge (the 'Options Program 2020'). A total of 5,923,348 options were allotted at various points in time in the fourth quarter of 2020. Each 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 options are subject to a service condition, 25% vest on the 12-month anniversary, and the remaining 75% vest gradually on a quarterly basis at a rate of 6.25% over the following 36 months, resulting in a total vesting period of 48 months. The holder can exercise vested 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 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 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 an incentive program involving the allotment of a maximum of 308,000 options free of charge to all the members of the board of directors, excluding the chairman of the board of directors (the 'Board Options Program 2020'). Each participant was allotted 77,000 options. Allotment of 308,000 options took place on October 26, 2020. Each option entitles the holder a right to acquire one new share in Saniona for a subscription price of SEK 25.40. The options are subject to a service condition, 1/3 of the options vest on the date when the annual general meeting of 2021 is held, an additionally 1/3 vest on the date when the annual general meeting of 2022 is held, and the remaining 1/3 vest on the date when the annual general meeting of 2023 is held. The holder can exercise vested 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.

NOTES

2021:1 The Group allotted a total of 902,000 options under the terms of the Options Program 2020 at various points in time in the first quarter of 2021.

2022:1 On August 26, 2022, the Group allotted a total of 2,129,821 options under the Options Program 2022. **2022:1** On August 18, 2022, the extraordinary shareholders' meeting voted in favor of establishing an Employee Option Program. The Employee Option Program 2022 comprises up to 2,129,821 employee options. Each employee option entitles the holders a right to acquire one new share in the company against cash consideration at an exercise price amounting to 130 per cent of the volume weighted average share price of the company's share on Nasdaq Stockholm during the 10 trading days immediately prior to the extraordinary general meeting on August 18, 2022. Allotment of 2,129,821 options took place August 25, 2022. The allotted employee options will vest with 1/3 each on the date that falls 12, 24 and 36 months, respectively, following the date of allotment. Allotted and vested employee options can be exercised during the period starting on the date that falls 3 years after the allotment date and ending on December 31, 2028. The board of directors has the right to limit the number of occasions during the exercise period when the employee options can be exercised.

2023:1 On May 25, 2023, the annual shareholders' meeting voted in favor of establishing an Employee Option program involving the allotment of a maximum of 750,000 options. The program implies that a maximum of 750,000 employee options shall be offered to senior executives (excluding the CEO and CFO) and other employees. The allotted employee options will vest with 1/3 each on the date that falls 12, 24 and 36 months, respectively, following the date of allotment. The holders shall be entitled to exercise allotted and vested employee options during the period starting on the date that falls 3 years after the allotment date and ending on December 31, 2028. Each employee option entitles the holder a right to acquire one new share in the company against cash consideration at a subscription price amounting to 130

percent of the volume weighted average share price of the company's share on Nasdaq Stockholm during the 10 trading days immediately after the annual shareholders' meeting on May 25, 2023. The employee options shall be allotted without consideration, the employee options shall not constitute securities and shall not be able to be transferred or pledged.

B. Measurement of fair values and compensation expense

Share-based compensation expenses for the years ended December 31, 2023 and 2022 totaled SEK 3.5 million and SEK -18.0 million, respectively. The expenses for the forfeited options in 2022, have been reversed with SEK 27.2 million. The fair value of the service that entitles an employee and board member to allotment of options under the Option Programs is recognized as a personnel cost with a corresponding increase in equity. Such compensation expenses represent the fair market values of options granted and do not represent actual cash expenditures.

The fair value of options has been measured using the Black-Scholes formula. The estimated life has been based on the average of the end of the vesting period and the contractual life of the respective instruments, absent sufficient Group-specific information about employees exercising options. Expected volatility has been based on an evaluation of the historical volatility of the Parent Company's share price, particularly over the historical period commensurate with the estimated life.

NOTES

The inputs used in the measurement of the fair values at grant date and the reconciliation of options outstanding are as follows.

DECEMBER 31, 2023

Incentive program	2018:1	2018:2	2019:1	2019:2	2020:1	2020:2	2020:3	2021:1	2022:1	2023:1	Total
Options outstanding, January 1	286,003	32,792	34,500	15,770	355,156	884,700	282,333	700	2,129,821	—	4,021,775
Granted during the year	—	—	—	—	—	—	—	—	—	700,000	700,000
Forfeited during the year	—	-32,792	—	-15,770	—	-149,200	—	—	—	—	-197,762
Options outstanding, December 31	286,003	0	34,500	0	355,156	735,500	282,333	700	2,129,821	700,000	4,524,013
Options exercisable, December 31	286,003	0	34,500	0	355,156	551,625	282,333	525	709,940	0	2,220,082
Maximum number of shares to be issued	294,583	0	34,845	0	358,707	735,500	282,333	700	2,129,821	700,000	4,536,489
Grant Date Fair Value* (SEK)	12.06	17.38	7.23	6.00	12.26	13.13	7.98	10.75	1.59	2.88	
Share Price at Grant Date* (SEK)	26.95	33.85	17.76	17.76	28.10	23.50	23.55	19.31	4.24	7.8	
Exercise Price* (SEK)	33.20	29.71	17.83	17.83	29.36	24.12	25.40	19.38	5.89	8.84	
Expected volatility*	69.24%	67.77%	57.29%	53.67%	58.66%	63.64%	57.00%	62.56%	57.65%	65.00%	
Estimated life (years)*	3.88	3.73	3.67	2.80	4.20	6.10	2.80	6.11	4.17	3.71	
Expected dividends*	0	0	0	0	0	0	0	0	0	0	
Risk-free rate*	-0.1092%	-0.2773%	-0.6903%	-0.6709%	-0.2280%	-0.2772%	-0.3602%	-0.2046%	2.0670%	2.5219%	
Remaining contractual life (years)*	0.50	0.00	1.00	0.00	2.00	6.81	0.92	7.25	5.01	5.01	

* Weighted average

NOTES

DECEMBER 31, 2022

Incentive program	2017	2018:1	2018:2	2018:3	2019:1	2019:2	2020:1	2020:2	2020:3	2021:1	2021:2	2022:1:2	Total
Options outstanding, January 1	38,292	286,003	32,792	10,513	34,500	15,770	710,313	5,915,648	308,000	902,000	148,350	—	8,402,181
Granted during the year	—	—	—	—	—	—	—	—	—	—	—	2,129,821	2,129,821
Forfeited during the year	-38,292	—	—	-10,513	—	—	-355,157	-5,030,948	-25,667	-901,300	-148,350	—	-6,510,227
Options outstanding, December 31	0	286,003	32,792	0	34,500	15,770	355,156	884,700	282,333	700	0	2,129,821	4,021,775
Options exercisable, December 31	0	286,003	32,792	0	23,000	15,770	355,156	442,350	205,333	306	0	0	1,360,710
Maximum number of shares to be issued	0	294,583	33,775	0	34,845	15,927	358,707	884,700	282,333	700	0	2,129,821	4,035,391
Grant Date Fair Value* (SEK)	27.94	12.06	17.38	12.89	7.23	6.00	12.26	13.13	7.98	10.75	10.18	1.59	
Share Price at Grant Date* (SEK)	49.60	26.95	33.85	33.85	17.76	17.76	28.10	23.50	23.55	19.31	18.88	4.24	
Exercise Price* (SEK)	40.63	33.20	29.71	29.71	17.83	17.83	29.36	24.12	25.40	19.38	19.26	5.89	
Expected volatility*	73.41%	69.24%	67.77%	53.67%	57.29%	53.67%	58.66%	63.64%	57.00%	62.56%	61.32%	57.65%	
Estimated life (years)*	3.75	3.88	3.73	2.8	3.67	2.80	4.20	6.10	2.80	6.11	6.11	4.17	
Expected dividends*	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-free rate*	-0.2602%	-0.1092%	-0.2773%	-0.4218%	-0.6903%	-0.6709%	-0.2280%	-0.2772%	-0.3602%	-0.2046%	-0.5225%	2.0670%	
Remaining contractual life (years)*	0.00	1.50	0.96	0.00	2.00	0.75	3.00	7.83	1.92	8.11	8.40	6.01	

* Weighted average

NOTES

Note 14 Financial items

KSEK	Group		Parent Company	
	2023	2022 (Restated)	2023	2022
Interest income	2,237	593	82	11
Foreign exchange gains	894	9,133	29	380
Financial income	3,131	9,726	111	391
Interest expense on lease liabilities	-1,363	-1,567	—	—
Other interest expenses	-11,261	-10,384	-11,262	-10,082
Other interest expenses, group internal	—	—	-13,216	-4,645
Other financial expenses	-12,308	-2,758	-12,308	-2,758
Foreign exchange losses	-1,414	-9,950	-25	-300
Financial expenses	-26,346	-24,659	-36,811	-17,785
Gain/loss from change in fair value for investment in equity instruments - privately-held	—	-11,661	—	—
Net gains on financial items	—	33,788	—	—
Results from divestment of shares in subsidiaries	0	22,127	0	0
Total net financial items	-23,215	7,194	-36,700	-17,394

NOTES

Note 15 Restatement

The condensed consolidated financial statement for the Group that were previously issued for the year ended December 31, 2022, has been restated with respect to translations differences related to Saniona Inc. within the consolidated statement of comprehensive income, and a restatement to statement of changes in equity as of January 1, 2022, of SEK 73.5 million with respect to Fair value reserve.

The restatements relate to accounting adjustments (IAS8), and do not impact Saniona's cash position.

