Strong Potential: Targeting multi-billion dollar markets

We at Alpha Deal Group consider an investment in Saniona AB (OMX: SANION) as a long-term wealth creation opportunity. During the past year, the Company has moved from a biotech company with programs in discovery to a biotech company with several programs in late stage clinical development. The Company has entered into several new collaborations with pharmaceutical companies. It has a broad and mature pipeline of internal and partnered pharmaceutical programs in indications with significant medical need where we believe it has good opportunities to create value for its shareholders. Further, the recent June 2017 listing on the Nasdaq Stockholm has created better conditions to broaden the shareholder base and provide the Company access to the international capital markets. We are initiating coverage of Saniona with a Buy rating and a SEK76.0 price target.

Investment Highlights

- Saniona is a R&D 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. Tesomet and Tesofensine are the most advanced programs.
- We view Tesomet as the key value driver for the Company in its near future. Tesomet has recently shown positive results in its Phase2a study for type 2 diabetes and the Company is currently conducting a Phase 2a study in patients suffering from Prader-Willi syndrome. Acc. to Datamonitor, it is expected that the type 2 diabetes market will grow from $23.3bn in 2014 to $43bn in 2023.
- Tesofensine demonstrated strong weight reducing effects in Phase 2 clinical studies in obese patients. In general, Tesofensine has been administered to more than 1,300 patients and is well tolerated. The global obesity treatment market is expected to reach $15.6bn by 2024 and the current market for prescription medicine for obesity in Mexico is about $250m.
- Saniona has a unique business model of forming partnerships and commercializing its research efforts, either by internal development of programs before out-licensing or through early stage R&D collaboration with pharma companies or JV/ spin-outs. It has ongoing collaboration agreements with Boehringer Ingelheim, Proximagen, Medix and Luc Therapeutics.
- Saniona has a strong research team focused on ion channels with over 25 years of experience in the field. Jorgen Drejer, the CEO has co-founded - or assisted in founding several other biotech companies. Palle Christophersen, the CSO, has authored more than 60 peer-reviewed articles.

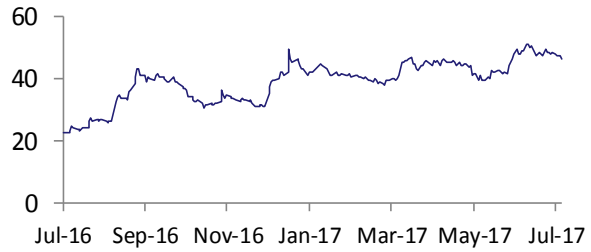
Saniona AB
(OMX: SANION)

BUY-SIDE PORTFOLIO SELECTION

Share price	**SEK 46.00**
BidBookIQ Value© (Target Price)	SEK 76.00
Alpha Deal Sweet Spot© (Valuation Gap)	65%
Market cap (SEKm)	1,001
Net cash (SEKm)	42
Enterprise value (SEKm)	959
No. of shares (m)	21.76
Average daily vol ('000, -3m)	55
Dividend yield (%)	0
PER at Target price (Y1)	n/a
Price/book	20.00
12 month high/low (SEK)	52.75/22.10

(%)	1m	3m	12m
SANION	(4.2)	0.9	102.6
S&P 500 Index	1.5	5.3	14.0

Price chart



Source: Reuters

Share Price as at close: July 21, 2017

Key Financial

SEK'000	Dec-14	Dec-15	Dec-16
Net Sales	21,718	13,630	74,921
Net Income (Loss)	(5,907)	(22,947)	2,219
Cash	9,689	47,005	53,261
Total Assets	15,461	57,674	70,768

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Investment Summary

Overview

Saniona AB (OMX: SANION) is a leading biotech company in the field of ion channels, with a focus on drugs related to 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 company currently has clinical stage candidates for obesity, metabolic diseases and cocaine addiction and has been able to secure collaborations with top pharmaceutical companies. The Company's lead candidate Tesomet has shown positive results from the Phase 2a study in type 2 diabetes.

Tesomet: High potential drug with positive top line results

Current Situation

Tesomet, a fix-dosed combination of Tesofensine and metoprolol used for the treatment of type 2 diabetes is being considered as the key value driver for the company. In January 2017, the Company has reported positive top line results from the Tesomet Phase 2a study in type 2 diabetes, showing a promising safety profile for Tesomet with a reduction in heart rate, rather than an increase seen in patients treated with Tesofensine, another drug used for the treatment of obesity. We believe this is a vital improvement in the safety profile as compared to Tesofensine, which makes Tesomet a far more attractive asset and increases the likelihood of finding a partner in the near future. The primary endpoint showed statistically significant reduction in heart rate for patients treated with Tesomet compared to placebo.

It is believed that Tesomet has the potential to become a highly effective weight loss product with a benign safety profile that may reduce long term cardiovascular risk factors. About 80% of patients with type 2 diabetes have cardiovascular risk factors including high blood pressure. The Company is optimistic about the possibility of the drug address glycemic endpoints in long term studies due to the statistical significant reduction in weight loss seen already after 12 weeks and the numeric reduction in liver fat achieved in this study.

Future Opportunities

The Company believes that Tesomet potentially may be used for the treatment of a number of metabolic syndromes and eating disorders, including Prader-Willi syndrome (PWS), binge eating and fatty liver diseases including NASH. Saniona has initiated the planned Phase 2a study for Tesomet in Prader-Willi syndrome in Q2 2017. The study is expected to take approximately a year. PWS is an orphan disease and Saniona plans to apply for orphan disease designation to both the EMA and FDA. It is an attractive indication for pursuing development of

Tesomet in terms of time to market, costs for clinical trials and market opportunities. There is no cure for PWS and no drugs have been approved for treatment of hyperphagia. Growth hormone therapy is the only drug approved for PWS, but it has no effect on the hyperphagia (eating disorder). Tesomet is covered by several patent applications and certain issued patents which together may provide patent protection until 2036.

Tesofensine: Potential unique treatment for obese patients

Tesofensine is a triple monoamine reuptake inhibitor, developed for the treatment of obesity. Tesofensine has been evaluated in Phase 1 and Phase 2 human clinical studies with the aim of investigating treatment potential with regards to obesity, Alzheimer's disease and Parkinson's disease. The Company signed a drug development and commercialization collaboration agreement with Medix to develop and commercialize Tesofensine in Mexico and Argentina.

In December 2016, Medix filed application for Phase 3 clinical trials in obesity. In April 2017, the Mexican regulatory authority, Cofepris, has approved Medix's phase 3 clinical study for Tesofensine in obese Mexican patients. By initiating Phase 3 clinical trial for Tesofensine in obesity, Medix may potentially be the first company to introduce one of Saniona's product candidates to the market. In the medium term, this may lead to a stable income stream to Saniona through royalties on product sales in Mexico and Argentina. Moreover, Saniona will have the exclusive rights to use the clinical data developed by Medix in the rest of world.

Unique Strategy and Business Model

Saniona's research strategy is based on the establishment of partnerships with pharmaceutical companies and joint ventures/spin-outs. The company has established several partnerships based on its research platform. The income from these partnerships provides a significant financial contribution for the development of the company's own programs. The Company has total of 6 clinical programs, of which 6 are financed through partnerships. Key partners include, Boehringer Ingelheim, Medix, Perelman University, The Michael J Fox Foundation, Luc Therapeutics, Proximagen and others.

The Company has a strong 2016 behind it with three commercial agreements signed and one research collaboration. In August 2016, Saniona signed a revenue generating agreement with Boehringer Ingelheim, which will provide a significant financial infusion that removes the immediate need to raise further capital. The collaboration aims to develop innovative new treatment options for patients with Schizophrenia. Saniona may receive up to €90m in milestone payments including an upfront payment of €5m upon signing of the agreement. Furthermore, Saniona is eligible to receive royalties on worldwide net sales of any resulting products under the collaboration.

Another interesting partnership that the company entered into was with Medix for drugs related to obesity. Medix filed a clinical trial application in Mexico for initiation of a Phase 3 study for Tesofensine in obesity in December 2016, has been approved by the Mexican regulatory authority, Cofepris in April 2017. This important milestone will potentially lead to a stable income stream through royalties in the future. It is certainly a unique and fortunate position to be in for a biotech company.

Significant market potential

Saniona's pipeline of drug candidates represents a significant market opportunity.

Target/ Program	Indication	Market estimate
Tesomet	**Type 2 diabetes**	>$23.3bn
Tesomet	**Prader Willi syndrome**	Orphan indiaction
Tesofensine	**Obesity**	$15.6bn
NS2359	**Cocaine addiction**	>$1.8bn
GABA-A α2/α3 program	**Neuropathic pain**	>$6.0bn
Boehringer Ingelheim program	**Schizophrenia**	$7.0bn
IK program	**Inflammatory bowel disease**	>$5.9bn
Nic-α6 program	**Parkinson's disease**	>$2.8bn
Proximagen program	**Neurological diseases**	NA
Luc Therapeutic program	**Ataxia**	Orphan indication

Source: Press Articles, Alpha Deal Group

Type 2 Diabetes

Type 2 diabetes is a progressive chronic disease. However, recent published research concludes that large patient populations may undergo long-term remission if they achieve a substantial weight loss through reduced food consumption. According to Datamonitor, it is expected that the type 2 diabetes market to grow from $23.3bn in 2014 to $43bn in 2023. Also the weight-reducing therapy options will drastically increase the value of the type 2 diabetes market over the next 10 years.

