INTERIM REPORT FOR SANIONA AB (PUBL)
556962-5345
January - June 2018
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EXECUTING ON TESOMET ORPHAN STRATEGY AND APROACHING CONCLUSION ON TESOFENSINE OBESITY PHASE 3 STUDY

Financial highlights

H1 2018 (H1 2017)

- Net revenues were SEK 8.1 M (11.9 M)
- EBIT was SEK -39.9 M (-25.4 M)
- Net profit/loss was SEK -33.0 M (-21.1)
- Earnings per share were SEK -1.51 (-1.00)
- Diluted earnings per share were SEK -1.51 (-1.00)

Q2 2018 (Q2 2017)

- Net revenues were SEK 3.8 M (4.3 M)
- EBIT was SEK -24.2 M (-17.9 M)
- Net profit/loss was SEK -19.6 M (
- Earnings per share were SEK -0.89 (-0.69)
- Diluted earnings per share were SEK -0.89 (-0.69)

Business highlights in Q2 2018

- Saniona progressed to second part of Phase 2a study for Tesomet in Prader-Willi Syndrome based on positive results in adult patients
- Saniona successfully completed a Phase 1 study with the new Tesomet tablet
- Saniona successfully completed the preclinical toxicology studies for Tesomet opening op for long-term clinical studies
- Saniona announced that it plans Phase 2a study for treatment of hypothalamic obesity
- Saniona gained full rights to BenevolentAI program following termination of collaboration
- Saniona awarded grant of SEK 1.4 million for Kv7 program

Significant events after the reporting period

- Saniona received research milestone payment of € 4 million (SEK 41.8 million) as a result of the candidate selection by Boehringer Ingelheim

Comments from the CEO

"The milestone from Boehringer Ingelheim in the third quarter finances the significant progress on our preclinical and clinical programs during the first half of 2018," says Jørgen Drejer, CEO of Saniona.

For more information, please contact

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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. Saniona has four programs in clinical development including three late stage clinical programs focused on the development of treatments to effectively regulate obsessions, cravings and addictions related to food and drugs. Saniona intends to develop and commercialize treatments for orphan indications such as Prader-Willi syndrome on its own and engage in partnerships with larger entities for development programs aiming to treat large indications such as obesity. The company's 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, Productos Medix, S.A de S.V and Cadent Therapeutics. Saniona's research center is based in Copenhagen, Denmark, and the company's shares are listed at Nasdaq Stockholm Small Cap (OMX: SANION). Read more at www.saniona.com.

Letter from the CEO

“Tesomet, our novel combination of tesofensine and metoprolol, holds the potential to provide a meaningful reduction in hyperphagia and weight in those suffering from not just obesity, but also rare eating disorders characterized by excessive appetite and cravings for food including Prader Willi Syndrome (PWS) and hypothalamic obesity. After observing promising efficacy signals in the first phase of our Phase 2a study in adults with PWS, we have initiated recruitment of patients for the second phase of the trial in adolescents. This exploratory study, which is a double-blind, placebo-controlled trial will enroll up to 10 adolescents with PWS who will receive low dose Tesomet or placebo over 12 weeks. In addition to our work in PWS, we are simultaneously planning to initiate a Phase 2a study using Tesomet for the treatment of hypothalamic obesity. We are currently discussions with several leading academic centres in Denmark and plan to initiate this study early next year.

Our new fixed-dose combination tablet of Tesomet was successfully validated clinically in May. The Phase 1 pharmacokinetic study demonstrated that it was possible to obtain clinically relevant and stable plasma levels of tesofensine and metoprolol in a wide dose range. Additionally, we successfully completed preclinical toxicology work that supports Tesomet’s safety in long term Phase 2 and 3 clinical trials.

After the end of the quarter we reported an important milestone in our Boehringer Ingelheim collaboration. The selection of a new drug development candidate in the schizophrenia program triggered a milestone payment of SEK 41.8 million (€ 4 million) in the third quarter. We have now received a total of € 9 million in upfront and milestone payments under this successful research collaboration. Saniona may receive up to € 90 million in upfront and milestone payments plus tiered royalties on net sales of any potential products commercialized by Boehringer Ingelheim as a result of this collaboration.

It is our objective that most of our internal operational costs shall be financed through revenues from collaboration agreements. The milestone from Boehringer Ingelheim covers the total investments made by Saniona during the first half of 2018. As it has been the case in previous years, the income from our research collaborations represents an important financial contribution for our investments in our own clinical programs.