The total impact of the restatements for previously reported period 2021 is as follows:

KSEK	Share capital	Additional paid-in capital	Translation reserve	Fair value reserve	Acc. deficit	Share-holders equity
January 1, 2022 (previously reported)	3,119	813,261	1,016	73,529	-608,926	281,999
Restatement				-73,529	73,529	0
January 1, 2022 (restated)	3,119	813,261	1,016	0	-535,397	281,999

The total impact of the restatements for the full year ended December 31, 2022 is as follows:

KSEK	2022-01-01	Adjustment	2022-01-01
	2022-12-31 (Restated)		2022-12-31 (Previously reported)
Net gain on financial items	22,127	33,788	-11,661
Profit/loss for the period	-211,569	33,788	-245,357
Other comprehensive income: Translation differences	259	-33,788	34,047
Total comprehensive profit (loss)	-211,310	0	-211,310

NOTES

Note 16 Income Tax

A. Tax for the year

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Current tax	8,470	6,610	—	—
Deferred tax income (expense)	—	—	—	—
Total tax	8,470	6,610	—	—

Income tax in Sweden is calculated at 20.6% (20.6%), and in Denmark at 22% (22%) of taxable profit or loss for the year. In the United States the income tax was 21.0% in 2022.

Current tax income for the years 2023 and 2022 relates to the Tax Credit Scheme in Denmark with SEK 8.4 million and SEK 7.4 million, respectively. In 2022 the Group also recorded a tax expense in Saniona Inc of SEK 0.6 million.

B. Tax loss carried forward

The Parent Company and its subsidiaries have generated unused NOL carryforwards. Given the Group's history of tax losses, management believes that it is not probable that future taxable profits will be available against which the unused NOL carryforwards can be utilized. Accordingly, deferred tax assets attributable to NOL carryforwards have been recognized only to the extent that they can be offset against deferred tax liabilities in the same jurisdiction. There is no time limit for the use of the NOL carryforwards in all jurisdictions in which the Group operates.

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Loss carried forward January 1 for which no deferred tax assets were recognized	491,586	549,991	175,428	134,554
Reversal of loss carry forward attributable to Saniona Inc.	—	-258,089	—	—
Loss carried forward for which no deferred tax assets were recognized	56,513	199,684	42,505	40,874
Loss carried forward December 31 for which no deferred tax assets were recognized	548,109	491,586	217,947	175,428

As of December 31, 2023 and 2022, the Group had an accumulated unrecognized deferred tax asset of SEK 118.8 million and SEK 106.9 million, respectively. Deferred tax assets are not recognized since the tax assets are currently not deemed to meet the criteria for recognition as management is not able to provide any convincing positive evidence that deferred tax assets should be recognized.

C. Reconciliation of effective Tax

A reconciliation of recognized profit and the tax expense for the year is presented below.

KSEK	Group		Parent Company	
	2023	2022	2023	2022
Recognized profit/loss before tax	-104,280	-211,569	-42,519	-42,336
Tax according to the applicable tax rate 20.6%	21,482	43,583	8,759	8,721
Tax effect of tax-exempt income (Cadent FV)	—	-1,610	—	—
Tax effect on deductible costs in relation to share issues taken to equity	-36	—	-36	—
Current year losses for which no deferred tax asset is recognized	-12,976	-35,363	-8,723	-8,721
Net tax income	8,470	6,610	—	—
Effective tax rate	8.1%	3.1%	0.0%	0.0%

NOTES

Note 17 Loss per share

KSEK	Group	
	2023	2022
Net loss	-95,810	-211,569
Average number of outstanding shares (in thousands)	64,127	62,381
Loss per share for the year (SEK)	-1.49	-3.39
Diluted loss per share for the year (SEK)	-1.49	-3.39

Earnings per share after dilution is the same as before dilution in 2023 and 2022, since the result is negative in 2023 and 2022. This is because dilution effect is only recognized when a potential conversion to ordinary shares would mean that earnings per share will be lower.

As of December 31, 2023, 4,536,489 share options resulting from share-based payments (refer to Note 12 Share-based payments) were excluded from the weighted-average number of outstanding shares calculation because their effect would have been anti-dilutive.

As of December 31, 2022, 4,035,391 share options resulting from share-based payments (refer to Note 12 Share-based payments) were excluded from the weighted-average number of outstanding shares calculation because their effect would have been anti-dilutive.

Note 18 Intangible assets

A. Reconciliation of carrying amount

The carrying amount of intangible assets reconciles as follows:

KSEK	Group*	
	2023	2022
Cost on January 1	8,234	7,564
Foreign exchange difference	-28	670
Cost on December 31	8,206	8,234
Depreciation and impairment on January 1	-1,497	-1,375
Depreciation	-1,814	—
Foreign exchange difference	52	-122
Depreciation and impairment on December 31	-3,259	-1,497
Carrying amount on December 31	4,947	6,737

* No intangible assets in the Parent Company.

NOTES

Note 19 Tangible assets

A. Property and equipment

The carrying amount of property and equipment reconciles as follows:

KSEK	Group*							
	2023				2022			
	Leasehold improvements	Plant, machinery, and other fixture	IT equipment	Total	Leasehold improvements	Plant, machinery, and other fixture	IT equipment	Total
Cost on January 1	3,860	7,061	1,616	12,537	3,546	4,258	2,631	10,435
Additions**	—	123	—	123	—	3,353	64	3,418
Disposals	—	—	-16	-16	—	-356	-1,332	-1,688
Foreign exchange difference	-13	-24	-5	-42	314	-194	253	373
Cost on December 31	3,847	7,160	1,595	12,602	3,860	7,061	1,616	12,537
Depreciation on January 1	-1,644	-3,847	-1,343	-6,834	-791	-3,116	-1,428	-5,335
Depreciation	-1,627	-743	-221	-2,591	-750	-470	-361	-1,581
Disposals	—	—	16	16	—	197	596	793
Foreign exchange difference	56	37	11	104	-103	-458	-150	-711
Depreciation on December 31	-3,215	-4,553	-1,537	-9,305	-1,644	-3,847	-1,343	-6,834
Carrying amount December 31	632	2,607	58	3,297	2,217	3,214	273	5,703

* No property and equipment in the Parent Company.

** Additions in 2023 of 123 KSEK is directed to the subsidiary Saniona A/S, Denmark. Additions in 2022 of total 3,418 KSEK: hereof is 3,366 KSEK directed to the subsidiary Saniona A/S, Denmark and 52 KSEK was directed to the subsidiary Saniona Inc, USA, which all were disposed in 2022, when Saniona Inc was closed.

NOTES

B. Leases

The Group leases office and laboratory space, and items of equipment, for which it recognizes right-of-use assets and lease liabilities.

In 2020, the Group entered into a lease agreement for office and laboratory space in Glostrup, Denmark, commencing in June 2020 (the 'Glostrup Lease'). The lease has a non-cancellable term of 48 months, hereafter, Saniona can terminate the lease with 12-months' notice. The lessor cannot terminate the lease for the first 8 years. Lease payments are fixed, subject to an annual increase based on a consumer price index.

The Group also leases certain other equipment under short-term and/or leases of low-value items. Group has elected not to recognize right-of-use assets and lease liabilities for these leases. For 2023 and 2022, the amount of expense recognized for such assets was immaterial.

The equipment disposals in 2022 is purchase of the leased machine, which is now owned by the Company and presented in Note 19 A. *Property and equipment*.

Lease liabilities as of December 31, 2023 are payable as follows:

KSEK	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	6,220	735	5,485
Between one and two years	704	18	686
Total	6,924	753	6,171

Lease liabilities as of December 31, 2022 are payable as follows:

KSEK	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	6,739	749	5,822
Between one and two years	5,150	256	5,064
Total	11,889	1,005	10,886

Total cash outflow for leases for the year 2023 was SEK 5.0 million, including security deposits totaling of SEK 0.2 million Total cash outflow for leases for the year 2022 was SEK 6.7 million, including security deposits totaling net income of SEK 0.3 million, hereof is SEK 0.4 million income from the deposits from the lease agreement for office space in Waltham, MA, United states, which ended June 2022.

NOTES

i. Right-of-use assets

The carrying amount of right-of-use assets reconciles as follows:

KSEK	Group*					
	2023			2022		
	Rent facility	Equipment	Total	Rent facility	Equipment	Total
Cost on January 1	15,615	5,986	21,600	18,674	7,693	26,367
Additions	3,325	—	3,325	—	—	—
Disposals	—	—	—	-4,914	-2,357	-7,271
Foreign exchange difference	-147	-21	-168	1,855	649	2,504
Cost on December 31	18,793	5,965	24,758	15,615	5,986	21,600
Depreciations on January 1	-9,109	-2,494	-11,603	-8,029	-1,686	-9,715
Depreciation	-4,015	-1,231	-5,246	-4,901	-1,336	-6,237
Disposals	—	—	—	4,408	663	5,071
Foreign exchange difference	-708	47	-661	-587	-135	-722
Depreciations on December 31	-13,832	-3,678	-17,510	-9,109	-2,494	-11,603
Carrying amount December 31	4,961	2,287	7,248	6,506	3,492	9,998

* No right of use assets in the Parent Company

ii. Extension options

The Group has assessed at the lease commencement date whether it is reasonably certain to exercise the extension for the Glostrup Lease, to what extent it is reasonably certain that the Group will continue a lease for more than just the non-cancellable term. The Group reassesses for how long we believe that we will continue a lease if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should the Group continue to occupy leased property for 2 years, would result in an increase in lease liability of SEK 11.4 million.

NOTES

Note 20 Joint arrangements and investment in associates

A. Cephagenix

As of December 31, 2023, the Group holds an investment in Cephagenix which is accounted for under the equity method of accounting. As of December 31, 2023 ownership interest is 33.3%. The Group accounts for this investment under the equity method of accounting, as the criteria for joint control are met and the investment meets the definition of a joint venture. For the year ended December 31, 2023, the investment in Cephagenix is immaterial for the Group.

In January 2020, Saniona and Cephagenix had entered into a research agreement based on which Saniona provides certain research services to Cephagenix. This agreement has been extended multiple times refer to Note 9 *Revenue* for details. For the year ended December 31, 2023, Saniona recognized gross revenue of SEK 1.7 million (3.2) from the agreement, of which SEK 0.5 million (0.9) was eliminated since it represents Saniona's share of the revenue and loss of Cephagenix for the period. As of December 31, 2023, SEK 0 million (1.5) of trade receivables from these transactions were outstanding.

