



PRESS RELEASE

December 29, 2017

Saniona Establish Equity Financing of up to SEK 144 million

Saniona AB, a leading biotech company in the field of ion channels, announced today that it has entered into a convertible notes funding agreement with Nice & Green S.A. Under the terms of the agreement, Nice & Green has committed to subscribe up to SEK 72 million in convertible notes in individual tranches of SEK 6 million each over a 12-month period subject to prolongation by Saniona. The convertible notes may be converted into shares at an 8% discount to market price. Further, Nice & Green will receive a commitment fee for each tranche paid to Saniona whereas Saniona will receive a percentage of the net capital gain made by Nice & Green related to their investment. The estimated net costs for Saniona is 3-4% for each tranche excluding legal and administrative costs. Saniona has the right to extend the convertible notes funding agreement with Nice & Green for an additional SEK 72 million with the same terms, totalling SEK 144 million over a two-year period.

The financing is provided by Nice & Green, a private Swiss company, which specializes in financing solutions tailored to the requirements of listed growth companies within the biotech and cleantech industries. The facility enables Saniona to draw 12 tranches of SEK 6 million with the possibility to extend it with additional 12 tranches with the same terms.

"This equity financing is a very attractive way to finance Saniona in the medium term and provide the company with additional financial flexibility, a key success factor. The deal structure not only offers significant flexibility for Saniona, but the rebate and costs are also reasonable, which limits the dilution to our current shareholders. Moreover, Nice & Green has a unique business model where they actively support the promotion of their portfolio companies to their network of investors in Switzerland, Germany and France. As part of the agreement, Nice & Green will introduce Saniona to high net worth individuals, family offices and fund managers focussed on the biotech industry," stated Jørgen Drejer, CEO of Saniona.

The convertible notes funding agreement has been established with the aim to secure Saniona's operations and investments for its internally developed pharmaceutical programs in the medium-term. If Saniona were to extend the agreement for an additional 12-month period and utilize the program in full, Saniona may have sufficient financing to fund activities until 2020 excluding potential financing from upfront and milestone payments under existing and potential future collaboration agreements. Therefore, this financing may potentially provide funding until Saniona obtains royalties in relation to the commercialization of Saniona's first program.

Main terms and conditions

Authorization

The shareholders meeting held on May 23, 2017, resolved to authorize the board of directors during the time up until the next annual shareholders' meeting to issue shares, convertibles and/or warrants with deviation from the shareholders' preferential rights, provided the number of shares that may be issued or alternatively be issued through conversion of convertibles or by exercise of warrants, shall not exceed 30% of the total number



of existing shares in the company at the time of the annual shareholders' meeting and the subscription price shall be on market terms. The provided rebate and costs of the program is in line with Swedish market practice and the maximum number of shares to be converted under the mandatory tranches is within the limit authorised by the shareholders meeting.

Subscription of convertible notes

The first three tranches of SEK 6,000,000 are mandatory under the agreement and will be drawn by Saniona during January – March 2018. The nine subsequent tranches of SEK 6,000,000 remain at the sole discretion of Saniona to determine if and when to draw from the facility. Each tranche of SEK 6,000,000 is denominated in 12 convertible notes having a nominal value of SEK 500,000 each.

Maturity and interest rate of the convertible notes

The convertible notes will bear no interest and will mature 12 months from the date issued. Unless an event of default occurs, the non-converted convertible notes will be converted to shares or reimbursed in cash at Saniona's discretion at the maturity date. In case of an event of default, Nice & Green will have the right to request reimbursement by Saniona for the convertible notes in cash and/or or refuse to subscribe for additional tranches.

Conversion of the convertible notes

Nice & Green will have the right to request conversion of the convertible notes at any time during a period of 12 months following the issue of the respective tranche. To the extent Nice & Green has not requested conversion at the end of the respective conversion period, Saniona will have the right to request conversion.