Another recognition of our ion channel drug discovery platform came from the Danish Innovation Fund (DIF) granting us 1.4 MSEK for the development of our Kv7 program, in which we have regained all rights from BenevolentAI. All in all, we believe that our preclinical pipeline holds significant long-term value for our shareholders.

Importantly, we look forward to the completion of our Phase 3 program for tesofensine in Mexico with our partner, Medix. All patients in the study have now completed the 24-week treatment period in accordance to the protocol. The last patient is expected to complete the 3-month follow-up visit at the end of October, at which point Medix can start the data-lock procedure. Therefore, we are confident that the study will be completed in 2018 and that we will be able to report top-line data by early 2019. Mexico remains one of the top five countries struggling with an obesity epidemic with more than 7 out of 10 citizens categorized as overweight or obese but less than 1% are receiving any form of treatment. A successful Phase 3 trial may pave the way towards the submission of an application dossier in 2019 and potential double-digit royalties following market approval in Mexico and Argentina. Furthermore, the clinical data will provide us with additional validation for our clinical Tesomet programs.

We remain committed to making a profound impact on society and firmly believe that our late and early stage programs have the potential to treat some of the most significant health issues facing society today. We anticipate an increase in our clinical activities through the remainder of the year as we are progressing the second part of our Phase 2a trial in PWS and plan for a phase 2a study in hypothalamic obesity. We also look forward to the conclusion of our Phase 3 trial in obesity in Mexico, with our partner Medix and an interim analysis from the Phase 2 cocaine addiction study with our collaborators at the University of Pennsylvania. As always, we would like to thank our shareholders and partners for their continued support in the development of significant and novel therapeutics.”

Jørgen Drejer

CEO, Saniona AB

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 preclinical and clinical stage. The research is focused on ion channels. Saniona has ongoing collaboration agreements with Boehringer Ingelheim GmbH, Productos Medix, S.A de S.V and Cadent Therapeutics Inc.

Vision and objective

Saniona will be a leading biotech company focussing on treatments for CNS, autoimmune and metabolic diseases as well as the treatment of pain. Saniona's overall objective is to develop new treatments both in-house and together with partners that address significant unmet needs. Strategically the company intends to develop and commercialize treatments for orphan indications on its own and engage in partnerships with larger entities for development programs aiming to treat large indications such as obesity.