Note 21 Other financial assets

A. Composition

Other financial assets were comprised of the following:

KSEK	2023-12-31	2022-12-31
Contingent consideration receivable	240	241
Long-term deposits for property lease agreements	2,853	2,873
Total non-current other financial assets	3,093	3,114

B. Investment in equity instruments – privately-held and Contingent consideration receivable

Refer to Note 28 *Financial instruments – Fair values and risk management* for details regarding the measurement of this investment.

NOTES

Note 22 Other assets

Other assets were comprised of the following:

GROUP

KSEK	2023-12-31	2022-12-31
VAT receivable	1,555	1,195
Prepaid expenditures	1,902	1,555
Other	15	26
Total current other assets	3,472	2,776

PARENT

KSEK	2023-12-31	2022-12-31
VAT reimbursement	283	206
Prepaid expenditures	620	16
Total current other assets	903	222

Note 23 Cash and cash equivalents

A. Composition of cash and cash equivalents

The Group's cash and cash equivalents as of December 31, 2023 and December 31, 2022 were comprised of bank deposits only.

B. Adjustments for non-cash transactions and changes in working capital

KSEK	Group		Parent Company	
	2023	2022 (Restated)	2023	2022
Adjustments for non-cash transactions:				
Depreciation	9,651	7,818	—	—
Warrants	3,449	-17,981	188	225
Other financial income and expenses	529	1,364	4,576	1,364
Other provisions	—	-33,788	—	—
Total adjustments for non-cash transactions	13,629	-42,587	4,764	1,589
Changes in working capital:				
Increase (-)/Decrease (+) in operating receivables	-5,354	35,271	34,444	46,973
Increase (-)/Decrease (+) in operating liabilities	12,124	-52,825	17,896	8,944
Total changes in working capital	6,770	-17,554	52,340	55,917

NOTES

Changes in liabilities attributable to financing activities, KSEK

	2023	2022	2023	2022	2023	2022
	Formue Nord Loan		Lease liabilities		Total	
Balance, January 1	70,636	82,973	10,885	16,798	81,521	99,771
Cash flow	-3,000	-15,000	-4,794	-5,521	-7,794	-20,521
<i>Changes that do not affect cash flow:</i>						
Formue Nord loan conversion of loan into shares	-10,000	—	—	—	-10,000	—
Formue Nord loan (fees and interest)	7,602	2,663	—	—	7,602	2,663
Lease liabilities	—	—	80	-392	80	-392
Balance, December 31	65,238	70,636	6,171	10,885	71,409	81,521

NOTES

Note 24 Share capital and reserves

A. Share capital

	Number of shares	Par value SEK	Share capital SEK
January 1, 2022	62,385,677	0.05	3,119,284
Shares issued for cash	0	0.05	0
December 31, 2022	62,385,677	0.05	3,119,284
January 1, 2023	62,385,677	0.05	3,119,284
Shares issued for conversion of loan	1,741,301	0.05	87,065
December 31, 2023	64,126,978	0.05	3,206,349

All shares are in the same class and rank equally with regard to Saniona AB (publ)'s residual assets. Shareholders are entitled to dividends if and when declared and are entitled to one vote per share at the general meetings of the Group.

B. Nature and purpose of reserves

i. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

ii. Directed issue

In August 2023 Saniona announced a change to the terms of the loan agreement with Formue Nord. The terms have been renegotiated and modified to include an amortization of SEK 13 million of the loan of which SEK 3 million was repaid in cash and SEK 10 million was converted into shares. Formue Nord received a commitment fee of SEK 4.8 million in relation to the prolongation of the loan. The conversion of SEK 10 million of the loan, and the commitment fee of SEK 4.8 million have been converted into 1,741,301 shares, at a share price of SEK 8.50.

Note 25 Other financial liabilities

A. Composition

Other financial liabilities were comprised of the following:

GROUP

KSEK	2023-12-31	2022-12-31
Lease liabilities	686	5,063
Formue Nord Loan	65,238	70,636
Total non-current other financial liabilities	65,924	75,699

Lease liabilities	5,485	5,822
Total current other financial liabilities	5,485	5,822

PARENT

KSEK	2023-12-31	2022-12-31
Formue Nord Loan	65,238	70,636
Total non-current other financial liabilities	65,238	70,636

NOTES

Note 26 Other liabilities

Other liabilities were comprised of the following:

GROUP

KSEK	2023-12-31	2022-12-31
Holiday fund obligation	2,464	2,392
Total non-current other liabilities	2,464	2,392
Accrued employee social security tax and with-holdings	1,063	139
Other	2,902	2,863
Total current other liabilities	3,965	3,002

PARENT

KSEK	2023-12-31	2022-12-31
Accrued employee social security tax and with-holdings	151	139
Other	—	95
Total current other liabilities	151	234

NOTES

Note 27 Financial instruments – Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

i. Group

December 31, 2023	Carrying amount					Fair value			
	Financial assets at amortized cost	Mandatorily at FVTPL - others	FVOCI - equity instruments	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Contingent consideration receivable	—	240	—	—	240	—	—	240	240
	—	240	—	—	240	—	—	240	240
Financial assets not measured at fair value									
Trade receivables	2,526	—	—	—	2,526	—	—	—	—
Other non-current financial assets	2,853	—	—	—	2,853	—	—	—	—
Other current financial assets	1,570	—	—	—	1,570	—	—	—	—
Cash and cash equivalents	30,962	—	—	—	30,962	—	—	—	—
	37,911	—	—	—	37,911	—	—	—	—
Financial liabilities not measured at fair value									
Trade payables	—	—	—	8,245	8,245	—	—	—	—
Formue Nord Loan	—	—	—	65,238	65,238	—	—	—	—
	—	—	—	73,483	73,483	—	—	—	—

NOTES

December 31, 2022	Carrying amount					Fair value			
	Financial assets at amortized cost	Mandatorily at FVTPL - others	FVOCI - equity instruments	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity instruments - privately-held	—	241	—	—	241	—	—	241	241
	—	241	—	—	241	—	—	241	241
Financial assets not measured at fair value									
Trade receivables	4,628	—	—	—	4,628	—	—	—	—
Other non-current financial assets	2,246	—	—	—	2,246	—	—	—	—
Other current financial assets	1,221	—	—	—	1,221	—	—	—	—
Cash and cash equivalents	111,707	—	—	—	111,707	—	—	—	—
	119,802	—	—	—	119,802	—	—	—	—
Financial liabilities not measured at fair value									
Trade payables	—	—	—	14,073	14,073	—	—	—	—
Formue Nord Loan	—	—	—	70,636	70,636	—	—	—	—
	—	—	—	84,709	84,709	—	—	—	—

NOTES

ii. Parent Company

December 31, 2023	Carrying amount					Fair value			
	Financial assets at amortized cost	Mandatorily at FVTPL - others	FVOCI - equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and cash equivalents	2,460	—	—	—	2,460	—	—	—	—
	2,460	—	—	—	2,460	—	—	—	—
Financial liabilities not measured at fair value									
Trade payables	—	—	—	644	644	—	—	—	—
Loan	—	—	—	65,238	65,238	—	—	—	—
Payables to group companies	—	—	—	85,049	85,049	—	—	—	—
	—	—	—	150,931	150,931	—	—	—	—
December 31, 2022									
Financial assets not measured at fair value									
Cash and cash equivalents	2,228	—	—	—	2,228	—	—	—	—
	2,228	—	—	—	2,228	—	—	—	—
Financial liabilities not measured at fair value									
Trade payables	—	—	—	806	806	—	—	—	—
Loan	—	—	—	70,636	70,636	—	—	—	—
Payables to group companies	—	—	—	50,790	50,790	—	—	—	—
	—	—	—	122,232	122,232	—	—	—	—

NOTES

B. Measurement of fair values

i. Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

KSEK	Contingent consideration
Balance, January 1, 2023	241
Change in fair value	-1
Balance, December 31, 2023	240

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Risk management framework

The Parent Company's Board of Directors is ultimately responsible for the exposure, management and monitoring of the Group's financial risks. The Board of Directors sets the framework that applies to the exposure, management and monitoring of the financial risks and this framework is evaluated and revised yearly. The Board of Directors can decide on temporary departures from its predetermined framework.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and its receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Impairment losses on financial assets arising from credit risk were immaterial in the years ended 2023 and 2022 and have not been recognized.

Cash and cash equivalents

The Group held cash and cash equivalents of SEK 31.0 million and SEK 111.7 million as of December 31, 2023 and 2022, respectively. The Board of Directors' predetermined framework stipulates that surplus liquidity shall be held on the Group's bank accounts. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated P-1 (short-

term) and Aa3 (long-term) based on Moody's rating. The Group monitors changes in credit risk by tracking published external credit ratings.

Trade receivables

The Group's exposure to credit risk from trade receivables is influenced mainly by the individual characteristics of each customer. For the years ended 2023 and 2022, the Group had a very narrow customer base of less than 5 customers, which were all pharmaceutical companies, resulting in a concentration of credit risk from trade receivables. The Group monitors payment history for each customer and their creditworthiness, as well as the economic environments in which they operate.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's R&D efforts require significant investments. Absent any stream of predictable cash inflows from operations (revenue), the Group is dependent on its ability to raise capital in the future to finance its planned activities. The Group models its cash flow and cash position for the foreseeable future to determine if and when additional capital is required in order to meet its financial obligations. Refer to Note 2 *Basis of accounting* for a discussion regarding the Group's ability to meet its financial obligations and continue as a going concern, and Note 8 *Financing transactions*.