Prader Willis Syndrome (PWS)

PWS is the most common genetic cause of life-threatening obesity. The disease results from a deletion or loss of function of a cluster of genes on

chromosome 15, which leads to dysfunctional signaling in the brain's appetite/satiety center (hypothalamus). Patients suffer from a constant, extreme, ravenous insatiable appetite which persists no matter how much the patients eat. It occurs in about one in 15,000 births. Compulsive eating and obsession with food usually begin before age 6 and currently there is no cure for this disease.

Obesity

Obesity is a condition in which a person's body fat gets accumulated to the point that it will have negative effect on the health and can shorten the life as well. According to the Institute of Health Metrics and Evaluation, about 30% of the world's population suffers from obesity. According to Grand View Research, global obesity treatment market is expected to reach $15.6bn by 2024.

Schizophrenia

Schizophrenia is a chronic and severe mental illness that affects how a person thinks, feels and behaves. According to WHO, in the EU, at least 164 million people (38%) suffer from mental health problems. Overall, the burden of mental illness continues to grow. The market for medication against schizophrenia is estimated to amount to more than $6bn in the seven largest pharmaceutical markets, according to Datamonitor. Sales of pharmaceuticals in the area are expected to continue to grow in the next few years to exceed $7bn in 2023.

Cocaine addiction

Cocaine dependence is a significant public health problem. In 2012, the National Survey on Drug Use and Health revealed that in the US 1.1 million persons were classified as dependent on or abusing cocaine. Cocaine abuse and dependence leads to significant morbidity and mortality. According to TRC, the market value for an effective medication for cocaine addiction may exceed $1.8bn in the US.

Rights transfer agreement with NeuroSearch

In July 2017, Saniona acquired NeuroSearch's remaining interest in the preclinical and clinical assets, which Saniona acquired from NeuroSearch during the period 2012-2016. Saniona will pay NeuroSearch a onetime cash payment of SEK5.5m. Following this, Saniona will have no additional payment obligations to NeuroSearch.

In August 2012, Saniona acquired NeuroSearch's technology platform including patents and data related to 15 preclinical and clinical programs. In October 2014, the Company acquired the rights to NeuroSearch's clinical development compounds, tesofensine and NS2359 and in May 2016, it acquired the rights to NeuroSearch's remaining product portfolio comprising the clinical development compounds, ACR325 and ACR343.

We believe that this acquisition will provide an upside potential to some of the vital and mature assets including tesofensine, Tesomet and NS2359 and at the same time simplify the contractual payment obligations.

Strengthened cash position

In May 2017, Saniona raised SEK35m through a private placement of new issued registered shares directed to a group of Swedish and international institutional investors. The funds were raised to provide the Company with an additional cash buffer in order to have increased flexibility to execute the Company's business plan in preparation for a list change to Nasdaq Stockholm. Cash and cash equivalents amounted to SEK53.2m at 31 December 2016, compared to SEK47.0m at the end of 31 December 2015.

Robust management team with wealth of experience

Saniona has a strong leadership team and board of Directors with technical, commercial and business skills which will lead to the growth of the Company. Jorgen Drejer, the CEO, founded the company in 2011 and holds Ph.D. degree in Neurobiology. He is the author of more than 75 peer-reviewed articles. He is a serial entrepreneur and also co-founded - or assisted in founding several other biotech companies. Claus Braestrup, the Chairman of the Company has gained extensive experience from publicly traded international pharmaceutical companies as well as scientific and drug discovery qualifications. He has more than 38 years of experience in the pharmaceutical industry. Palle Christophersen, the co-founder and CSO of the company and holds a Ph.D. in physiology. He has authored more than 60 peer-reviewed articles and is inventor of more than 60 patents. Thomas Feldthus, the CFO of the company has founded many companies in the past and has an extensive experience with business development, international sales, marketing and project management.

Market Overview

Obesity Market

Obesity is a condition in which a person's body fat gets accumulated to the point that it will have negative effect on the health and can shorten the life as well. According to the Institute of Health Metrics and Evaluation, about 30% of the world's population suffers from obesity. According to Grand View Research, global obesity treatment market is expected to reach $15.6bn by 2024. Upward trend in sedentary lifestyles, physical inactivity, and unhealthy food habits are the vital factors responsible for the high prevalence of obesity. Obesity poses an enormous challenge for the developed countries and the lower and middle income economies. As per WHO, overweight and obesity are associated with various diseases and contributes to a higher mortality rate as compared to malnourishment. The overweight and obese population reports a high prevalence of chronic diseases including hypertension, diabetes, and orthopedic diseases. North America is the largest regional obesity treatment market owing to growing obese population with around 52% share in 2015 and APAC region is expected to account for the fastest growth.

Type 2 Diabetes

The type 2 diabetes market is mature and crowded with inexpensive generics. It is a non-insulin dependent diabetes mellitus. In this condition, though the body produces the required amount of insulin, the cells do not respond to it, increasing the glucose levels in the body. According to Datamonitor, it is expected that the type 2 diabetes market to grow from $23.3bn in 2014 to $43bn in 2023. The main drivers of growth will be the dramatic increase in disease prevalence and physicians' efforts to delay disease progression and reduce the costly burden of diabetic complications through the use of combination therapies and novel branded drugs. Although the T2D market has numerous well-established therapies, it is marked by the presence of a number of unmet needs in current treatments.

Schizophrenia

Schizophrenia is a persistent long-term brain disorder that causes severe, debilitating psychotic episodes. The disorder is characterized by several symptom domains including positive symptoms (such as hallucinations or delusions and disorganized speech), negative symptoms (such as a flat affect and poverty of speech), and cognitive deficits (including attention, memory, and executive functions). The market for medication against schizophrenia is estimated to amount to more than $6bn in the seven largest pharmaceutical markets, according to Datamonitor. Sales of pharmaceuticals in the area are expected to continue to grow in the next few years to exceed $7bn in 2023.

Several studies have found that avolition, social withdrawal, flat emotional affect, and speech and movement dysfunction have a greater negative impact on the quality of life and dysfunctional outcomes of schizophrenic individuals than positive symptoms of the disease. A drug addressing this is therefore urgent.

Prader Willis Syndrome (PWS)

PWS is a rare genetic disorder present at birth that results in a number of physical, mental and behavioral problems. Symptoms include poor muscle tone, low levels of sex hormones and a constant feeling of hunger. The disease results from a deletion or loss of function of a cluster of genes on chromosome 15, which leads to dysfunctional signaling in the brain's appetite/satiety center (hypothalamus). Patients suffer from a constant, extreme, ravenous insatiable appetite which persists no matter how much the patients eat. As a result, many of those affected with PWS become morbidly obese and suffer significant mortality. Compulsive eating and obsession with food usually begin before age 6 and currently there is no cure for this disease.

Cocaine Addiction

Cocaine is the second most trafficked illegal drug in the world. The most recent statistics show that international seizures of cocaine have continued to increase and now total 756 metric tons, with the largest quantities of the drug intercepted in South America, followed by North America. According to TRC, the market value for an effective medication for cocaine addiction may exceed $1.8bn in the US. In the US, cocaine continues to be the most frequently mentioned illegal drug reported to the Drug Abuse Warning Network by hospital emergency departments. Because the health effects of cocaine abuse can be so severe, the demand for effective cocaine de-addiction therapeutics carries the potential to develop into a highly lucrative market. At the same time, a high level of awareness relating to cocaine dependence treatments will bode well for the market. The lack of standardized treatments for cocaine dependence creates a white space in the market that can be profitably filled.

Company Overview

Saniona AB (OMX: SANION) is a research and development company, with a focus on drugs for diseases related to central nervous system, autoimmune & metabolic diseases and treatment of pain. The Company has an extensive portfolio of potential drugs at pre-clinical and clinical stage. Saniona conducts a focused research on ion channels, which makes up a unique protein class that enables and controls the passage of charged ions across cell membranes. Ion channels function controls the activity of nerve cells and thus affects the brain and immune system functions.

Source: Saniona AB, Alpha Deal Group

Saniona currently has 3 clinical stage candidates for obesity, metabolic diseases and cocaine addiction. It has nine active programs of which six are financed through partnerships or grants. The Company's lead drug candidate, Tesomet, reported top line results from a successful Phase 2a clinical trial in patients with type 2 diabetes. The Company has initiated a Phase 2a trial for Tesomet in patients with Prader-Willi syndrome. In addition to the above, Saniona has initiated a Phase 2 trial for NS2359 for cocaine addiction in collaboration with TRC. Also, the Company has collaborated with Medix, a leading Mexican company within the obesity field. Medix expects to initiate a Phase 3 study for Tesofensine in obesity soon.

The Company is currently active in six research programs, of which one program is financed through a grant from The Michael J. Fox Foundation for Parkinson's Research and three programs are financed by its partners, Boehringer Ingelheim GmbH, Proximagen and Luc Therapeutics. In addition to the above mentioned active programs, Saniona has discovery assets as well as clinical stage assets (AN788 for major depression disorders and AN761 for cognitive impairment), which are positioned for partnering.

Founded in 2011, the Company is headquartered in Ballerup, Denmark. The Company recently got listed on Nasdaq Stockholm's main market.