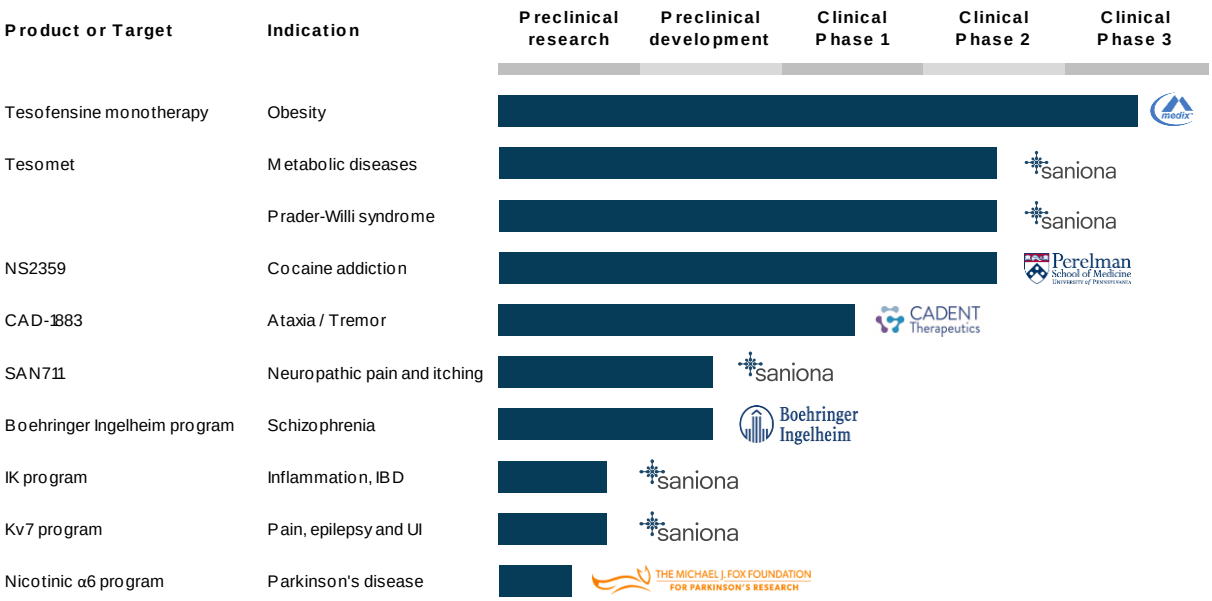
Strategy and business model

Saniona is developing products internally with the aim of attaining market approval itself in the U.S. and Europe for certain orphan indications where the required investments are limited, and the commercial opportunities appear to be very large. For example, Saniona is currently developing Tesomet for Prader Willi syndrome in the U.S. and Europe. Patients with Prader Willi syndrome suffer from extreme hyperphagia which can be life-threatening and lead to severe obesity if food access is not controlled. The disease has severe consequences for the patients and their families and it is at the same time very expensive for payors and society. There is a significant medical need for a product, which can provide weight loss and reduce hyperphagia in these patients. The market for such a product may consequently be significant despite a relative low number of patients. Furthermore, the required investments for developing Tesomet in this indication are comparatively small and the required commercial infrastructure for servicing these patients in the U.S. and Europe is manageable.

In addition to this, Saniona enters into research collaborations with pharmaceutical companies or is developing products internally with the aim of entering into a collaboration with a pharmaceutical company at a later stage. The structure of Saniona's collaboration agreements depend on the product, the indication, the investment and the risk as well as the interest and capabilities of Saniona's partners. In general, Saniona grants its partners commercial license to a limited territory or on world-wide basis, when it decides to develop a product in collaboration with pharmaceutical company. In exchange Saniona's partners typically finance future research and development activities and pay Saniona upfront payments, research funding, milestone payments and royalties on product sales when the product candidates are commercialized.

Project portfolio

Saniona has four programs in clinical development including three late stage clinical programs focused on the development of treatments to effectively regulate obsessions, cravings and addictions related to food and drugs. In total, the company has a portfolio of nine active drug development programs in clinical and pre-clinical stages, of which five are financed through partnerships or grants. Saniona's pipeline is set out below.



Market

Saniona's ongoing programs address significant market segments:

Target/Program	Indication	Market estimate
Tesomet	Prader-Willi syndrome	- Orphan indication > USD 1 billion[1]
Tesofensine	Obesity	- USD 250 million in Mexico[2]
NS2359	Cocaine addiction	> USD 1.8 billion[3]
SAN711	Neuropathic pain	> USD 6 billion[4]
Boehringer Ingelheim program	Schizophrenia	> USD 4.8 billion[5]
IK program	Inflammatory bowel disease	> USD 5.9 billion[6]
Nic-α6 program	Parkinson's disease	> USD 2.8 billion[7]
Kv7 program	Pain, epilepsy IU	
Cadent Therapeutic program	Ataxia	- Orphan indication

Apart from orphan indication such as Prader-Willi syndrome, where Saniona may develop and commercialise Tesomet on its own, Saniona will be dependent on major pharmaceutical companies' interest in purchasing, developing and commercializing projects from Saniona's pipeline of preclinical and clinical drug candidates. According to the Board's assessment, there is a well-developed market for licensing, sale, and establishment of research and development collaboration between smaller, research-intensive businesses and large pharmaceutical companies.

There is a significant need for new and innovative products for the pharmaceutical companies, which often have a limited number of products in their pipelines. Therefore, the market for out-licensing of new, innovative pharmaceutical projects and product programs are considered attractive. Importantly, within the field of ion channels, there are relatively few biotech companies supplying major pharmaceutical companies with research and development projects. Combined, this is creating interesting business opportunities for Saniona.