NOTES

The following are the remaining contractual maturities of financial liabilities, that are expected to result in a cash outflow at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

December 31, 2023	Carrying amount	0-6 months	6-12 months	More than 12 months	Total
Formue Nord Loan	65,238	2,591	2,539	68,163	73,293
Lease liabilities	6,171	2,950	3,270	704	6,924
Trade payables	8,245	8,245	—	—	8,245
Total	79,654	13,786	5,809	68,867	88,462

December 31, 2022	Carrying amount	0-6 months	6-12 months	More than 12 months	Total
Formue Nord Loan	70,636	4,450	7,787	75,272	87,509
Lease liabilities	10,885	441	307	256	11,889
Trade payables	14,073	14,073	—	—	14,073
Total	95,594	18,964	8,094	75,528	113,471

i. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters. The Group has not identified any significant interest rate risk.

The following are the remaining contractual maturities of financial liabilities, including interest over the period.

December 31, 2023	Carrying amount	Interest	Undiscounted cash flows
Trade payables	8,245	—	8,245
Formue Nord Loan	65,238	8,055	73,293
Leasing liabilities	6,171	753	6,924
Total	79,654	8,808	88,462

December 31, 2022	Carrying amount	Interest	Undiscounted cash flows
Trade payables	14,073	—	14,073
Formue Nord Loan	70,636	16,873	87,509
Leasing liabilities	10,885	1,005	11,889
Total	95,594	17,878	113,471

NOTES

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily SEK and Danish Krona ('DKK'). Operating and investing transactions in 2023 and 2022 were primarily denominated in those currencies, and also USD and EUR.

The following significant exchange rates have been applied:

SEK	Average rate		Year-end spot rate	
	2023	2022	2023-12-31	2022-12-31
DKK 1	1.53975	1.43418	1.492	1.4971
USD 1	10.5879	10.1626	10.0755	10.3864
EUR 1	11.4727	10.6551	11.1254	11.1484

The summary quantitative data about the Group's exposure to currency risk, expressed in the respective currency in which a financial asset or financial liability is denominated, is as follow:

	2023-12-31				2022-12-31			
	SEK	DKK	USD	EUR	SEK	DKK	USD	EUR
Investments in equity instruments – privately-held	—	—	23	—	—	—	23	—
Trade receivables	—	—	—	225	—	—	—	286
Cash and cash equivalents	471	261	897	784	87	492	5,553	113
Trade payables	—	5	50	168	140	5	649	306

NOTES

The summary quantitative data about the Group's exposure to currency risk, expressed in the respective currency in which a financial asset or financial liability is denominated, is as follows:

Financial assets		Carrying amount in a currency other than the functional currency			
2022-12-31	Carrying amount (SEK)	SEK	DKK	USD	EUR
Contingent consideration receivables	241	—	—	23	—
Trade receivables	4,628	—	—	—	286
Other non-current financial assets	2,246	—	—	—	—
Other current financial assets	1,221	—	—	—	—
Cash and cash equivalents	111,707	87	492	5,553	113

Financial assets		Carrying amount in a currency other than the functional currency			
2023-12-31	Carrying amount (SEK)	SEK	DKK	USD	EUR
Contingent consideration receivables	240	—	—	23	—
Trade receivables	2,526	—	—	—	225
Other non-current financial assets	2,853	—	—	—	—
Other current financial assets	1,570	—	—	—	—
Cash and cash equivalents	30,962	471	261	897	784

Financial liabilities		Carrying amount in a currency other than the functional currency			
2022-12-31	Carrying amount (SEK)	SEK	DKK	USD	EUR
Trade payables	14,073	140	5	649	306
Formue Nord Loan	70,636	—	—	—	—
Lease liabilities	10,885	—	—	—	—

Financial liabilities		Carrying amount in a currency other than the functional currency			
2023-12-31	Carrying amount (SEK)	SEK	DKK	USD	EUR
Trade payables	8,245	—	8	50	170
Formue Nord Loan	65,238	—	—	—	—
Lease liabilities	6,171	—	—	—	—

NOTES

Note 28 Investments in subsidiaries and intercompany transactions

A. List of subsidiaries

Specification of Parent Company's direct and indirect holding of shares and participations in Group companies:

Subsidiary / Domicile	Share of equity	Share of voting power	Carrying amount in Parent Company
KSEK			
Direct subsidiary			
Saniona A/S / Glostrup, Denmark	100%	100%	344,965

B. Reconciliation of carrying amount in Parent Company

KSEK	2023	2022
Opening cost	341,703	359,908
Share right issue	—	—
Share-based payments	3,262	-18,205
Reduction of carrying value of investment in subsidiary	—	—
Closing cost	344,965	341,703
Carrying amount at year-end	344,965	341,703

C. Intercompany transactions

Purchases between the Parent Company and subsidiaries amounted to KSEK 1,337 (15,585) and sales between the Parent Company and subsidiaries to KSEK 1,651 (3,418). The Parent Company recognized interest expenses of KSEK 13,216 (4,645) pertaining to loans from subsidiaries. As of December 31, 2023, the Parent Company had payables of KSEK 85,049 due to subsidiaries (50,790).

Note 29 Related parties

A. Identification of related parties

Key management personnel include the Group's Executive Management, and the members of the Board. A few key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. Cephagenix is also considered related party (since May 2021). Refer to Note 20 *Joint arrangement and investment in associates* for details regarding Cephagenix.

B. Key management personnel

Refer to Note 12 *Employee benefits* and Note 13 *Share-based payments* for details regarding the compensation of the Group's key management personnel.

In May 2022 the Group entered into a Consultancy Agreement with Chairman of the board, Jørgen Drejer, for provision of advisory services regarding Saniona's research and development, business development and financing effort. The fee is 80,000 DKK per month. In the period January until December 2023, the fee for Jørgen's services was SEK 1.5 million. The Agreement can be terminated by either party with sixty days' notice.

Pierandrea Muglia was at the Annual General Meeting May 25, 2023 elected as a new ordinary board member. The Group has a Consultancy agreement with Pierandrea, for the provision of advisory services regarding Saniona's research and development. In the period May 25, 2023 until December 31, 2023, the fee for Pierandrea's services was SEK 0.4 million. The Agreement can be terminated by either party with thirty days' notice.

Note 30 Proposed appropriation of funds

The following funds are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	827,802,748
Profit/loss carried forward	-591,243,760
Profit/loss for the year	-42,519,480
Total	194,039,508

The Board of Directors proposes that the funds at their disposal be carried forward.

NOTES

Note 31 Subsequent Events to the Balance Sheet Date

- In January, Saniona announced **selection of SAN2465** as a preclinical candidate for major depressive disorder.
- In January, **the board of directors resolved on an issue of units** consisting of shares and warrants with preferential rights for the existing shareholders, which was approved at the extraordinary general meeting on January 16, 2024.
- In February, Saniona announced outcome in rights issue of a proceed of **approximately SEK 88.9 million** before issue costs and a directed issue of units to guarantors with a subscription amount of SEK 8.4 million in the rights issue. At the same time Saniona resolved to carry out a directed issue of a convertibles to Formue Nord totalling SEK 10 million. In connection with the Rights Issue, Saniona has renegotiated the outstanding loan with Formue Nord and repaid SEK 20 million of the loan in cash. Of the remaining loan of approximately SEK 41.2 million approximately SEK 31.2 million continues to run as a loan whereas SEK 10 million has been converted into new convertibles. The offering in the Rights Issue included a series of TO 4 warrants of 23,555,637 where each warrant entitles the holder to subscribe for one new share. The subscription of shares by exercise of series TO4 warrants takes place during the period from and including 18 March 2025 up to and including 1 April 2025. The number of shares in Saniona is 111,238,252 February 29, 2024.

BOARD OF DIRECTORS DECLARATION

The Board of Directors and Chief Executive Officer declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and give a true and fair view of the Group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the Group's and the Parent Company's financial position and results of operations.

The Directors Report of the Group and Parent Company gives a true and fair view of the progress of the Group's and Parent Company's operations, financial position and results of operations, and states significant risks and uncertainty factors facing the Group and the Parent Company. The Income Statements and Balance Sheets will be submitted to the Annual General Meeting on May 29, 2024, for adoption.

Glostrup, Denmark, April 30, 2024

Jørgen Drejer – Chairman

Thomas Feldthus – CEO

Anna Ljung – Board member

Carl Johan Sundberg - Board member

Pierandrea Muglia – Board member

Our Audit Report was presented on April 30, 2024
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius – Authorized Public
Accountant, Auditor in charge

Krenare Neziri – Authorized Public Accountant

AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of Saniona AB (publ), corporate identity number 556962-5345.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Saniona AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 25-82 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our

ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Overview

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect

of misstatements, both individually and in aggregate on the financial statements as a whole.

AUDITOR'S REPORT

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the Key audit matter

Valuation of shares in subsidiaries

The parent company reports in the balance sheet as of 31 December 2023 shares and shares in subsidiaries of SEK 345 million (342). The value of the reported assets depends on the subsidiary's future return. The subsidiary conducts all research and development within the group. The company performs an impairment test for the investment in the subsidiary. Changed assessments and assumptions can have an impact on the parent company's results and financial position. The balance sheet item is significant for the parent company and is based on the management's assessments, which is why shares and shares are a particularly important area. No write-down has been reported. For further information, refer to Note 5 "Critical accounting judgments and key sources of estimation uncertainty", Note 7 "Significant accounting policies" and Note 28 "Investments in subsidiaries and intercompany transactions" in the annual report.

Our audit included, among other things, the following review measures:

- We have reviewed the parent company's principles and processes as well as assumptions and methods to identify any need for write-downs.
- We have also assessed whether the assumptions made are reasonable and, where applicable, reconciled against external sources such as the stock market price.
- We have also assessed the accuracy of the information that appears in the annual report.

Financing

Saniona conducts research and development work in pharmaceuticals. Going concern depends on obtaining sufficient funding to be able to carry on with the research and development projects until commercialization can take place.

The group's cash and cash equivalents as of the balance sheet date 31 December 2023 amounted to SEK 31 million (SEK 112 million). For further information, refer to information in note 2 "Basis of accounting" in the annual report.