Business model and strategy

The Company commercializes its research efforts through the following three business models:

Own development in the early phase

By internal development of selected programs through the early phases of drug development before out-licensing to pharmaceutical companies, who will take over the further development of Saniona's programs and typical pay upfront, milestone and royalty payments on product sales to Saniona.

Collaborations with major pharmaceutical companies

Through early stage research and development collaboration with pharmaceutical companies, who will fund the research and development activities and pay upfront, milestones and royalty payments on product sales to Saniona.

Joint ventures and spin-offs

Through joint ventures or spin-outs, where Saniona's financial partner will obtain a share of the upside by financing the development of one of Saniona's programs, alternatively through a spin-out which is financed through an independent public listing.

Corporate Milestones

Date	Milestone	
Jul-2013	Spin out of Ataxion, a company focusing on ataxia	ATAXION
Apr-2014	Heavily oversubscribed IPO	AKTIE TORGET
May-2016	Saniona moves to Nasdaq First North Premier	NASDAQ OMX FIRSTNORTH
May-2016	Initiator Pharma spun out of Saniona	Initiator Pharma
Jun-2017	Listed on Nasdaq Stockholm's main market	Nasdaq
Jun-2017	Spin out of Scandion Oncology	**Scandion Oncology**
Jul-2017	Acquired the remaining rights in the preclinical and clinical assets owned by NeuroSearch	**NeuroSearch**

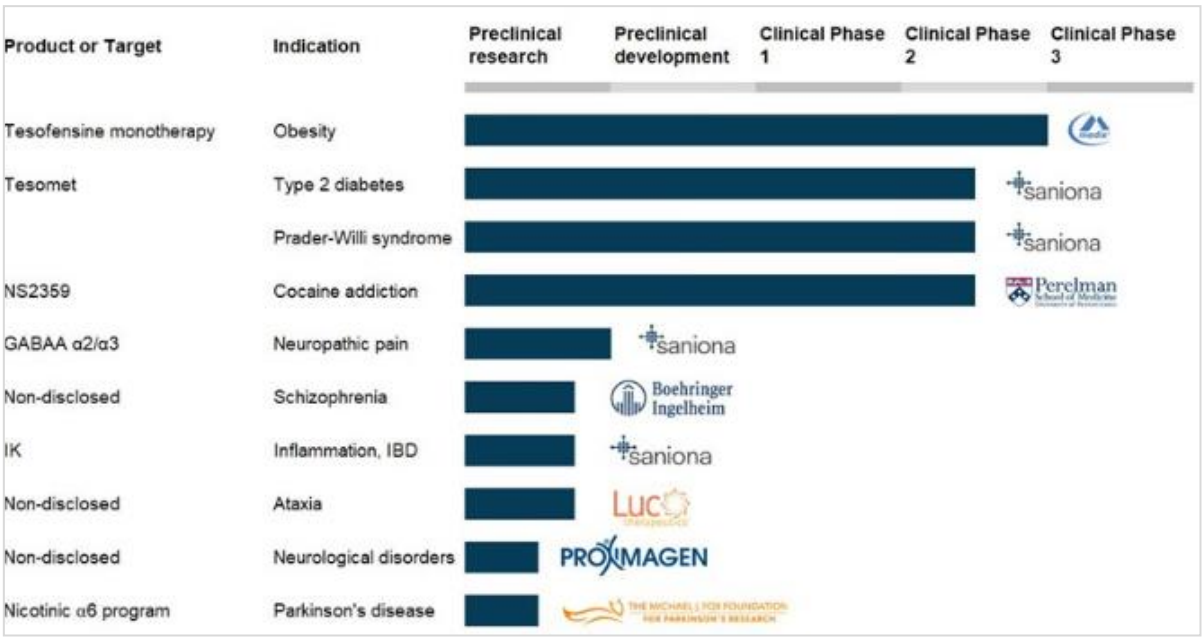
Source: Saniona AB, Alpha Deal Group

Pipeline Milestones

Date	Milestone	
Jun-2016	U Penn (TRC) initiates Phase 2a study for NS2359 in cocaine addiction	Perelman School of Medicine
Aug-2016	Saniona signs partnership with Boehringer Ingelheim for Schizophrenia	Boehringer Ingelheim
Oct-2016	Saniona and Proximagen research collaboration	PROXIMAGEN
Jan-2017	Saniona reports positive top line results from the Tesomet Phase 2a study in type 2 diabetes	saniona
Apr-2017	Initiates Phase 2a study for Tesomet in Prader Willi Syndrome	saniona
Apr-2017	Saniona obtains research milestone from The Michael J. Fox Foundation for Parkinson's research	THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH
Apr-2017	Medix receives approval to initiate Phase 3 study in obesity	medix

Source: Saniona AB, Alpha Deal Group

Product Portfolio & Timeline



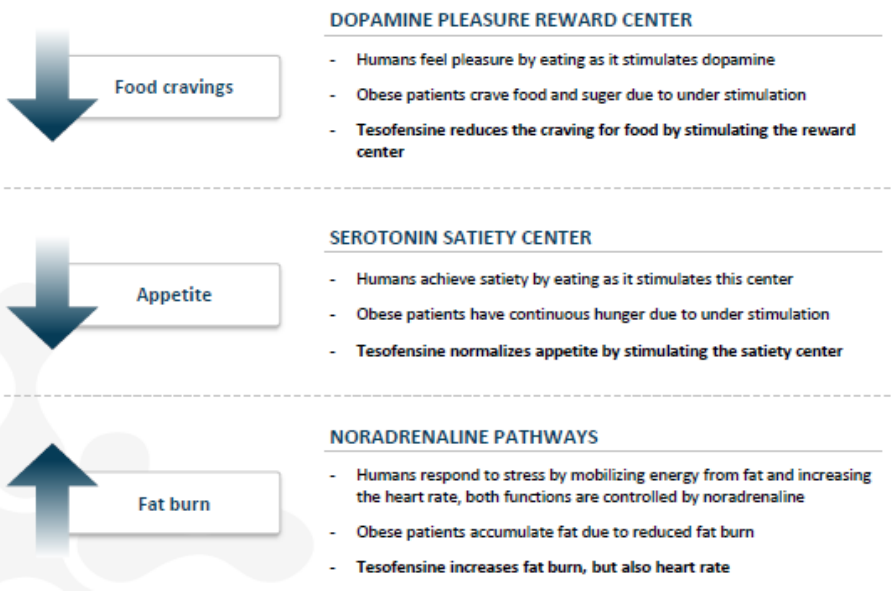
Source: Saniona AB, Alpha Deal Group

Saniona currently has nine active programs of which six are financed through grants, by collaborations with partners, or in joint ventures/spin-outs. In addition to the active pipeline shown above, Saniona has a range of validated drug discovery assets as well as clinical stage assets (e.g. AN788 and AN761) positioned for partnering or spin-out.

Clinical Stage Programs

Tesofensine monotherapy for treatment of obesity (Medix)

Tesofensine is a triple monoamine reuptake inhibitor which targets dopamine, serotonin and noradrenaline transporters to induce weight loss. The drug has been evaluated in Phase 1 and Phase 2 human clinical studies with the aim of investigating treatment potential with regards to obesity, Alzheimer's disease and Parkinson's disease. Saniona collaborated with Medix on developing Tesofensine for obesity in Mexico and Argentina. Tesofensine demonstrated strong weight reducing effects in Phase 2 clinical studies in obese patients. In general, Tesofensine has been administered to more than 1,300 patients and is well tolerated.