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1 *Financial analysts estimate that there is about 15-20,000 PWS patients in the US and Europe collectively and that the obtainable price level is USD 80,000 – 150,000 per patient per year, Leerink, JMP Securities, Canaccord Genuity, SunTrust Robinson Humphrey*

2 *Estimates of drugs for obesity in Mexico by Medix 2016*

3 *Estimates by TRC*

4 *Major markets 2012, Decision Resources*

5 *Schizophrenia Forecast 7 major market, Datamonitor, 2014*

6 *Major markets 2014, Datamonitor*

7 *The market for Parkinson's disease is estimated to be USD 2.8 billion in the 7 major markets in 2014, Datamonitor 2016*

Financial review

Financial key figures

		2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
Net sales, KSEK		3,769	4,347	8,109	11,886	20,692
Total operating expenses, KSEK		-27,903	-22,223	-47,973	-37,333	-77,881
Operating profit/loss, KSEK	*	-24,134	-17,876	-39,864	-25,448	-57,189
Operating margin, %	*	-640%	-411%	-492%	-214%	-276%
Cash flow from operating activities		-19,068	-9,661	-34,461	-20,627	-57,339
Cash flow per share, SEK	*	-0.31	1.05	-0.21	0.54	-1.41
Earnings per share, SEK		-0.89	-0.69	-1.51	-1.00	-2.30
Diluted earnings per share, SEK		-0.89	-0.69	-1.51	-1.00	-2.30
Average shares outstanding		22,061,610	21,286,811	21,916,149	21,065,369	21,416,810
Diluted average shares outstanding		22,449,905	21,350,811	22,304,444	21,129,369	21,519,102
Average number of employees, #		23.5	22.8	23.5	22.6	19.7
		2018-06-30		**2017-06-30**		**2017-12-31**
Cash and cash equivalent, KSEK		18,264		64,752		22,313
Equity, KSEK		24,397		66,323		37,628
Total equity and liabilities, KSEK		51,078		78,458		48,375
Liquidity ratio, %	*	138%		581%		377%
Equity ratio, %	*	48%		85%		78%
Equity per share, SEK	*	1.11		3.12		1.76

* = Alternative performance measures

Definitions and relevance of alternative performance measures
Saniona presents certain financial measures in the interim report that are not defined according to IFRS, so called alternative performance measures. These have been noted with an "*" in the table above. The company considers 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. The definition and relevance of key figures not calculated according to IFRS are set-out in the table below.

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.
Average number of employees	Average number of employees employed during the period.	This key figure may explain part of the development in personnel expenses and has been included to provide an impression of how the number of employees at the company has developed.
Equity per share	Equity divided by the number of outstanding shares 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 number of 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 measurers

	2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
Operation profit/loss, KSEK	-24,134	-17,876	-39,864	-25,448	-57,189
Net sales, KSEK	3,769	4,347	8,109	11,886	20,692
Operating margin, %	**-640%**	**-411%**	**-492%**	**-214%**	**-276%**
Cash flow for the period, KSEK	-6,931	22,334	-4,589	11,331	-30,134
Average shares outstanding	22,061,610	21,286,811	21,916,149	21,065,369	21,416,810
Cash flow per share, SEK	**-0.31**	**1.05**	**-0.21**	**0.54**	**-1.41**

	2018-06-30	2017-06-30	2017-12-31
Current assets, KSEK	36,717	70,543	40,569
Current liabilities, KSEK	26,680	12,136	10,747
Liquidity ratio, %	**138%**	**581%**	**377%**
Equity, KSEK	24,397	66,323	37,628
Total equity and liabilities, KSEK	51,078	78,458	48,375
Equity ratio, %	**48%**	**85%**	**78%**
Equity, KSEK	24,397	66,323	37,628
Number of shares	22,061,610	21,286,811	21,416,810
Equity per share, SEK	**1.11**	**3.12**	**1.76**

Revenues and result of the operation

Revenue

Total revenues during the second quarter of 2018 was SEK 3.8 million (4.3). In 2018 and 2017, revenues comprised research funding under the agreements with Boehringer Ingelheim and BenevolentAI.

Total revenues during the first 6 months of 2018 was SEK 8.1 million (11.9). In 2018, revenues comprised research funding under the agreement with Boehringer Ingelheim and BenevolentAI. In 2017, revenues comprised research funding under the agreement with Boehringer Ingelheim, BenevolentAI and Cadent Therapeutics.

Operating profit/loss

The operating loss for the second quarter was SEK 24.1 million (17.9). The company recognized operating expenses of SEK 27.9 million (22.2) for the second quarter of 2018. External expenses amounted to SEK 20.1 million (15.5) and personnel costs amounted to SEK 6.6 million (5.5). In the second quarter of 2018, external expenses comprised primarily development costs in relation to Tesomet followed by preclinical development costs in relation to SAN711 and research and development costs in relation to the IK program. In the second quarter of 2017, external expenses comprised primarily research and development costs in relation to Tesomet followed by costs in relation to the listing on Nasdaq Stockholm Small Cap and research and development costs in relation to the GABAA α2α3 program, the IK program and tesofensine.