Our audit included, among other things, the following review measures:

- review that the board and management follow the working capital requirement to ensure the group's continued operations,
 - review of the group's assumptions when drawing up budgets and forecasts to ensure that the assumptions and assessments made are reasonable for the group's liquidity over the next twelve months,
 - review of the group's decisions on measures and cash payments received,
 - We have also assessed the accuracy of the information that appears in the annual report.
-

AUDITOR'S REPORT

Other information

The audit of the annual accounts and consolidated accounts for the financial year 2022 has been carried out by another auditor who submitted an audit report dated 28 April 2023 with unmodified statements in the Report on the annual accounts and consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-24.

The other information also consists of the Remuneration Report for 2023 that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisormsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Saniona AB (publ)

for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S REPORT

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Saniona AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Saniona AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies

or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, PO Box 4009, 203 11 Malmö, was appointed auditor of Saniona AB (publ) by the general meeting of the shareholders on 25 May 2023 and has been the company's auditor since the 25 May 2023.

Malmö 30 April 2024
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Krenare Neziri
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

Introduction

Saniona AB (publ), Corporate Registration Number 556962-5345, the Parent Company and its subsidiaries, collectively the Group, is a publicly listed biopharmaceutical company focused on discovering, developing, and delivering innovative treatments for rare disease patients around the world.

The Parent Company is a public limited liability company registered in the municipality of Malmö in the county of Skåne, Sweden. The address of the head office is Smedeland 26B, DK-2600, Glostrup, Denmark.

Saniona is listed on Nasdaq Stockholm Small Cap (OMX: SANION). Saniona applies the Swedish Corporate Governance Code (the "Code") completely. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code and audited by the company's auditor in accordance with RevR16.

Application of and departure from the Swedish Code of Corporate Governance

The Code applies to all Swedish companies whose shares are listed on a regulated marketplace in Sweden. The company is not obliged to adhere to all the regulations of the Code and is free to adopt alternative solutions deemed more suitable to its circumstances, provided that potential departures are reported, the alternative solution described, and the reasons explained (Comply or Explain principle) in the Corporate Governance Report.

Saniona is today listed on Nasdaq Stockholm Small Cap and follows the applicable rules of the Swedish Companies Act, the regulations and recommendations resulting from the Nasdaq Stockholm's Rule Book for Issuers, the Code, as well as generally accepted practices in the stock market. Saniona did not depart from the Code in 2023.

Compliance with Swedish stock market regulations and accepted stock market practice

Saniona has not been subject to any ruling by Nasdaq Stockholm's disciplinary commission or statements by the Swedish Securities Council relating to breaches of Nasdaq's regulatory framework for issuers or generally accepted accounting practices on the stock market in the 2023 fiscal year.

Ownership structure, share capital and voting rights

On December 31, 2023, the company had 13,092 (10,145) shareholders excluding holdings in life insurance and foreign custody account holders.

The largest shareholder is Avanza Pension with 8.0 percent (6.7) of the share capital and voting rights. The ten largest shareholders jointly accounted for 28.1 percent (27.1) of the share capital and voting rights.

Saniona's share capital totaled SEK 3,206,348 divided between 64,126,978 shares as of December 31, 2023. As of December 31, 2022, Saniona's share capital totaled SEK 3,119,284 divided between 62,385,677 shares. There is only a single share class. All shares have a quotient value of SEK 0.05 and one vote and confer equal entitlement to the Company's assets and profits. Saniona's Articles of Association have no limitations regarding the number of votes each shareholder may cast at the general meeting.

Dividend policy

Saniona may generate income through upfront payments, milestone payments, royalty payments and upon exits in relation to the sale of spin-outs. The Board of Directors has decided upon a residual dividend policy. This means that Saniona will only pay a dividend on net income and internally generated equity after it has reserved capital to finance continued development and expansion of the business, including its product pipeline. The Board of Directors' intention at present is

to use any future profits made by Saniona to finance continued development and expansion of the business. Regular dividends will only be paid once the company has a product on the market and the company records annual net income through royalty payments. Consequently, the Board of Directors does not intend to propose any dividend within the foreseeable future.

The Board of Directors proposes that no dividend be distributed for the 2023 fiscal year.

Authorization for the Board of Directors regarding new issues

At the Annual General Shareholders' Meeting held on May 25, 2023, it was resolved, in accordance with the proposal from the Board of Directors, to authorize the Board, within the limits of the company's Articles of Association, at one or several occasions, during the time up until the next annual shareholders' meeting, with or without deviation from the shareholders' preferential rights, to resolve to issue new shares, warrants and/or convertibles. An issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 15,596,420, which corresponds to a dilution of approximately 20 per cent calculated on current number of shares in the company. In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to source working capital, to execute and finance acquisitions of companies and assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances.

CORPORATE GOVERNANCE REPORT

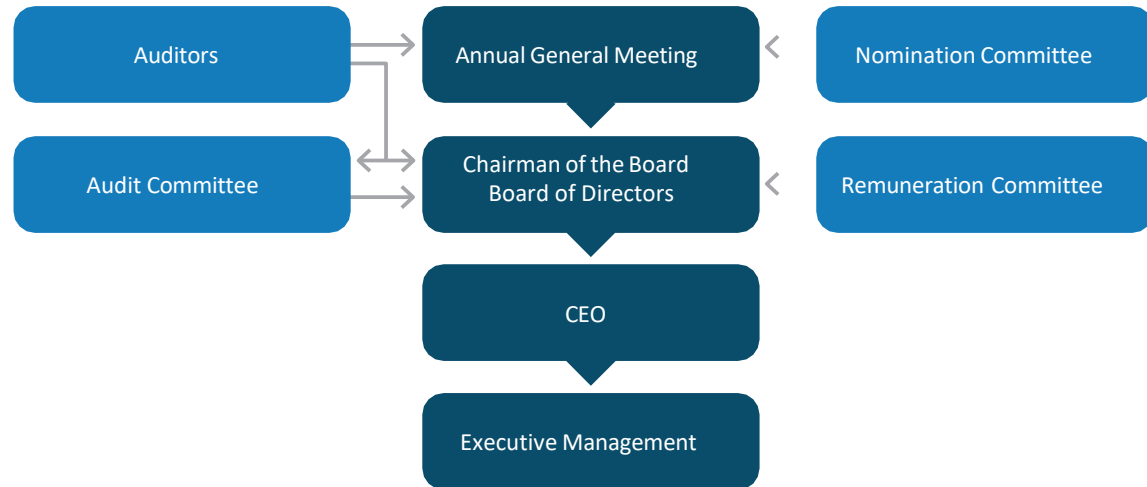
Corporate governance within Saniona

Saniona's internal controls and corporate governance are based on applicable legislation/regulations and on sector-specific parameters considered significant to the company. The control system encompasses all applicable regulatory frameworks as well as the specific demands Saniona places on its operations.

The internal control and corporate governance framework provide overall control of all critical stages relating to the company. This provides Saniona's Board of Directors and executive management with the conditions required to control and govern operations so that they satisfy the stringent demands of the company, the market, the stock market, the shareholders and the authorities.

Multiple external regulations, including but not limited to the Code and the Swedish Companies Act, as well as multiple internal policies and documents as are prudent for effective internal control, form the basis of Saniona's corporate governance.

Saniona's corporate governance structure is presented in the figure below and further described in the following subsections.



CORPORATE GOVERNANCE REPORT

General Meeting

The annual general meeting, or as applicable, the extraordinary general meeting, is the primary meeting within Saniona where all shareholders can take part. For example, the general meeting resolves on amendments to the Articles of Association, election of members of the Board and auditors, adoption of the income statement and balance sheet, the discharge of the Board of Directors and the CEO from personal responsibility, appropriation of the profit or loss, the principles for the establishment of a Nominating Committee and the guidelines for remuneration of senior executives. Shareholders wishing to raise a matter at the annual general meeting must submit a written request to the Board of Directors. Such a request shall normally be received by the Board of Directors no later than seven weeks prior to the general meeting, to allow time for the request to be considered prior to the notice of the annual general meeting being issued.

The general meeting is to be held in Malmö. Notice of annual general meetings should be made no earlier than six weeks and not later than four weeks before the meeting if the agenda includes an amendment of the Articles of Association. The notice of other general meetings should be made no earlier than six weeks and not later than three weeks prior to the meeting. Notice of a general meeting is announced in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and

on the company's website. An announcement that a meeting has been convened is published in the Swedish daily newspaper Svenska Dagbladet.

A shareholder, who has been duly registered as such with Euroclear Sweden AB, may attend and vote at the general meeting in person or by proxy. A shareholder wishing to attend the general meeting must notify Saniona of his intention to attend. The manner in which to notify Saniona is described in the notice convening the general meeting.

The Articles of Association do not include any restrictions on the number of votes each shareholder can cast at a general meeting and no special provisions on amending the Articles of Association.

Annual General Meeting 2023

The annual general meeting 2023 was held on May 25, 2023. The meeting was attended by 11 shareholders in person or by proxy, representing 11.73 percent of the total voting rights. Lawyer Ola Grahn was elected as Chairman of the meeting. The AGM passed the following resolutions:

- Resolution on adoption of accounts and distribution of the company's profit, including that no dividends are paid for the financial year 2022 and that available funds are carried forward to a new account.
- Resolution on discharge from liability in relation to the

company for the members of the Board and the CEO for the 2022 fiscal year.

- Re-election of Jørgen Drejer, Anna Ljung, and Carl Johan Sundberg as ordinary board members and elect Pierandrea Muglia as new ordinary board member. Jørgen Drejer was re-elected as chairman of the board.
- Election of Öhrlings PricewaterhouseCoopers AB as the new auditing firm. Öhrlings PricewaterhouseCoopers notified that the certified accountant Cecilia Andrén Dorselius will be the auditor in charge.
- Remuneration of the Chairman of the Board, the members of the Board and the auditor.
- Approval of instruction and charter for the Nomination Committee.
- Resolution on remuneration of Nomination Committee.
- Resolution on approval of Remuneration Report.
- Resolution on guidelines for remuneration to senior executives.
- Resolution authorization for the board of directors regarding issues.
- Resolution on employee option program and directed issue of warrants and approval of transfer of warrants.