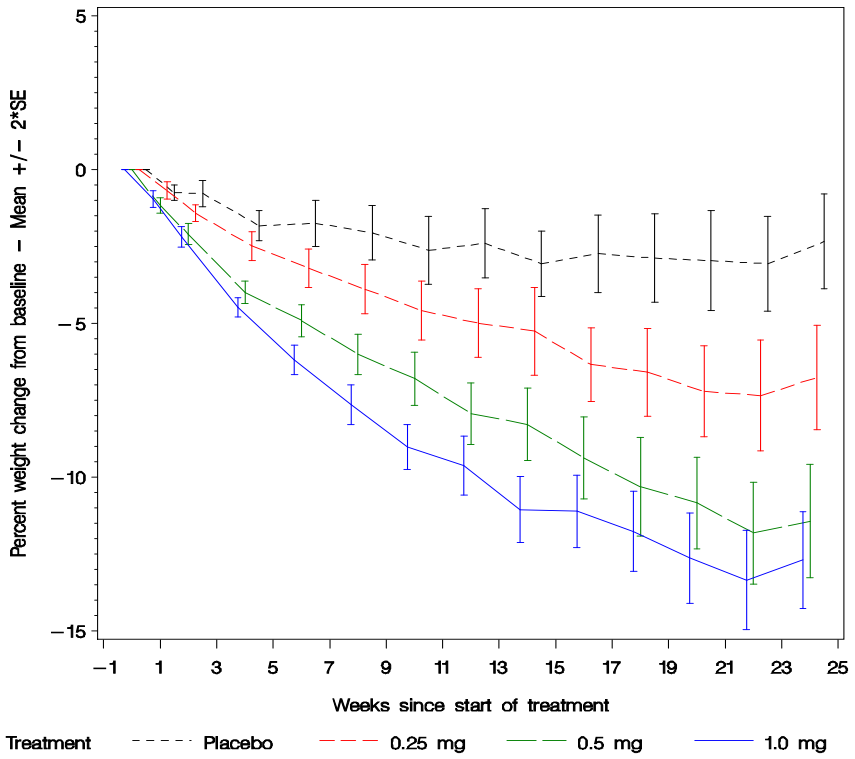


Source: Saniona AB, Alpha Deal Group

Phase 2b Study Methodology

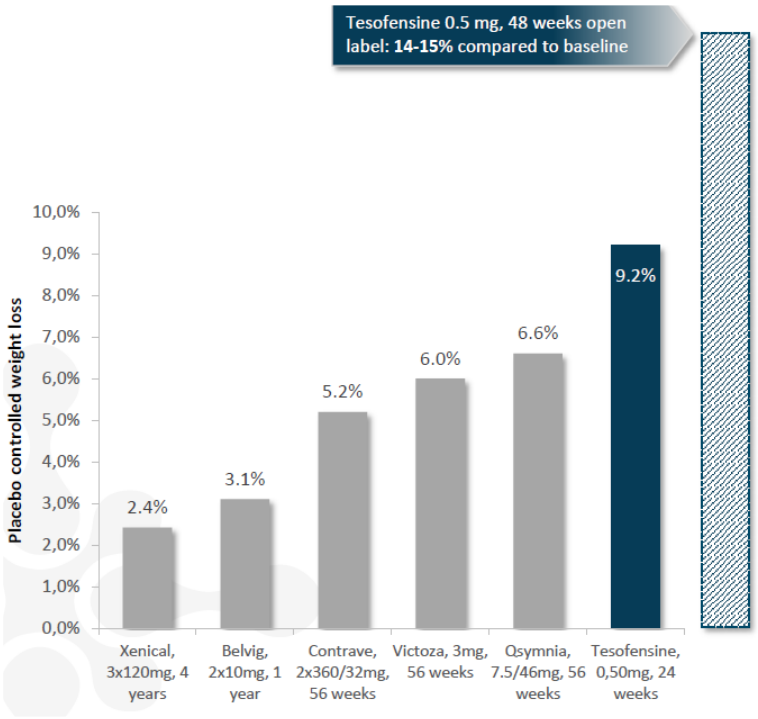
Results at 48 weeks suggest Tesofensine could be used as an alternative to surgery and could double weight loss compared to competitors.

Reduction in bodyweight versus baseline



Source: Saniona AB, Alpha Deal Group

Reduction in bodyweight versus competing drugs



- Randomised, double-blind, placebo controlled trial in five Danish obesity management centers
- 203 patients were enrolled:
  - 52 received placebo
  - 52 assigned to 0.25mg tesofensine group
  - 50 assigned to 0.50mg tesofensine group
  - 49 assigned to 1.00mg tesofensine group
- All patients were prescribed an energy restricted diet with a daily energy deficit of 300kcal in addition to a gradual increase in physical activity of 30-60 minutes
- Primary endpoint: percentage change in bodyweight compared to baseline at 24 weeks

Phase 2b trial results

- Placebo: 2.0% average reduction
- 0.25mg tesofensine: 6.5% average reduction
- 0.50mg tesofensine: 11.2% average reduction
- 1.00mg tesofensine: 12.6% average reduction
- Adverse effects similar to placebo with an increase in heart rate compared to baseline

Follow up results

- An open label study was conducted to follow patients for a further 24 weeks after the Phase 2 trial. At 48 weeks patients had lost 14- 15% in bodyweight compared to baseline
- The results at 48 weeks suggest tesofensine could be competitive to surgery which usually result in 15-20% reduction in bodyweight

Phase 3 clinical trial

In April 2017, the Company announced that the Mexican regulatory authority, Cofepris, has approved Medix's Phase 3 clinical study for Tesofensine in obese Mexican patients. This Phase 3 study will include 372 patients at two sites in Mexico under the management of Medix. Medix expects to initiate the study following importation and subsequent release of the drug product. The trial is expected to be completed within two years from initiation.

The primary objective of this Phase 3 study is to evaluate efficacy and safety of tesofensine in adult Mexican patients with obesity. This randomized, double-blind, placebo-controlled, parallel-arm, Phase 3 clinical trial will include up to 372 ambulatory adult patients with obesity. The patients are randomized into three arms with 124 patients in each arm receiving either 0.25 mg tesofensine, 0.5 mg tesofensine or placebo tablets once daily.

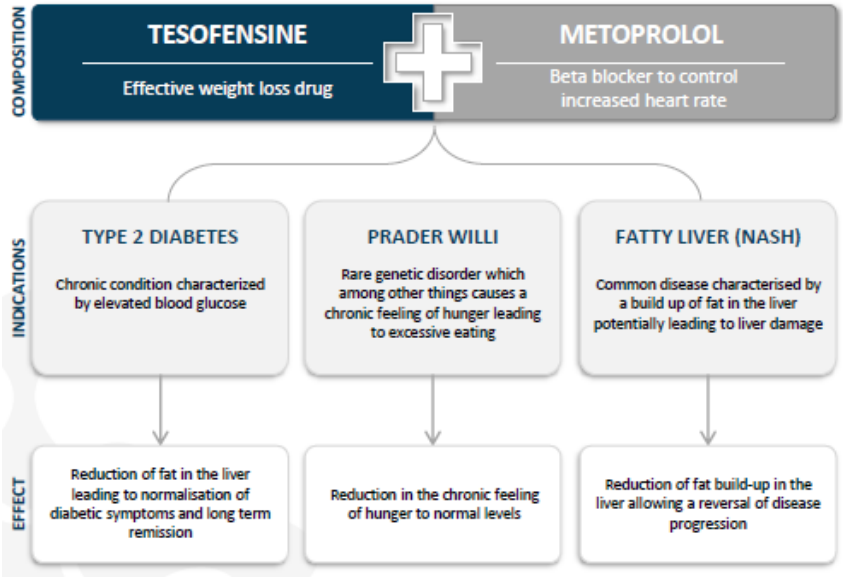
The study starts with a 2-week run-in period followed by 24 weeks treatment period. The primary endpoint is absolute and percent change in body weight over the treatment period. Secondary endpoints include proportions of patients achieving a weight loss of more than 5 and 10 percent respectively, metabolic including glycaemic endpoints, as well as quality of life, comprehensive tolerability and safety evaluation.

Medix Phase 3 study

Medix to initiate Phase 3 in 2017 and could potentially be on the market before 2020

- Randomised, double-blind, placebo controlled trial in Mexican population
- 372 patients to be enrolled
    - 124 will receive placebo
    - 124 will receive 0.25mg Tesofensine
    - 124 will receive 0.50mg Tesofensine
- All patients are prescribed an energy restricted diet with a daily energy of 1,500-2,000 kcal in addition to a physical activity of 20-40 minutes
- Primary endpoint: percentage change in bodyweight compared to baseline at 24 weeks
- Secondary endpoints include:
    - proportions of patients achieving a weight loss of more than 5 and 10 percent respectively,
    - metabolic including glycaemic endpoints,
    - quality of life

Tesomet for treatment of type 2 diabetes



Source: Saniona AB, Alpha Deal Group

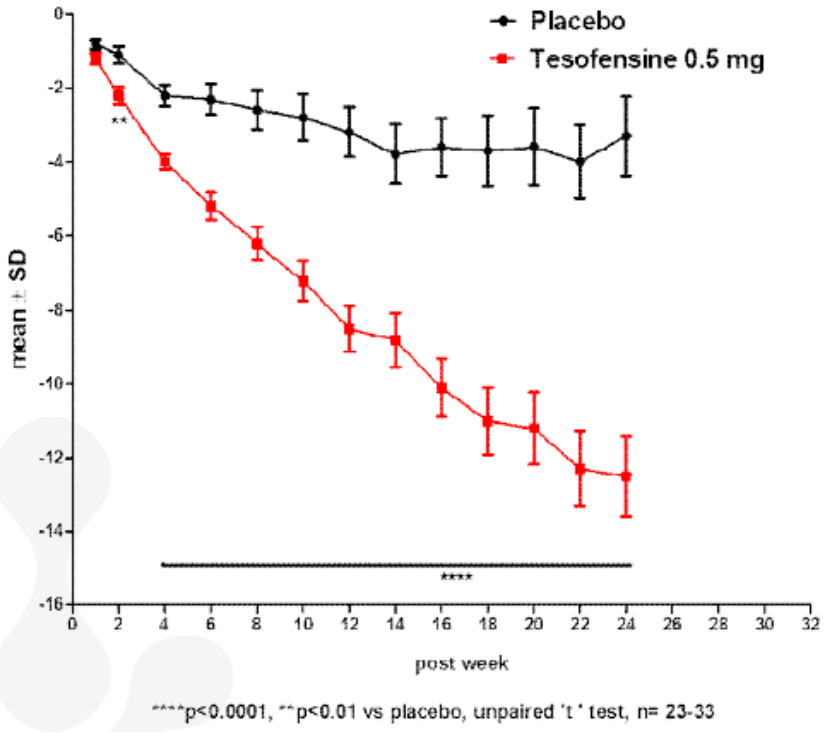
Tesomet is a fix-dosed combination of tesofensine and metoprolol. Tesofensine provides robust weight loss in obese patients and in addition to treatment of obesity, tesofensine also has the potential to reverse the progression of type 2 diabetes by reducing liver fat.