The company recognized an operating loss of SEK 39.9 million (25.4) for the first 6 months of 2018. The company recognized operating expenses of SEK 48.0 million (37.3) whereof external expenses amounted to SEK 33.3 million (24.6) and personnel costs amounted to SEK 12.5 million (10.7). In 2018, external expenses comprised primarily development costs in relation to Tesomet followed by preclinical development costs in relation to SAN711 and research and development costs in relation to the IK program, In 2017, external expenses comprised primarily research and development costs in relation to Tesomet followed by administrative costs in relation to the listing on Nasdaq Stockholm Small Cap and research and development costs in relation to the GABAA α2α3 program and the IK program.

Cash flow

Operating cash flow for the second quarter of 2018 was an outflow of SEK 19.0 million (outflow of 9.8). Consolidated cash flow for the second quarter of 2018 was an outflow of SEK 6.9 million (inflow of 22.3).

Operating cash flow for the first 6 months of 2018 was an outflow of SEK 34.3 million (outflow of 20.5). Consolidated cash flow for the first 6 months of 2018 was an outflow of SEK 4.6 million (inflow of 11.3).

In 2018, the operating cash flow for the first six months is explained by the operating loss during the period and the improvement in working capital primarily due to an increase in trade payables and accrued expenses following

increased development activities in 2018. The consolidated cash flow during the first six months is explained by an inflow from finance activities of SEK 29.4 million through the issue of convertible loan notes to Nice & Green totalling SEK 30 million of which SEK 12 million has not been converted at the balance sheet date. The balance of SEK 18 million was converted into equity during the first six months and is recorded under new share issues after deduction of issuing expenses. The operating cash flow for the first six months of 2017 is explained by the operating loss during the period and the improvement in working capital following to the release of the remaining upfront payment from Boehringer Ingelheim in relation to our collaboration agreement in 2016. The consolidated cash inflow in 2017 is explained by the private placement in the second quarter of 2017.

Financial position
The equity ratio was 48 (85) % as of June 30, 2018, and equity was SEK 24.4 million (66.3). Cash and cash equivalents amounted to SEK 18.3 million (64.8) as of June 30, 2018. Total assets as of June 30, 2018, were SEK 51.1 million (78.5).

Saniona has after the balance sheet date received a research milestone payment of SEK 41.8 million (€ 4 million) as a result of the candidate selection by Boehringer Ingelheim.

The share, share capital and ownership structure
At June 30, 2018, the number of shares outstanding amounted to 22,446,347 (21,762,520). The company established a warrant program on July 1, 2015, totalling 64,000 warrants, on July 1, 2017, totalling 38,500 warrants and on January 19, 2018 totalling 286,003 warrants. After the balance sheet date, the company has established two warrant programs on July 1, 2018, totalling 45,013 warrants. At June 30, 2018, the company had 5,331 (5,125) shareholders excluding holdings in life insurance and foreign custody account holders.

Personnel
As of June 30, the number of employees was 25 (25) of which 13 (14) are women. Of these employees, 3 (4) are part-time employees and 22 (21) are full-time employees, and a total of 20 (20) work in the company's research and development operations. 12 (10) of Saniona's employees hold PhDs, 2 (4) hold university degrees, 8 (8) have laboratory training and the remaining 3 (3) have other degrees.

Operational risks and uncertainties
All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be company specific.

The main risks and uncertainties which Saniona is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patent, regulatory requirements, capital requirements and currencies.

The Group's programs are sold primarily to pharmaceutical companies and spin-outs funded by pharmaceutical companies and venture capital firms. Historically, the Group has not sustained any losses on trade receivables and other receivables.

Currency risks is the risk that the fair value of future cash flows fluctuate because of changed exchange rates. Exposure to currency risk is primarily sourced from payment flows in foreign currency and from the translation of balance sheet items in foreign currency, as well as upon the translation of foreign subsidiaries' income statements and balance sheets to the Group's reporting currency, which is SEK.

A more detailed description of the Group's risk exposure and risk management is included in Saniona's 2017 Annual Report. There are no major changes in the Group's risk exposure and risk management in 2018.

Audit review
This Interim Report has not been subject to review by the company's auditors.