Annual General Meeting 2024

The annual general meeting 2024 will be held at Setterwalls Advokatbyrå AB's office at Stortorget 23, Malmö, Sweden on 29 May 2024 at 16.30 pm CET.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The 2023 annual shareholders' meeting resolved, in accordance with the proposal from the Nomination Committee, that a Nomination Committee shall be appointed before coming election and remuneration. The Nomination Committee shall be comprised of three members, which shall be the chairman of the board of directors and two members appointed by the two largest shareholders as of September 30, 2023. Furthermore, an instruction and charter for the Nomination Committee was adopted.

If one of the two largest shareholders abstains from appointing an owner representative, or such owner representative resigns before the assignment is completed without the relevant shareholder appointing a new member, the Chairman of the Board is to request the next owner in line (e.g. initially the third-largest owner) to appoint an owner representative within one week of such request. The procedure shall be continued until the Nominating Committee consists of three members.

If there is a significant change in ownership six weeks prior to the Annual General Meeting, a new owner representative shall be elected. The Chairman shall then contact the one of the two largest shareholders who does not have an owner representative and ask him to appoint one. The new owner representative is to replace the previous member of the Nomination Committee who no longer represents one of the two largest shareholders.

The Nominating Committee shall appoint the Chairman of the Nomination Committee. The Chairman of the Nomination Committee must not be the Chairman or any other member of the Board. The term of office of the appointed Nominating Committee shall run until a new Nomination Committee has been appointed.

In 2023/2024, the Nomination Committee held two (2022/2023: one) meetings and also maintained contact by telephone. As a basis for its work, the Nomination Committee has taken note of the Chairman's presentation of the Board's work. The Nomination Committee has prepared proposals to the annual general meeting, including proposals for Board members, remuneration of Board and Committee members, proposals for auditors and fees to the auditors and the Chairman of the AGM, and proposals for remuneration of Nomination Committee members. When preparing its proposals, the Nomination Committee has applied paragraph 4.1 of the Code as its Diversity Policy.

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, Attn. Nomination Committee, Smedeland 26B, DK-2600 Glostrup, Denmark.

The composition of the Nomination Committee for the 2024 Annual General Meeting was announced in a press release on November 29, 2023, and is as follows:

Name/Represented	Share of votes December 31, 2023
John Haurum Professional board member of life science companies and former CEO of F-star Biotechnology Limited Cambridge, UK Appointed by Jørgen Drejer	3.69%
Søren Skjærbæk (Chair) Owner of Ursus law firm, Vejle, Denmark Appointed by Dan Peters	2.42%
Jørgen Drejer Chairman of Saniona AB's Board	*
Total	6.11%

*Share of votes represented by John Haurum

CORPORATE GOVERNANCE REPORT

Board of Directors

The Board of Directors is the highest decision-making body under the annual general meeting.

The Board is responsible for the company's organization and management of the company's affairs, for example by setting objectives and strategy, establishing procedures and systems for monitoring of the established objectives, continuously assessing the company's financial position and the operational management. Furthermore, it is the Board's responsibility to ensure that accurate information is provided to the company's stakeholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. The Board also appoints the CEO and determines the salary and other remuneration of the latter based on the guidelines adopted by the general meeting.

The work of the Board of Directors is regulated by applicable legislation and recommendations, and by the Board of Directors' rules of procedure, which are adopted annually. The rules of procedure contain stipulations regulating the division of responsibilities between the Board of Directors and the CEO, financial reporting and audit matters. At the statutory Board meeting, the Board of Directors adopts other requisite rules of procedure, policies and guidelines that form the basis of the company's internal regulatory framework.

Composition of the Board

Members of the Board are to be appointed for a period extending no longer than to the end of the next annual general meeting.

Pursuant to the company's Articles of Association, the Board of Directors shall be composed of not fewer than three and not more than eight ordinary members.

The Articles of Association do not include any special provisions on the appointment or dismissal of board members.

Prior to the annual general meeting in May 2023, the Board consisted of three members (Jørgen Drejer, Anna Ljung and Carl Johan Sundberg), and at the annual general meeting in May 2023, Pierandrea Muglia was elected as a new board member.

The board hereafter consist of one woman and three men. The company will continue to pursue the objective of achieving a better diversity. For more information about the Board, see "Board of Directors".

Independence

The company complies with the Code such that the majority of the Board members elected at the annual general meeting are independent of the company and management, and that at least two of them are independent in relation to the major shareholders. In 2023, three of the four Board members were independent of the company and its management, and all Board members were independent in relation to major shareholders, defined as greater than 10 percent ownership.

Chairman of the Board

The Chairman represents the Board of Directors externally and internally. The Chairman leads the Board's work, monitors the work and assumes responsibility for the Board completing its duties according to applicable legislation, the Articles of Association, the Code and the Board of Director's rules of procedure.

The Chairman shall monitor the company's progress through contact with the CEO, consultation with the CEO on strategic matters and by ensuring that strategic considerations are recorded and addressed by the Board of Directors. The Chairman is also to ensure that the Board of Directors, through the CEO, receives information on the company on an ongoing basis to enable analysis of the company's position.

The Chairman is responsible for contacts with the shareholders regarding ownership issues and for communicating the shareholders' views to the Board.

Evaluation of the work of the Board of Directors

The Board evaluates its work at least annually. The work is evaluated along various parameters such as whether the number of Board meetings and their duration are appropriate, the quality of the Board material, whether the agenda items are relevant and comprehensive, the preparedness and performance of individual Board members, the composition of the Board and desirable experience of potential new Board members, the role and performance of the Chairman and the executive management. The conclusions are included in the minutes and shared with the Nomination Committee.

CORPORATE GOVERNANCE REPORT

Number of meetings

The Board is to meet at least six times per year, usually in conjunction with the publication of interim and annual financial statements and the AGM. Additional meetings or teleconferences are convened as necessary. The Board carries out an in-depth strategic review of the operations during at least one Board meeting each year.

The Board's work in 2023

In 2023, the Board held a total of 17 (19) meetings, of which 6 (6) were scheduled and 6 (11) were unscheduled. In addition, the Board passed additional resolutions on 5 (2) occasions through written resolutions. Saniona's CEO and CFO participate in Board meetings. Other Saniona employees participate, and present reports as needed.

Board committees

The company has established two committees to support the Board: the Audit Committee and the Remuneration Committee. The Board has adopted rules of procedure for both committees.

	Elected	Independent in relation to the company and its management	Independent in relation to major shareholders	Audit Committee	Remuneration Committee	Attendance Board of Directors	Attendance Audit Committee	Attendance Remuneration Committee
Jørgen Drejer	2014	No	Yes			17/17		
Carl Johan Sundberg	2015	Yes	Yes	Member	Chair	17/17	5/5	2/2
Anna Ljung	2018	Yes	Yes	Chair	Member	17/17	5/5	2/2
Pierandrea Muglia*	2023	Yes	Yes			11/17		

* At AGM May 25, 2023, Pierandrea Muglia was elected as new board member.

CORPORATE GOVERNANCE REPORT

The Audit Committee

The main task of the Audit Committee is to oversee the company's financial position, to monitor the effectiveness of the company's internal control, internal audit and risk management, to keep itself informed of the audit of the annual accounts and consolidated accounts and to review and monitor the independence of the auditor. The Audit Committee is also to assist the Nomination Committee in the proposal for a decision on the choice of and remuneration of the auditor. The Audit Committee consists of two members. Following the annual general meeting held on May 25, 2023, Anna Ljung was reelected as chairman of the Audit Committee, with Carl Johan Sundberg as member.

The Remuneration Committee

The Remuneration Committee is to primarily propose guidelines and principles for remuneration and other terms of employment of the CEO and senior executives. The Remuneration Committee is also to monitor and evaluate ongoing and completed application for variable remuneration of executive management and monitor and evaluate the implementation of the guidelines for remuneration of senior executives as resolved by the annual general meeting. Following the annual general meeting held on May 25, 2023, Carl Johan Sundberg was reelected as chairman of the Remuneration Committee, and Anna Ljung as a member.

Chief Executive Officer and other executive managers

The CEO is appointed by the Board of Directors. The CEO's work follows the written instructions adopted annually by the Board of Directors at the statutory Board meeting.

The instructions for the CEO regulate customary areas such as the CEO's undertaking in relation to the company and the Board of Directors, including responsibility for presenting expedient reports to the Board of Directors relevant to the Board's completion of its evaluation of the company. The CEO is to ensure that ongoing planning, including business plans and

budgets, is completed and presented to the Board of Directors for resolution.

The CEO shall exercise good leadership in the management of operations to ensure that the company progresses according to plan and follows the strategies and policies adopted. When departure from these plans and special events of a significant nature is feared, the CEO must immediately inform the Board of Directors through the Chairman. The CEO is to ensure that the company's operations, including its administration, are organized so that they satisfy market requirements, and efficient and secure organizational control of operations.

Within the framework of the directives provided by the Board of Directors for the company's operations, management deals with consultation regarding, and monitoring of, strategies and budgets, the distribution of resources, the monitoring of operations and preparation for Board meetings.

In 2023, executive management consisted of Saniona's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Scientific Officer (CSO), Chief Development Officer (DDO) and EVP, Research. For information about current executive management, see "Management" below.

For information about salaries and remuneration of the CEO and senior executives, see the table under remuneration on next page and note 12.

Remuneration of the Board of Directors and Executive Management

The annual general meeting resolves on remuneration of the Chairman of the Board and other Board members. The annual general meeting also resolves on guidelines for remunerating the CEO and other senior executives.