In 2015, Saniona published new results showing that metoprolol blunted the increase in heart rate caused by tesofensine in volunteers in a Phase 1 study and results from datamining of previous clinical studies, which show that tesofensine improved glycaemic parameters in prediabetes individuals participating in a Phase 2 obesity study.

Retrospective analysis on pre-diabetics in TIPO-1 study

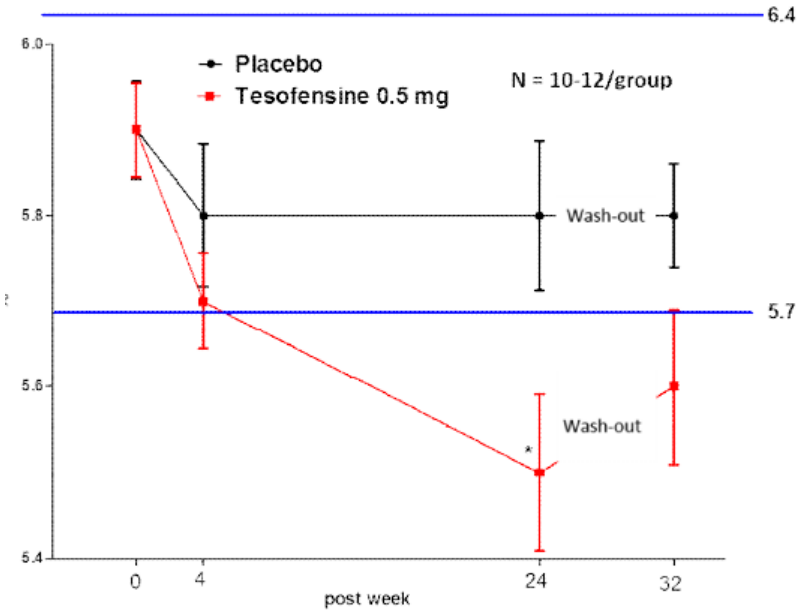
Tesofensine induces weight loss and reduces HbA1c in overweight pre-diabetics

Pre-diabetics obtain significant weight loss



Source: Saniona AB, Alpha Deal Group

Pre-diabetics obtain normalization of HbA1C



Source: Saniona AB, Alpha Deal Group

In 2016, Saniona performed a Phase 2a clinical trial for Tesomet in type 2 diabetes patients. Top line positive data from this clinical trial was presented in January 2017. The primary endpoint showed statistically significant reduction in heart rate for patients treated with Tesomet compared to placebo. Furthermore, the key secondary and exploratory endpoints regarding body weight and waist circumference also showed statistically significant reductions compared to placebo. Glycemic secondary endpoints were not statistically significantly different from placebo in this rather short study.

The clinical trial achieved a positive outcome on the primary endpoint with a statistically significant reduction in heart rate for patients treated with Tesomet. The Phase 2a trial comprised a total of 60 patients of which 58 completed the trial. The two patients, who did not complete the trial, were both in the placebo group. The most frequently reported adverse events in patients treated with Tesomet (incidence >=10%, n>=3) were dry mouth, nausea, impaired gastric emptying, fatigue, sweating, muscle spasm, dizziness, headache, and restlessness. Apart from fatigue, muscle spasm and restlessness were also reported in patients dosed with placebo.

The 24 hours mean heart rate was reduced by an average of 4.3 beats per minute (bpm) for patients treated with Tesomet compared to an average decrease of 0.2 bpm for patients dosed with placebo. In addition, there was a numerical reduction related to the secondary endpoints on systolic and diastolic blood pressures. Systolic and diastolic blood pressures were, respectively, numerically reduced by an average of 3.1 and 2.2 mmHg for patients treated with Tesomet compared to an average decrease of 0.7 and 0.2 mmHg for patients dosed with placebo.

Primary Endpoint

- Demonstrate that Metoprolol can counteract Tesofensine's heart rate effects

Secondary Endpoint

ENDPOINT	RELEVANT INDICATION
Effect on glycaemic endpoints	Type 2 diabetes
Sustained efficacy of Tesomet on weight loss	Type 2 diabetes, Prader Willi, Fatty liver
Effect on liver fat	Fatty liver and type 2 diabetes

Source: Saniona AB, Alpha Deal Group

Tesomet meets primary endpoint

- Heart rate reduced with of 4.3 bpm (p=0.0038 versus placebo)

Tesomet reduce body weight, blood pressure and liver fat

- Body weight reduced with 3.5 kg (3.5%) (p<0.0001 versus placebo)
- Waist circumference reduced with 2.29 cm (p<0.01 versus placebo)
- Numerical reduction in blood pressure
  - Systolic reduced by 3.1 mmHg (p=0.152)
  - Diastolic reduced by 2.2 mmHg (p=0.138)
- Numerical reduction in liver fat content of 8.3% whereas placebo increased with 11.1% (p=0.0625)
- Glycemic secondary efficacy endpoints not significantly reduced in this rather short 12-week study

In **April 2017**, announced that it has initiated a Phase 2a clinical study in Czech Republic and Hungary for Tesomet in patients with Prader-Willi syndrome (PWS). It is an orphan disease and Saniona plans to apply for orphan disease designation to both the EMA and FDA. The first three patients have been randomized to either receive Tesomet or placebo. It is an exploratory study in a limited number of patients and includes an interim safety review. The study is expected to take approximately a year from initiation. The objectives of this Phase 2a study are to examine the efficacy, tolerability, safety, and pharmacokinetics of Tesomet in patient with PWS.

This exploratory randomized, double-blind, placebo-controlled study may ultimately include up to 30 patients where patients will either receive Tesomet (tesofensine 0.5 mg + metoprolol 50 mg daily) or matching placebo (3:2 randomization) for a total of 12 weeks. The study is divided into two parts. The first part of the study will include 10-15 adult patients with PWS. The second part of the study may potentially include 10-15 adolescents with PWS.

The primary endpoint is change in body weight over 12 weeks of treatment compared to placebo. The secondary objectives are to examine eating behavior, food craving, body composition, lipids and other metabolic parameters. The study also includes comprehensive assessments of tolerability, safety and pharmacokinetic parameters in this patient population. The tesomet product is covered by several patent applications and certain issued patents which together may provide patent protection until 2036.

Next step for Tesomet

Prepare for long term Phase 2b and Phase 3 studies by Saniona or together with a partner

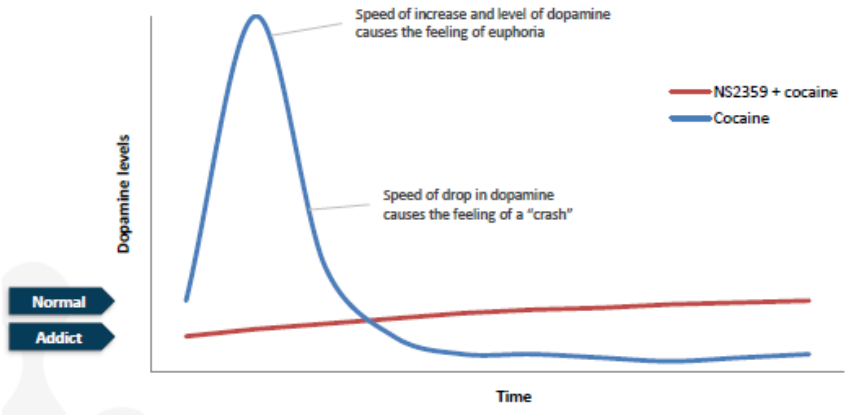
- Increase data package in order to enable long term studies with combination product
  - Long term preclinical studies on combination
  - Phase 1 clinical study on the fixed dose combination pill
- Indications and patient population for consideration
  - Type 2 diabetes or subgroup of type 2 diabetes patients (e.g. maximum x years from diagnosis)
  - Obesity or obese diabetics
  - Binge eating, Nash
  - Prader Willi (potential phase 3)
- Major Phase 2b design elements
  - Multi arm study
  - 6 months study
  - Diet and Exercise

NS2359 for treatment of cocaine addiction

NS2359 is a triple monoamine reuptake inhibitor, which blocks the reuptake of dopamine, norepinephrine, and serotonin and which may displace the dopamine reuptake inhibitor cocaine from the dopamine transporters. NS2359 dissociates slowly from the transporters and has a long human half-life (up to 10 days) which makes frequent dosing unnecessary. The Company acquired NS2359 from NeuroSearch in October 2014.