Financial calendar
Interim Report Q3	November 14, 2018
Year-End Report 2018	February 21,2019

The Board of Directors and the CEO of Saniona AB (publ) provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the companies in the Group.

Ballerup, 22 August 2018
Saniona AB

J. Donald deBethizy - Chairman	Jørgen Drejer – CEO and board member
Claus Bræstrup – Board member	Anna Ljung - Board member
Carl Johan Sundberg - Board member	

Condensed consolidated statement of comprehensive income – Group

KSEK	Note	2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
	1-3					
Net sales	4	3,769	4,347	8,109	11,886	20,692
Total operating income		3,769	4,347	8,109	11,886	20,692
Raw materials and consumables		-1,062	-1,035	-1,892	-1,803	-3,263
Other external costs		-20,128	-15,513	-33,291	-24,611	-51,387
Personnel costs	5	-6,578	-5,541	-12,505	-10,670	-22,671
Depreciation and write-downs		-135	-134	-285	-250	-561
Total operating expenses		-27,903	-22,223	-47,973	-37,333	-77,881
Operating profit/loss		**-24,134**	**-17,876**	**-39,864**	**-25,448**	**-57,189**
Other financial income		31	145	31	0	1,289
Other financial expenses		-66	-0	-202	-151	-376
Total financial items		-35	145	-171	-151	914
Profit/loss after financial items		**-24,169**	**-17,731**	**-40,035**	**-25,599**	**-56,275**
Tax on net profit	6	4,608	3,039	7,021	4,540	7,086
Profit/loss for the period		**-19,561**	**-14,692**	**-33,014**	**-21,059**	**-49,190**
Other comprehensive income						
Item that may be reclassified to profit and loss		-	-	-	-	-
Translation differences		11	-149	1,230	-153	-968
Total other comprehensive income net after tax		**11**	**-149**	**1,230**	**-153**	**-968**
Total comprehensive income		**-19,550**	**-14,841**	**-31,784**	**-21,211**	**-50,157**
Earnings per share, SEK		-0.89	-0.69	-1.51	-1.00	-2.30
Diluted earnings per share, SEK		-0.89	-0.69	-1.51	-1.00	-2.30

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

Condensed consolidated statement of financial position – Group

KSEK	Note	2018-06-30	2017-06-30	2017-12-31
	1-3			
ASSETS				
Fixtures, fittings, tools and equipment		1,384	1,486	1,366
Tangible assets		1,384	1,486	1,366
Non-current tax assets	6	7,253	4,564	0
Investments in associated companies	9	331	331	331
Other long-term receivables	10	5,298	1,434	6,019
Deferred tax		94	101	89
Financial assets		12,976	6,430	6,439
Non-current assets		**14,360**	**7,916**	**7,806**
Trade receivables		4,544	2,869	7,180
Current tax assets	6	7,691	0	7,276
Other receivables		3,702	2,192	3,261
Prepayments and accrued income		2,515	730	540
Current receivables		18,453	5,791	18,256
Cash and cash equivalent		18,264	64,752	22,313
Current assets		**36,717**	**70,543**	**40,569**
Total assets		**51,078**	**78,458**	**48,375**
EQUITY AND LIABILITIES				
Share capital	11	1,122	1,088	1,088
Additional paid in capital	11	133,799	116,452	116,452
Retained earnings		-90,790	-29,573	-29,321
Currency translation reserve		-172	-586	-1,402
Profit/loss for the period		-19,561	-21,059	-49,190
Equity		**24,397**	**66,323**	**37,628**
Prepayments from customers		1,092	541	604
Trade payables		6,494	3,765	5,209
Current tax liabilities		0	1,617	0
Convertible loan	11	12,000	0	0
Other payables		558	1,837	511
Accrued expenses and deferred income		6,535	4,376	4,423
Current liabilities		26,680	12,136	10,747
Total liabilities		**26,680**	**12,136**	**10,747**
Total equity and liabilities		**51,078**	**78,458**	**48,375**