At the annual general meeting held on May 25, 2023, it was resolved that Board remuneration shall be paid with

SEK 350,000 to the chairman of the Board, with SEK 200,000 to each of the members of the Board, who are not employed by Saniona or any of its subsidiaries. In addition, it was resolved that remuneration for committee work shall be paid with SEK 100,000 to the chairman of the Audit Committee, with SEK 50,000 to each of the other members of the Audit Committee and with SEK 30,000 to each member of the Remuneration Committee, provided that no remuneration for committee work shall be paid to members of the Board, who are employed by Saniona or any of its subsidiaries.

At the annual general meeting on May 25, 2023, it was resolved to adopt guidelines for remuneration to senior executives. The guidelines are included in this document, within the Board of Director's Report. In general, Saniona shall offer remuneration that enables the company to recruit and retain senior executives. The CEO and other senior executives shall be offered a fixed annual cash salary. In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Saniona's business strategy and long-term interests, including its sustainability.

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Pension premiums for defined contributions pensions, including health insurance, may amount to maximum of 15 per cent of the fixed annual cash salary.

Other benefits may include life insurance, medical insurance, and company car. Premiums and other costs relating to such benefits may amount to a total of not more than 20 per cent of the fixed annual cash salary.

CORPORATE GOVERNANCE REPORT

Upon termination of an employment by Saniona, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 24 months. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

In addition to fixed cash salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings.

The Board of Directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

The board of directors has proposed to the 2024 annual general meeting updated guidelines for remuneration to senior executives which correspond, in all material respects, to existing guidelines, except that fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed monthly cash salary for 12 months (previously 24 months).

The 2023 remuneration of the Board of Directors and executive management is set out below.

SALARIES AND REMUNERATION FOR THE YEAR 2023 GROUP AND PARENT COMPANY

KSEK	Board fee a)	Fixed salary	Variable salary	Pension costs	Share based payment c)	Social security expenses	Other staff expenses	Total
Jørgen Drejer, Chairman e)	350	—	—	—	62	—	—	412
Carl Johan Sundberg, Board member	280	—	—	—	62	88	—	430
Anna Ljung, Board member	330	—	—	—	62	104	—	496
Pierandrea Muglia b) e)	117	—	—	—	—	—	—	117
Total Board a)	1,077	—	—	—	186	192	—	1,455
Thomas Feldthus, CEO	—	2,417	—	241	1,288	5	30	3,981
Other Executive Management d)	—	7,353	—	543	1,283	20	119	9,318
Total Executive Management	—	9,770	—	784	2,571	25	149	13,299
Other Employees	—	16,319	—	1,421	819	91	536	19,059
Total	1,077	26,089	—	2,205	3,576	308	685	33,813

a) The board fee relates to fee in the Parent Company and also includes fee to Audit Committee and Remuneration Committee.

b) At AGM May 25, 2023, Pierandrea Muglia was elected to the Board of Directors.

c) These transactions do not involve payment and do not affect the company's cash flow.

d) 4 executive employees. Refer to Executive management on page 100-101.

e) Jørgen Drejer and Pierandrea have also worked as consultants for the company in 2023. Refer to Note 29 Related parties.

CORPORATE GOVERNANCE REPORT

Auditors

Saniona's auditor is the auditing firm Öhrlings PricewaterhouseCoopers AB, with Authorized Public Accountant Cecilia Andrén Dorselius as auditor in charge.

Öhrlings PricewaterhouseCoopers was elected as auditor at the annual general meeting on May 25, 2023, until the end of the 2024 annual general meeting on May 29, 2024.

Deloitte AB was the auditor until the annual general meeting on May 25, 2023.

The external auditors discuss the external audit plan and risk management with the Audit Committee. In 2023, the auditors performed a review of the interim report for the third quarter and audited the annual accounts and consolidated financial statements. The auditors also express an opinion on whether this Corporate Governance Report has been prepared in accordance with the Annual Accounts Act.

The auditor reports the results of their audit of the annual accounts and consolidated financial statements in the audit opinion to the annual general meeting. In addition, the auditors present detailed findings from their reviews to the Audit Committee and to the Board of Directors in its entirety once per year.

For information regarding fees for the company's auditors, see note 10.

Internal control and risk management systems in relation to financial reporting

The Board of Directors is ultimately responsible for the internal control of the company. The responsibility is governed by the Swedish Companies Act, the Annual Accounts Act and the Code. The Board of Directors is required to ensure that Saniona has enough formalized procedures for ensuring compliance with established principles for financial reporting and internal control. The procedures for internal control with respect to financial reporting have been designed to ensure

reliable and accurate reporting in accordance with IFRS, applicable laws and regulations as well as other requirements that apply to companies listed on Nasdaq Stockholm. Saniona has decided to adopt the COSO framework as a basis of internal control of financial reporting. The framework consists of the following five components: control environment, risk assessment, control activities, information and communication and monitoring.

Control environment

The control environment constitutes the basis of Saniona's internal control. The control environment comprises a clear organizational structure, decision-making processes, powers and responsibilities that are documented and communicated in governing documents. The guidelines for Saniona's business activities include the following:

- Rules and procedure for the Board of Directors and the instruction to the CEO;
- Saniona's business model, vision, strategies, objectives, business plans and values;
- Saniona's Code of Conduct;
- Organizational structure and descriptions of positions; and
- Administrative processes, guidelines and instructions such as powers, authorization instructions, risk policy, finance policy, instruction for financial reporting and the finance manual.

The governing documents such as internal policies, guidelines and instructions relating to financial reporting have been adopted by the Board of Directors to ensure an effective control environment.

In accordance with the instruction to the CEO, the CEO is to keep the Board of Directors continuously informed about the development of the company's operations, profit/loss and financial position as well as other events that are likely to be significant to the company and its

shareholders. The CEO is also responsible for preparing reports and compiling information from management before Board meetings and to present the material at Board meetings.

The CFO is responsible for ensuring that internal controls are performed and obeyed, and that continuous work is conducted to strengthen the internal control of financial reporting. The responsibility and duties of the CFO, inter alia, are regulated in detail in the company's finance policy, instruction for financial reporting and the financing manual.

The Audit Committee is responsible for ensuring that the internal control regarding financial reporting and reporting to the Board of Directors is effective. The Audit Committee performs regular, periodic reconciliations with the company's CFO. In addition, the Audit Committee reviews and evaluates Saniona's internal control annually.

Risk assessment

At least once a year, the CEO and CFO conducts an overall risk assessment to assess the risk exposure in Saniona with regards to financial reporting, as well as identify potential problem areas. The risk assessment includes identifying risks that Saniona's external and internal financial reporting is not prepared in accordance with applicable accounting standards. A review takes place to ensure that the company has an infrastructure that enables effective and expedient control, and an assessment of the company's financial position and significant financial, legal and operational risks.

On an annual basis, the CEO and CFO conducts an operational risk assessment to identify and analyze relevant events and risks that could have a negative impact on Saniona's ability to achieve its set goals.

Control activities

To ensure that business is conducted efficiently, and that financial reporting gives a fair and accurate impression on each reporting date, control activities are

CORPORATE GOVERNANCE REPORT

implemented to address risks at all levels of the organization. Control activities include manuals, processes and policies that ensure that directives and decisions are implemented.

The aim of the control activities is to prevent and detect errors and irregularities with regards to the financial reporting, and to propose subsequent corrective actions should any such irregularities occur. Activities include analytical monitoring and comparison of financial performance; account reconciliation; monitoring, approval and reporting of business transactions and partnership agreements, policies and procedures; mandate and authorization instructions, as well as accounting and valuation principles.

The CFO is responsible for maintaining internal controls and ensuring that they are developed as necessary. The CFO monitors the operations through a variety of control measures, such as forecasts and budgets, income statement and balance sheet analyses and reconciliations. The result of this work is reported to the CEO, the Audit Committee and/or the Board of Directors.

Saniona's CFO is responsible for the recording and accounting financial transactions and ensuring that the performed transactions comply with the established signatory powers and authorization powers. The CFO reviews the project costs and activities together with project and line management on quarterly basis. Furthermore, several control activities are carried out on monthly basis to further detect and correct errors and deviations. The results are presented to the CEO on monthly basis.

Information and communication

The company has information and communication paths intended to promote the accuracy of financial reporting and ensure reporting and feedback from operations to the Board of Directors and management. The information and communication procedures are described in several governing documents such as internal policies, guidelines and instructions relating to

financial reporting. These documents are made available in company-wide IT drives and presented to the relevant employees.

In addition to written information, news, risk management and control, results are orally communicated and discussed in physical meetings. Meetings are held within the company in the management team as well as at meetings at which all employees participate. The Board of Directors receives quarterly financial updates relating to the company's financial position and performance.

To ensure timely communication of relevant, reliable and accurate information concerning Saniona's development and financial status to the market, the company has established procedures for providing external information and financial reporting. The information policy and the procedures include a description of the roles and tasks of the employees, finance department, executive management and Board as well the procedures in relation to publication of financial reports and press releases.

All financial reports and press releases are published on the company's website and forwarded to the Board of Directors and all employees in connection with their publication.

Monitoring

The Board of Directors and the Audit Committee decide on the forms of monitoring activities of internal controls. The CFO is responsible for ensuring that internal controls are maintained in accordance with the Board of Directors' and the Audit Committee's decisions.

The Board of Directors is regularly updated on the company's financial position and profit/loss against budget as well as on development projects in relation to the relevant project budgets. The CEO and CFO present a written report at each regular Board meeting, or when the need arises.

The Audit Committee monitors the audit of internal controls. The company's external auditors personally report their observations and assessment of internal controls to the Audit Committee.

Internal audit

In view of the company's size, with relatively few employees, and the scope of transactions, in which most significant transactions are similar in character and relatively uncomplicated, Saniona has not found it necessary to establish a formal internal audit function but has chosen to conduct monitoring and the annual evaluation of compliance with the internal control and risk management related to financial reporting through the existing organization. The Board of Directors and Audit Committee perform an annual assessment of whether there is a need for an internal audit function.

BOARD OF DIRECTORS

Jørgen Drejer

Board member since 2014; Chairman since 2022.