NS2359 blunts highs and subsequent lows associated with cocaine

NS2359 administered together with cocaine NS2359 normalizes dopamine levels in addicts and blunts highs and lows after cocaine



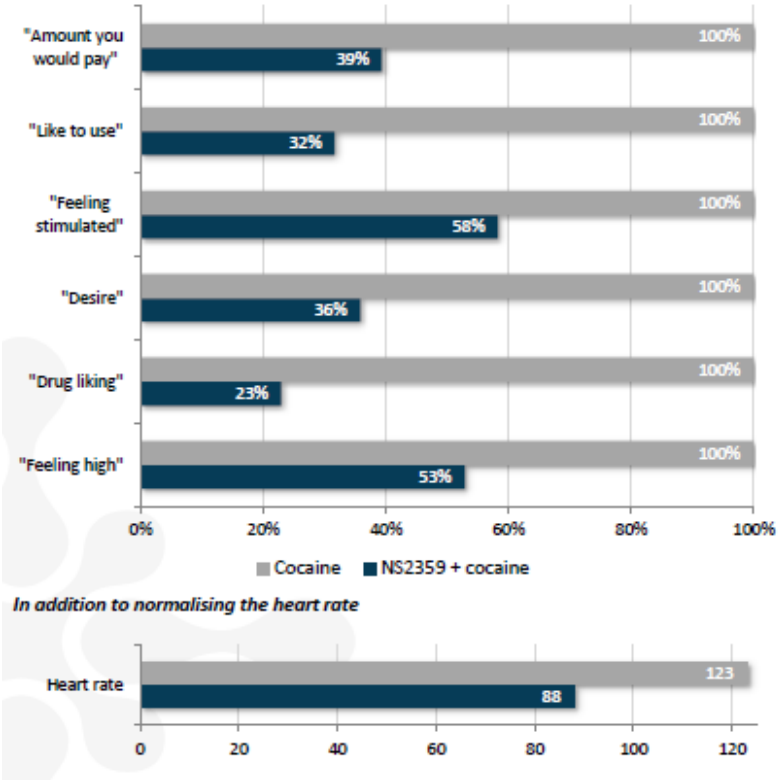
Source: Saniona AB, Alpha Deal Group

In preclinical trials, NS2359 has been shown to reduce the reinforcing effects of cocaine and may have effects on cue induced drug craving. In a NIDA sponsored Phase 1 human laboratory interaction study, NS2359

reduced the rewarding valence of 20 or 40 mg of cocaine, and it attenuated the cardiovascular effects of IV cocaine. Phase 1 data in 24 psychostimulant cocaine users shows NS2359 reduces the attractiveness of cocaine to addicts in multiple factors. Furthermore, other human trials with NS2359 have shown that the drug has little or no abuse potential.

Phase 2a Study

Phase 1 data supports NS2359's efficacy



Source: Saniona AB, Alpha Deal Group

Phase2a: High Development Plan

- 80 cocaine addicts with two arms: placebo versus NS2359
- 8 weeks treatment

Primary Endpoint

- Abstinence from cocaine during the last 2 weeks of treatment

Secondary Endpoint

- Reduce craving for cocaine and withdraw symptoms
- Reduce amount of alcohol consumption
- Reduce smoking
- Improved cognitive ability

In **2015**, the Company granted rights to perform a Phase 2 trial for its compound NS2359 to the University of Pennsylvania's Treatment Research Center (TRC). TRC intends to apply for public funding with the aim of conducting a Phase 2 clinical trial for NS2359 for treatment of cocaine addiction.

In **June 2016**, TRC initiated recruitment of patients in a Phase 2a study for NS2359. Today there are no approved drugs to treat cocaine addiction. The study is conducted by TRC at the University of Pennsylvania's treatment facility at the PENN / VA Center for the Studies of Addiction (CSA). The primary objective of the Phase 2a study is to examine whether NS2359 leads to abstinence from cocaine during the last 2 weeks of treatment. The secondary objective is to investigate whether NS2359 provides a reduction in craving for more cocaine, a reduction in withdrawal symptoms, a reduction in alcohol consumptions and smoking and whether NS2359 provides improved cognitive ability. The double blind, placebo controlled study comprises a total of up to 80 patients, where half of the patients will receive NS2359 and half of the patients will receive matching placebo for a total of 8 weeks. The study is supported by grants from the Dana Foundation and the Groff Foundation.

Pre- Clinical Programs

GABAA α2/α3 program for neuropathic pain

Source: Saniona AB, Alpha Deal Group

The GABAA α2 and α3 subunit receptors are expressed by nerves in the spinal cord that control the pain signalling to the brain. It is this control center which is malfunctioning in many patients with neuropathic pain. Saniona's α2/α3 compounds selectively work on receptors containing the α2 and α3 proteins without efficacy on the main GABAA receptors in the

brain, including the α1 protein subunit, which is responsible for the sedative and hypnotic effects of unspecific GABAA compounds such as Valium®. By specifically modulating the GABAA α2 and α3 receptor subunits, Saniona's α2/α3 compounds are expected to rebuild or improve the body's own pain regulating system in the spinal cord without promoting unwanted side effects such as sedation.

Preclinical studies with AN363, and several other compounds from the series, have confirmed efficacy in animal models of neuropathic pain without the sedative effect. Also, human studies with an analogue (AN721) to AN363 supports that this concept can be extended to humans.

Neuropathic pain is caused by a lesion or dysfunction of the central or peripheral nervous system following diseases such as diabetes, varicella zoster, cancer and HIV or mechanical lesion and trauma or the use of drugs such as chemotherapy. Neuropathic pain is often chronic and irreversible. Saniona has finalized the preclinical toxicology studies for AN363. In May 2016, Saniona announced that AN363 development is put on hold. Instead, extended non GLP preclinical studies on a backup compound to AN363 will be initiated with the aim to bring this compound forward towards clinical development.

Boehringer Ingelheim program for schizophrenia

In August 2016, the Company signed a collaboration agreement with Boehringer Ingelheim for the treatment of schizophrenia. The companies entered into a research collaboration with the objective to discover and develop novel compounds. Saniona may receive up to €90m in milestone payments including an upfront payment of €5m upon signing of the agreement. Furthermore, Saniona is eligible to receive royalties on worldwide net sales of any resulting products under the collaboration.

The joint research activities aim to identify compounds that could be capable of restoring brain network activity in patients with schizophrenia. The neuronal activity in the brain of such patients can be impaired by a functional imbalance between stimulating (excitatory) and inhibitory transmission of signals between neurons. The program is in the late drug discovery phase.

IK program for treatment of Inflammatory Bowel Disease

IK channel antagonists represent a novel first in class anti-inflammatory treatment in inflammatory bowel disease (IBD). In preclinical colitis models selective IK channel antagonists (including AN346) have demonstrated robust pharmacological effect in different species. T-cell activity is regulated by modulation of IK channels that are up-regulated in activated T cells and generate the driving force during activation and proliferation of T-helper cells. Blocking IK channels is therefore a novel potential therapeutic strategy for the treatment of peripheral autoimmune/inflammatory indications such as IBD, rheumatoid arthritis, fibrosis and central neuro-inflammatory diseases such as multiple sclerosis. The program is in the late drug discovery phase.

Luc Therapeutics program for treatment of Ataxia

The Company has a drug discovery and development collaboration with Luc Therapeutics, which merged with Saniona's previous partner and spinout Ataxion Inc. in March 2017. The collaboration focuses on research of new small molecule therapeutics for treatment of ataxia.

Ataxia is a group of orphan genetic disorders termed hereditary ataxias. These diseases are characterized by dysfunction or degeneration of the cerebellum – the brain's motor coordination center. Patients with these conditions develop severe difficulties walking, speaking, and performing daily activities. Therefore, these debilitating set of conditions severely affect quality and duration of life. The Ataxia-program represents the first targeted pan-ataxia treatment to this grossly underserved patient population. The program is in the late drug discovery phase.

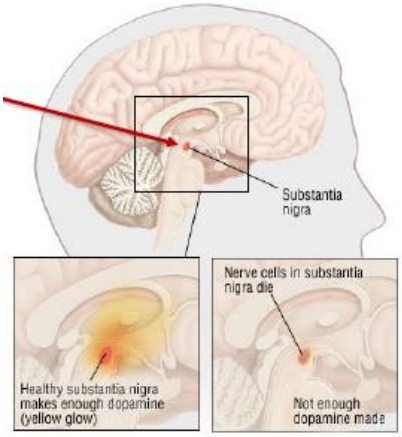
Luc Therapeutics has a partnership with global leader Novartis. Saniona will hold a 7.1 % ownership in the merged Luc Therapeutics and maintain rights to royalties of marketed products from the Ataxia program. The merged Luc Therapeutics will have a focus on Precision Medicine for psychiatric and neurological diseases and have three active development programs in the pipeline.

Proximagen program for neurological disorders

Saniona has entered into a drug discovery and development collaboration with Proximagen. The collaboration focuses on research of new small molecule therapeutics for neurological disorders, using Saniona's expertise in ion channels and related technology platforms. The program is in the drug discovery phase. Proximagen has exclusive worldwide rights to develop, manufacture and commercialise medicines identified through the collaboration.

Under the terms of the agreement, Saniona has received upfront and research funding during the research period. Furthermore, Saniona will receive milestone payments upon the achievement of certain research, development and regulatory milestones. The potential value of the milestone payments is up to $30m. In addition, Saniona will receive tiered royalties on net sales of any potential products commercialised by Proximagen as a result of this collaboration.

Nicotinic α6 program for Parkinson's diseases



Source: Saniona AB, Alpha Deal Group

Nicotinic acetylcholine (nAChRs) receptors are ligand-gated ion channels that are activated by acetylcholine under physiological conditions. The α6 subtype exhibits an extremely localized expression mainly confined to dopaminergic neurons in the area of the brain affected in Parkinson's disease patients where they act as important regulators of dopamine signaling. Saniona has identified selective positive allosteric modulators (PAMs) of α6 containing receptors and furthermore demonstrated that these PAMs increase the affinity for acetylcholine. Selective PAMs have the potential to slow or stop neurodegeneration seen in Parkinson's disease. Saniona has received a grant from The Michael J. Fox Foundation for Parkinson's Research and the program is in the drug discovery phase

In April 2017, the Company announced has reached the second research milestone for identifying new drug candidates for the treatment of Parkinson's disease. The achieved milestone releases a payment of $119,487 (about SEK1m). The Saniona research team is the first to present small molecules that specifically facilitate the function of nicotinic alpha-6 receptors leading to an augmentation in dopamine signalling.