The pricing of the shares will be determined as 92% of the lowest daily volume-weighted average share price (VWAP) of the five trading days prior to the date on which Nice & Green has sent a conversion notice to Saniona. The convertible notes can be converted into Saniona shares upon Nice & Green's request, at any time, according the following conversion formula:

$$N = V_n / 92\% \times \text{MinVWAP}$$

N = the number of new ordinary shares of to be issued under one convertible note conversion

V_n = the nominal value of one convertible note

MinVWAP = Lowest daily VWAP of the last 5 trading days immediately preceding the date of the request of conversion for a specific convertible note

Upon each request for conversion, Saniona has the right to instead of effectuating conversion, pay a cash amount to Nice & Green. The cash amount to be paid in case Saniona utilizes this right, will be calculated as $V/0.97$ where V is the nominal amount of the convertible note for which Saniona choses to effect cash payment.



Communication

The number of shares issued pursuant the convertible note at conversions will be communicated by Saniona on its web site under the Investors section. Should significant conversion of convertible notes occur, thus with a potential impact on the stock price, Saniona will issue separate press release informing the market about the conversion. In each month in which the registered share capital has increased, Saniona will also on the last trading day of the month issue a separate press release announcing the new registered share capital and the new registered number of shares.

Events of default

The agreement includes standard provisions for events of defaults in line with other similar contracts that allows Nice & Green to request immediately cash payment of outstanding convertible notes and to refuse to subscribe for additional tranches.

Collaterals

No collateral is attached to the convertible notes.

Sale, listing of the convertible notes, prospectus

The convertible notes are non-transferable, except to companies controlled by Nice & Green and the convertible notes will not be listed on any stock exchange. The conversion of the convertible notes is at Nice & Green's discretion, without a predetermined schedule. The facility does not require the establishment of a prospectus.

Governance

Nice & Green's policy is not to be part of the governance of their portfolio companies. Therefore, Nice & Green will not require any seat at Saniona's Board of Directors.

New shares resulting from conversion of the convertible notes

The new shares issued upon the conversion of the convertible note shall be immediately eligible for dividends, bear the same right of all others existing ordinary shares and will be admitted for trading on Nasdaq Stockholm under the ticker SANION.

Profit sharing program

Nice & Green has embedded a profit sharing program designed to grant Saniona a stake of the potential financial gains made by Nice & Green thereby reducing the overall cost of this financing. The program consists of a cash allowance to Saniona as a percentage of realized net gains from the sale by Nice & Green of shares



issued from the conversion of the convertible notes. The profit sharing will be calculated quarterly and subject to quarterly payments with a settlement payment at the end of the agreement.

Share lending

Saniona's CFO, Thomas Feldthus, has made 650,000 shares available free of charge under a share lending agreement with Nice & Green to facilitate the agreement and reduce costs for Saniona. Nice & Green will return the shares to Thomas Feldthus at the latest on termination of the agreement. The share lending will be reported as an insider trade in accordance with applicable rules for insider trading.

Investor Meetings

Nice & Green will, without separate consideration, arrange four investor road show meetings for Saniona comprising an average of 30 potential investors from Switzerland, Germany and France. The investors will comprise high net worth individuals, family offices and fund managers interested in investing in growth and biotech companies.

For more information, please contact

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This information is information that Saniona (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and Sweden's Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 16:35 CET on December 29, 2017.

About Saniona

Saniona is a research and development company focused on drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain. The company has a significant portfolio of potential drug candidates at pre-clinical and clinical stage. The research is focused on ion channels, which makes up a unique protein class that enables and controls the passage of charged ions across cell membranes. Saniona has ongoing collaboration agreements with Boehringer Ingelheim GmbH, Proximagen Ltd., Productos Medix, S.A de S.V and Cadent Therapeutics. Saniona is based in Copenhagen, Denmark, where it has a research center of high international standard. Saniona is listed at Nasdaq Stockholm Small Cap and has about 5,300 shareholders. The company's share is traded under the ticker SANION. Read more at www.saniona.com.