Jørgen Drejer (born 1955) is a neurobiologist with more than 30 years of experience in discovering and developing novel approaches to modulate pathways within the brain. His research has led him to found multiple companies and publish more than 75 scientific articles.

Drejer founded Saniona in 2011, served as founding Chief Executive Officer until January 2020 and now serves as chairman of the Saniona board of directors. Prior to founding Saniona, he co-founded NeuroSearch A/S in 1989, holding various leadership roles including deputy CEO and head of research over a 20-year period in which NeuroSearch became a major European biotechnology company. Drejer holds a PhD in neurobiology from the University of Copenhagen.

Drejer has served on the Saniona board since 2012. He previously served as a member of the Board of Directors for NeuroSearch A/S, Origio A/S, NsGene A/S, Atonomics A/S, Azign Bioscience A/S, Ellegaard Göttingen Minipigs ApS, Force Technology, Monta Biosciences A/S and 2CureX AB.

Drejer is not independent in relation to Saniona and its management but is independent in relation to major shareholders.

He holds 2,564,711 shares, 100,000 TO 4, and 77,000 warrants in the warrant program 2020/2024.

Anna Ljung

Board member since 2018.

Anna Ljung (born 1980) is CEO of Moberg Pharma AB, a Swedish listed pharmaceutical company operating in the field of dermatology.

In addition to serving as CEO of Moberg Pharma, she also currently board member of ADDvise AB, a publicly-traded Swedish healthcare and research facilities company. Prior to becoming CEO of Moberg, Ljung served as the company's Chief Financial Officer for 13 years, and prior to that she was CFO at Athera Biotechnologies AB and Controller for Lipopeptide AB. She also previously was an independent consultant within the field of technology licensing. Ljung received her M.Sc. in Economics and Business Administration from Stockholm School of Economics. Additional previous board positions have included OncoZenge AB, MPJ OTC AB and Advantice Health AB. Ljung is independent in relation to both Saniona and its management as well as major shareholders.

She holds 9,565 shares, 2,468 TO 4, and 77,000 warrants in the warrant program 2020/2024.

Carl Johan Sundberg

Board member since 2015.

Carl Johan Sundberg (born 1958) is a physician and professor with extensive experience in healthcare entrepreneurship, investment and communication.

He currently serves as dean of Karolinska Institutet Nord (KI Nord), and previously the Chair of the Department of Learning, Informatics, Management & Ethics at KI. He also currently serves as a board member for Arne Ljungqvist Anti-doping Foundation AB and Medkay Konsulting AB. Sundberg's affiliation with Karolinska Institutet spans over 35 years and includes work in molecular and applied exercise physiology in healthy individuals and patients, medical innovation and bioentrepreneurship.

He also cofounded and managed Karolinska Investment Fund, a EUR 60 million biomedicine venture capital fund. His communications experience includes previous working periods with Svenska Dagbladet (a large morning daily) and ABC Television, U.S. He serves in membership and advisory positions with the Royal Swedish Academy of Engineering Sciences, Swedish Professional Associations for Physical Activity, Research!Sweden and the World Anti-Doping Agency. Sundberg earned his medical degree and Ph.D. from Karolinska Institutet. Previous board positions include Cobra Biologics Holding AB, Karolinska Development AB and NsGene A/S. Sundberg is independent in relation to both Saniona and its management as well as major shareholders.

He holds 146,886 shares; 48,543 TO 4, and 77,000 warrants in the warrant program 2020/2024.

BOARD OF DIRECTORS

Pierandrea Muglia

Board member since 2023.

Pierandrea Muglia (born 1966) is a medical doctor clinically trained in child neurology and psychiatry with 20+ years of research and clinical development experience with roles of increasing leadership responsibilities in large- (GSK) and medium-size (UCB) pharma, and with management and entrepreneurial roles in biotech. All preceded by ten years of neuropharmacology, and psychiatric academic research.

Most recently Dr. Muglia served as VP and head of neurology early clinical development at UCB, CMO at Handl Therapeutics and President and Founder of GRIN Therapeutics, a clinical stage company, for which he raised the capital necessary to develop a small molecule for a genetically defined orphan epilepsy syndrome.

During his tenure as Academic Clinicians Dr. Muglia served Residence roles at the Child Psychiatry Services, in the Dept. of Public Health, San Francisco (1996). He was thereafter Post-doc MRC-Canada Fellow and then Assistant Professor at the Department of Psychiatry, University of Toronto (1998-2002).

Dr. Muglia has over 100 publications in the field of neuropsychopharmacology, drug development, and human genetics in high impact journals. He is actively involved in progressing the search for novel therapeutic solutions for developmental neuropsychiatric disorders also being part of scientific advisory board and committees of biotech public initiatives and patient advocacy associations.

Other current positions: CEO of Ichnos srl.

Dr. Muglia is independent in relation to both Saniona and its management as well as major shareholders.

He holds 206,666 shares, and 53,333 TO 4.

EXECUTIVE MANAGEMENT

Thomas Feldthus

Chief Executive Officer

Thomas Feldthus (born 1960) is an entrepreneur with extensive management experience within the life science industry.

Feldthus re-joined Saniona as CEO in 2022 after having served as vVD and CFO from 2012 to 2020. Previously, he served as CFO of Symphogen A/S, Investment Associate at Novo A/S and Corporate Development Manager at Novo Nordisk A/S. He is a co-founder of Saniona, Scandion Oncology A/S, Initiator Pharma A/S, Symphogen A/S, Ataxion Inc. and Leukotech ApS.

Feldthus serves as Chairman of the board of directors for Rehaler ApS and as a member of the board of directors for Synklino A/S and ResoTher Pharma ApS.

Feldthus earned his M.Sc. in Management and Economics from the University of London, Fellow of the London Business School Sloan Program from London Business School (LBS), Graduate Diploma in Business Administration (Marketing Management) from Copenhagen Business School (CBS), and M.Sc. in Engineering from the Technical University of Denmark (DTU).

Feldthus holds 1,661,928 warrants in the warrant program 2022/2028, 1,400,000 shares and 217,500 TO 4.

Anita Milland

Chief Financial Officer

Anita Milland (born 1968) has more than 25 years of experience in the pharmaceutical industry, within finance, administration and investor relations.

She served as CFO for Saniona since 2022, and previously served as Vice President Finance & Site Manager Denmark since 2020, Interim CFO & Head of IR in 2020, Vice President Finance & Administration since 2016 and Consultant since 2014. Milland previously served as Vice President, Finance & Administration as well as Chief Financial Officer at NeuroSearch A/S.

Milland received her Bachelor of Commerce in Accounting from Niels Brock.

Milland holds 3,500 warrants in the warrant program 2019, 74,600 warrants in the warrant program 2020 and 467,893 warrants in the warrant program 2022/2028.

Milland holds 33,500 shares.

Karin Sandager Nielsen

Chief Scientific Officer

Karin Sandager Nielsen (born 1970) is a CNS pharmacologist with more than 20 years' experience in discovering and developing new pharmacological therapies for dysfunctions in the brain.

Sandager Nielsen was part of the group founding Saniona in 2011, where she initially served as Director of Operations and In Vivo Pharmacology. From 2015 she took on the role as Vice President, Operations and In Vivo Pharmacology and from 2022 she served as Senior Vice President, In Vivo and Translational Pharmacology. Prior to founding Saniona, Sandager Nielsen was employed at NeuroSearch, where she held several senior- and management roles within CNS pharmacology.

Sandager Nielsen is a biologist by training and holds a Ph.D in neuropharmacology from the university of Copenhagen. She has authored more than 20 peer-reviewed scientific articles and is co-inventor of 23 patents.

Sandager Nielsen holds 99,400 warrants in the warrant program 2020, 150,000 warrants in the warrant program 2023/2028 and 211,119 shares.

EXECUTIVE MANAGEMENT

Palle Christophersen

Executive Vice President, Research

Palle Christophersen (born 1958) is an ion channel physiologist and pharmacologist with more than 30 years of experience with drug discovery and development in the private industry.

Christophersen was a co-founder of Saniona in 2011 and served as CSO until 2019 and since then as Senior Vice President, Research. Prior to Saniona he was employed for 20 years in NeuroSearch, where he served in multiple managing and project leader positions for both internal and collaboration projects.

Christophersen is a biologist by training and holds a PhD in physiology and biophysics of ion channels from the University of Copenhagen. He has authored more than 65 peer-reviewed articles and is co-inventor of more than 60 patents, primarily within the ion channel field and related technology.

Christophersen holds 99,400 warrants in the warrant program 2020, 150,000 warrants in the warrant program 2023/2028, 778,836 shares and 19,418 TO 4.

Janus Schreiber Larsen

Chief Development Officer

Janus Schreiber Larsen (born 1972) is an organic chemist with more than 20 years' experience in drug discovery, developing new pharmacological therapies for dysfunctions in the brain.

Larsen was part of the group founding Saniona in 2011, where he initially served as Director of Medicinal Chemistry and IP. From 2015 he took on the role as Vice President, Medicinal Chemistry and IP and then from 2022 he served as Senior Vice President, Preclinical Development and Medicinal Chemistry. Prior to founding Saniona, Larsen was employed at NeuroSearch, where he held several senior- and management roles within Medicinal Chemistry.

Larsen is a chemist by training and holds a Ph.D. in organic chemistry from the University of Southern Denmark. He has authored 9 peer-reviewed scientific articles and is co-inventor of more than 35 patents.

Larsen holds 99,400 warrants in the warrant program 2020, 150,000 warrants in the warrant program 2023/2028 and 287,337 shares.

AUDITORS' REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Saniona AB (publ), corporate identity number 556962-5345.

Engagement and responsibility

It is the Board of Directors that is responsible for the Corporate Governance Statement for the fiscal year from January 1, 2023 through December 31, 2023 on pages 87-97 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö, April 30, 2024
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Krenare Neziri
Authorized Public Accountant



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