AN788 for treatment of depression

AN788 is a novel clinical candidate for second line treatment of Major Depressive Disorder (MDD). AN788 has a unique dual (serotonin-dopamine) reuptake inhibition profile distinct from the known plethora of monoamine reuptake inhibitors. AN788 has been administered to healthy volunteers in a single ascending dose study and in a PET study, demonstrating orderly pharmacokinetics and attaining levels of occupancy at serotonin and dopamine transporters. AN788 is ready for Phase 1 multiple ascending doses in man with a partner or as an investment opportunity in spin-out.

AN761 for cognitive disorders in schizophrenia and Alzheimer's disease

AN761 is a nicotinic α7 agonist to be developed for cognition deficits in schizophrenia and Alzheimer's disease. AN761 is potently effective in a wide range of animal models of cognition, and demonstrates clear target

engagement. Preclinical toxicology is completed, clinical trial material is available and AN761 is ready for Phase I MAD studies with a partner or as an investment opportunity in a spin-out.

Valuation

As is usually the case with early-stage biotech companies, finding a correct valuation is challenging as they tend to be loss-making for long periods of time and the final outcomes of ongoing and future clinical trials are hard to predict. We have used a probability-adjusted cash flow model in which each individual project is valued over its anticipated possibility to generate revenues (SOTP). The net present value is calculated based on a WACC of 15.4%. Based on these projects and the acquisition of remaining interest in NeuroSearch, we calculate a fair value of c. SEK76 per share which represents almost 65% upside to current share price levels. During the past year, the Company has moved from a biotech company with programs in discovery to a biotech company with several programs in late stage clinical development. The Company has entered into several new collaborations with pharmaceutical companies. It has a broad and mature pipeline of internal and partnered pharmaceutical programs in indications with significant medical need. Further, we believe that the June 2017 listing on the Nasdaq Stockholm will create better conditions to broaden the shareholder base and provide the Company access to the international capital markets.

Saniona – cash flow valuation

Project	Indication	Probability of success	Peak sales ($mn)	Possible launch	NPV (SEKmn)
Tesomet	Obesity/ T2D	35%	1,200	2022	690
Tesomet	Prader Willi Syndrome	25%	280	2021	177
Tesofensine	Obesity	50%	175	2020	105
NS2359	Cocaine addiction	15%	500	2021	206
Boeringer Ingelheim	Schizophrenia	12%	1,350	2024	178
IK Programme	IBD	9%	1,700	2024	119
Upsher Smith	Neurological diseases	9%	5,500	2025	52
Nic-a6	Parkinson's	5%	1,200	2026	57
Ataxion	Ataxia	10%	1,200	2024	26
AN-363 backup	Nurophatic pain	5%	1,200	2024	25
EV (SEKm)					**1,635**
Net cash (SEKm)					42
7.1% stake in Luc Therapeutics					34
Accumulated admin costs (SEKm)					(51)
Market value (SEKm)					**1,660**
Number of shares, full dilution (million)					22
Share price estimate (SEKm)					**76**

Source: Saniona AB, Alpha Deal Group

Note: Adjusted for expected royalties

Relative Valuation

Our peer group valuation examines the Company relative to a group of peer companies with clinical assets at the same stage as Saniona. Saniona currently trades at a market cap of $121.2m. We at Alpha Deal Group consider an investment in Saniona as a long-term wealth creation opportunity. The stock has the potential to move up on the back of positive news. It has many future potential inflection points including Phase 3 for tesofensine in obesity, Tesomet Phase 2a studies for PWS and several programs for partnering or spin-outs. The Company's stock is trading at a significant discount to its intrinsic value. We think the intrinsic value of the company is SEK 76.0 per share; this is an upside of 65% from the current market price of SEK 46.0 per share.

Company	Tickr	HQ	Market Cap. ($m)	Enterprise Value ($m)	EV/Revenue (LTM)	EV/EBITDA (LTM)	P/E (LTM)	Development Stage
OPKO	NasdaqGS:OPK	US	3686.4	3658.6	3.0x	102.5x	NM	Phase II/ III
Ironwood Pharmaceuticals	NasdaqGS:IRWD	US	2559.2	2653.2	10.2x	NM	NM	Phase II
Ligand Pharmaceuticals	NasdaqGM:LGND	US	2584.1	2653.2	24.3x	90.7x	NM	Phase II/III
Lexicon Pharmaceuticals	NasdaqGS:LXRX	US	1757.4	1598.7	17.9x	NM	NM	Phase II/III
Zealand Pharma	CPSE:ZEAL	Denmark	525.9	486.9	10.2x	NM	NM	Phase III
Alligator Bioscience	OM:ATORX	Sweden	248.1	170.6	79.9x	NM	NM	Phase I
Xbiotech	NasdaqGS:XBIT	US	248.1	114.8	NM	NM	NM	Phase II
Xoma	NasdaqGM:XOMA	US	55.1	61.7	33.2x	NM	NM	Phase II
Viking Therapeutics	NasdaqCM:VKTX	US	169.4	23.2	NM	NM	NM	Phase II
Mean			**1314.8**	**1269.0**	**25.5x**	**96.6x**	**NM**	
Median			**525.9x**	**486.9x**	**17.9x**	**96.6x**	**NM**	
Saniona AB	OM:SANION	Denmark	121.2	116.1	14.4x	NM	NM	Phase III

Source: Saniona AB, Alpha Deal Group, Capital IQ

Management Team

Jorgen Drejer (Co-founder and Chief Executive Officer)

Jorgen co-founded the company in 2011 and then became its CEO since the company's founding. He is the co-founder of NeuroSearch. He has been Member of the Executive Management of NeuroSearch A/s since 2000. He served as an Executive Vice President and Director of Drug Discovery at NeuroSearch AB, NeuroSearch A/S and NeuroSearch Sweden AB. He has been a Director of Origio A/S since 1998. He has been a Director of Saniona AB since 2014 and DELTA Danish Electronics, Light & Acoustics. He serves as a Director of Delta A/S, Atonomics A/S, NsGene A/S, Poseidon Pharmaceuticals A/S and Azign Bioscience A/S. He also holds a board seat at the Danish National Research Council. He served as a Director of NeuroSearch A/S from 1990 to April 28, 2004. He is a Member of the Danish Academy for Technical Sciences. Dr. Drejer is the author of more than 75 peer-reviewed articles. He holds Ph.D. degree in Neurobiology from the Royal Danish School of Pharmacy (now University of Copenhagen).

Thomas Feldthus (Co-founder and Chief Financial Officer)

Thomas co-founded the company in 2011 and then became its CFO since the company's founding. He co-founded Symphogen in 2000 and served as its CFO. Mr. Feldthus served as the CFO of WntResearch AB. He served as a VP, Business Development at Symphogen. Mr. Feldthus served as an Investment Manager of Novo. He served as a Corporate Development Manager and Investment Manager of Novo Nordisk and prior to that, Director of Business Development at Cheminova Agro. He served as a Director of Saniona. He has an extensive experience with business development, international sales, marketing and project management. Mr. Feldthus is Co-Founder and Director of Leukotech. He holds a M.Sc. from the Technical University of Denmark and an MBA (Sloan Fellow) from London Business School.

Palle Christophersen (Co-founder and Chief Scientific Officer)

Palle co-founded the company in 2011 and then became its CSO since the company's founding. He served as VP and Director of In Vitro Pharmacology of NeuroSearch. He was the VP and Scientific Director of Ion Channel Target Discovery at NeuroSearch Sweden. He has worked for NeuroSearch. Dr. Christophersen served as a Scientific Director, Ion Channel Research of NeuroSearch As. He joined NeuroSearch as Research Scientist in electrophysiology and served as project manager, where he developed the NeuroPatch system (spun out in Sophion Bioscience, 2000) and discovered Endovion for sickle cell anemia and cancer. He has

authored more than 60 peer-reviewed articles and is inventor of more than 60 patents. Dr. Christophersen holds a Ph.D. in physiology from the University of Copenhagen.

Board of Directors

Claus Bræstrup (Chairman)

Claus is serving as the Chairman since the company's founding. He also serves as the Chairman of Saniona A/S, board member of Bavarian Nordic, Evolva & Evotec and CEO of Kastan Aps. Previously he served as CEO of H. Lundbeck, Executive Vice President for Research and Development of H. Lundbeck, CEO of Nordic Biotech General Partner II ApS, Chairman of the Board of Directors of Probiodrug AG and Member of the Board of Santaris Pharma and Gyros AB.

Jorgen Drejer (Co-founder and Chief Executive Officer)

Jorgen co-founded the company in 2011 and then became its CEO since the company's founding. He is the co-founder of NeuroSearch. He has been Member of the Executive Management of NeuroSearch A/s since 2000. He served as an Executive Vice President and Director of Drug Discovery at NeuroSearch AB, NeuroSearch A/S and NeuroSearch Sweden AB. He has been a Director of Origio a/s since 1998. He has been a Director of Saniona AB since 2014 and DELTA Danish Electronics, Light & Acoustics. He serves as a Director of Delta A/S, Atonomics A/S, NsGene A/S, Poseidon Pharmaceuticals A/S and Azign Bioscience A/S. He also holds a board seat at the Danish National Research Council. He served as a Director of NeuroSearch A/S from 1990 to April 28, 2004. He is a Member of the Danish Academy for Technical Sciences. Dr. Drejer is the author of more than 75 peer-reviewed articles. He holds Ph.D. degree in Neurobiology from the Royal Danish School of Pharmacy (now University of Copenhagen).

Leif Andersson (Director)

Leif serves as the Director of the company since 2014. He serves as Partner and Head of International Client Development at Trimedia/Sund Kommunikation and is a Co-Founder. He has over 30 years' experience of communication, partly as a Journalist at Dagens Industri, Norway's Aften-Posten and other newspapers and as News Manager for Danish business publication Børsen. He started his career as a journalist in the mid 1980s and has worked for Dagens Industri and Børsen among others. He served as Head of the Communication business area for Carta Booz, Allen & Hamilton in Denmark and Communications Director and a member of Framfab's corporate management team. He served as Business Head in the management consultancy company Booz, Allen & Hamilton and as

Vice President of communications and member of the management team in Framfab. He has been a Director of Saniona AB since 2014.

Carl Johan Sundberg (Director)

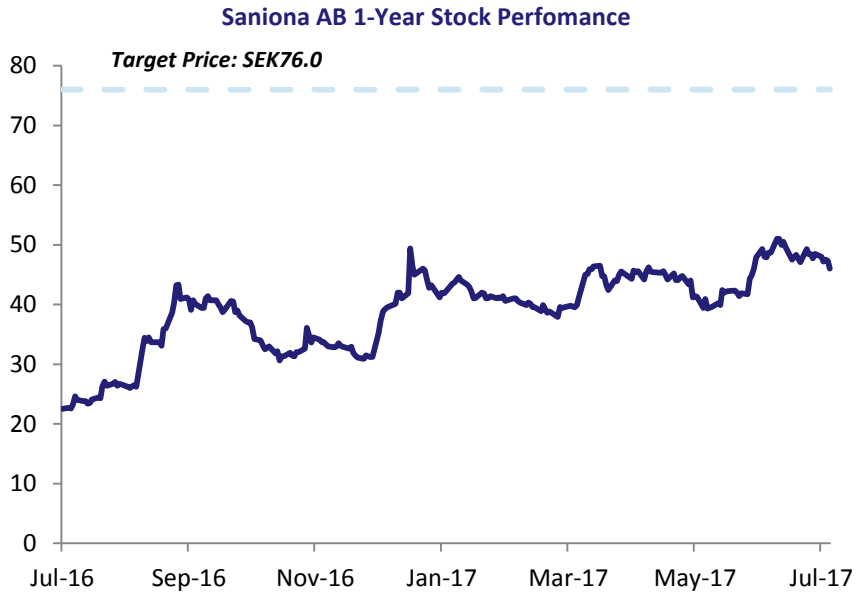
Carl serves as the Director of the company since 2015. He served as an Investment Director at KI Management AB. Dr. Sundberg is also a Certified Physician and Associate Professor also works with human physiology research at the Department of Physiology and Pharmacology, Karolinska Institutet. He also conducts research on genetic expression in human skeletal muscles and is a Project Manager (part-time) at the Center for Medical Innovations and Karolinska Institutet and KI's Project Manager in SSES. He is the Course Director for several industry training programs including Science-Based Companies; Medicine for Journalists; Medicine/Drug Discovery for the Financial Industry; and Biotechnology for Decision Makers. These courses have built on the experience Dr. Sundberg gained from founding and managing his own medical education company. He has experience of Medical Journalism at Svenska Dagbladet Annons AB and ABC Television, USA. He was a Medical Journalist at ABC, Inc. He has extensive experience from science communication, having designed several medical exhibitions at science centers and having worked in the Medical Units of Swedish and American media. He has also published some 20 popular scientific articles in leading public media and is a licensed Physician (M.D.) from Karolinska Institutet and also holds a Ph.D.

Saniona AB (OMX: SANION) Financials

All numbers are in (SEK 000's)	Annual		
Income Statement	**Dec-14**	**Dec-15**	**Dec-16**
Net Sales	21,718	13,630	74,921
Total operating income	**21,718**	**13,630**	**74,921**
Expenses			
Raw materials and consumables	(1,729)	(2,050)	(1,476)
Other external costs	(15,022)	(23,926)	(51,098)
Personnel costs	(12,465)	(14,966)	(17,805)
Depreciation and write-downs	(760)	(763)	(384)
Total Expenses	**(29,976)**	**(41,705)**	**(70,763)**
Loss from Operations	**(8,258)**	**(28,075)**	**4,158**
Financial income	559	-	991
Financial expenses	(39)	(1,183)	(234)
Total financial items	**520**	**(1,183)**	**757**
Profit/loss after financial items	(7,738)	**(29,258)**	**4,915**
Tax on net profit	1,831	6,311	(2,696)
Profit/loss for the year	(5,907)	(22,947)	2,219
Balance Sheet			
Current assets			
Cash and cash equivalents	9,689	47,005	53,261
Other current assets	3,684	8,369	14,804
Total Current Assets	**13,373**	**55,374**	**68,065**
Tangible assets	1,273	753	1,184
Financial assets	815	1,547	1,519
Total Assets	**15,461**	**57,674**	**70,768**
Liabilities			
Prepayments from customers	-	-	3,006
Trade payables	2,229	2,868	6,225
Other liabilities	4,451	1,862	7,286
Total Liabilities	**6,680**	**4,730**	**16,517**
Equity			
Share capital	694	1,042	1,042
Additional paid-in-capital	-	83,323	83,323
Others	8,086	(31,422)	(30,113)
Shareholders equity	**8,780**	**52,943**	**54,252**
Liabilities and Shareholders equity	**15,461**	**57,674**	**70,769**
Cash flow statement			
Operating activities			
Operating loss before financial items	(8,258)	(28,075)	4,156
Adjustments for non-cash items:			
Depreciation	760	763	384
Changes in working capital	(980)	(325)	2,656
Others	520	(1,183)	757
Cash flow from operating activities	**(7,958)**	**(28,820)**	**7,953**
Investing activities			
Investment in tangible assets	(805)	(242)	(816)
Investment in other financial assets	(51)	(732)	-
Cash flow from investing activities	**(856)**	**(974)**	**(816)**
Financing activities			
New share issue	17,553	66,693	-
Dividends paid	-	-	(403)
Cash flow from financing activities	**17,553**	**66,693**	**(403)**
Cash flow for the period	**8,739**	**36,899**	**6,734**
Cash at the beginning of the period	914	9,689	47,004
Exchange rate adjustments	36	417	(477)
Cash and cash equivalents at end of period	**9,689**	**47,005**	**53,261**

All numbers are in (SEK 000's)	3 months ended	
Income Statement	**Mar-16**	**Mar-17**
Net Sales	15,853	7,539
Total operating income	**15,853**	**7,539**
Expenses		
Raw materials and consumables	(499)	(767)
Other external costs	(12,250)	(9,098)
Personnel costs	(4,067)	(5,130)
Depreciation and write-downs	(94)	(116)
Total Expenses	**(16,910)**	**(15,111)**
Loss from Operations	**(1,057)**	**(7,572)**
Financial income	3	-
Financial expenses	(546)	(296)
Total financial items	**(543)**	**(296)**
Profit/loss after financial items	**(1,600)**	**(7,868)**
Tax on net profit	(844)	1,501
Profit/loss for the year	(2,444)	(6,367)
Balance Sheet		
Current assets		
Cash and cash equivalents	48,877	42,249
Other current assets	8,956	12,459
Total Current Assets	**57,833**	**54,708**
Tangible assets	680	1,105
Financial assets	1,443	3,022
Total Assets	**59,956**	**58,835**
Liabilities		
Prepayments from customers	-	-
Trade payables	7,954	5,650
Other liabilities	1,622	5,249
Total Liabilities	**9,576**	**10,899**
Equity		
Share capital	1,042	1,042
Additional paid-in-capital	83,323	83,323
Others	(33,986)	(36,431)
Shareholders equity	**50,379**	**47,934**
Liabilities and Shareholders equity	**59,956**	**58,833**
Cash flow statement		
Operating activities		
Operating loss before financial items	(1,058)	(7,572)
Adjustments for non-cash items:		
Depreciation	94	116
Changes in working capital	3,415	(1,770)
Others	(543)	(296)
Cash flow from operating activities	**1,908**	**(9,522)**
Investing activities		
Investment in tangible assets	(21)	(37)
Investment in other financial assets	104	(1,503)
Cash flow from investing activities	**83**	**(1,540)**
Financing activities		
New share issue	-	-
Dividends paid	-	-
Cash flow from financing activities	**-**	**-**
Cash flow for the period	**1,991**	**(11,062)**
Cash at the beginning of the period	47,004	53,261
Exchange rate adjustments	(118)	50
Cash and cash equivalents at end of period	**48,877**	**42,249**

Target Price and Recommendation History



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