Condensed consolidated statement of changes in equity – Group

	Number of shares	Share capital	Additional paid in capital	Translation reserves	Retained earnings	Share-holders' equity
January 1, 2017	**20,841,467**	**1,042**	**83,323**	**-434**	**-29,680**	**54,252**
Comprehensive income						
Profit/loss for the year					-21,059	-21,059
Other comprehensive income:						
Translation differences				-153		-153
Total comprehensive income				**-153**	**-21,059**	**-21,211**
Transactions with owners						
Shares issued for cash	921,053	46	34,954			35,000
Expenses related to capital increase			-1,825			-1,825
Share-based compensation expenses					107	107
Total transactions with owners	**921,053**	**46**	**33,129**	**0**	**107**	**33,282**
June 30, 2017	**21,762,520**	**1,088**	**116,452**	**-586**	**-50,631**	**66,323**
July 1, 2017	**21,762,520**	**1,088**	**116,452**	**-586**	**-50,631**	**66,323**
Comprehensive income						
Profit/loss for the year					-28,131	-28,131
Other comprehensive income:						
Translation differences				-815		-815
Total comprehensive income				**-815**	**-28,131**	**-28,946**
Transactions with owners						
Share-based compensation expenses					252	252
Total transactions with owners	**0**	**0**	**0**	**0**	**252**	**252**
December 31, 2017	**21,762,520**	**1,088**	**116,452**	**-1,402**	**-78,511**	**37,628**
January 1, 2018	**21,762,520**	**1,088**	**116,452**	**-1,402**	**-78,511**	**37,628**
Comprehensive income						
Profit/loss for the year					-33,014	-33,014
Other comprehensive income:						
Translation differences				1,230		1,230
Total comprehensive income				**1,230**	**-33,014**	**-31,784**
Transactions with owners						
Shares issued for cash	683,827	34	17,966			18,000
Expenses related to capital increase			-619			-619
Share-based compensation expenses					1,171	1,171
Total transactions with owners	**683,827**	**34**	**17,346**	**0**	**1,171**	**18,552**
June 30, 2018	**22,446,347**	**1,122**	**133,799**	**-172**	**-110,353**	**24,396**

Condensed consolidated statement of cash flows – Group

KSEK	Note	2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
Operating loss before financial items		-24,134	-17,876	-39,864	-25,448	-57,189
Adjustments for non-cash transactions		265	188	1,422	357	918
Other provisions		0	0	0	0	0
Changes in working capital		4,835	7,882	4,152	4,615	-347
Cash flow from operating activities before financial items		**-19,034**	**-9,806**	**-34,290**	**-20,476**	**-56,617**
Interest income received		31	0	31	0	1,289
Interest expenses paid		-66	145	-202	-151	-376
Tax paid		0	0	0	0	-1,635
Cash flow from operating activities		**-19,068**	**-9,661**	**-34,461**	**-20,627**	**-57,339**
Investing activities						
Investment in tangible assets		-217	-500	-230	-540	-708
Investments in associated companies	9	0	-331	0	-331	-331
Investment in other financial assets		512	-350	721	-346	-4,931
Cash flow from investing activities		**294**	**-1,180**	**492**	**-1,217**	**-5,970**
Financing activities						
Convertible loan	11	2,000		12,000	0	
New share issue	11	9,842	33,175	17,381	33,175	33,175
Cash flow from financing activities		**11,842**	**33,175**	**29,381**	**33,175**	**33,175**
Cash flow for the period		**-6,931**	**22,334**	**-4,589**	**11,331**	**-30,134**
Cash and cash equivalents at beginning of period		**25,449**	**42,249**	**22,313**	**53,261**	**53,261**
Exchange rate adjustments		-254	169	540	160	-815
Cash and cash equivalents at end of period		**18,264**	**64,752**	**18,264**	**64,752**	**22,313**

Statement of income – Parent Company

KSEK	2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
1-3					
Net sales	0	0	0	0	0
Total operating income	0	0	0	0	0
Raw materials and consumables	0	-5	-5	-10	-20
Other external costs	-1,667	-3,738	-2,769	-4,695	-7,218
Personnel costs	-723	-343	-1,189	-615	-1,249
Total operating expenses	-2,389	-4,086	-3,963	-5,319	-8,487
Operating profit/loss	**-2,389**	**-4,086**	**-3,963**	**-5,319**	**-8,487**
Other financial income	449	226	843	452	1,085
Other financial expenses	-107	-61	-187	-97	-259
Total financial items	341	165	656	354	826
Profit/loss after financial items	**-2,048**	**-3,921**	**-3,307**	**-4,965**	**-7,660**
Tax on net profit	0	0	0	0	0
Profit/loss	**-2,048**	**-3,921**	**-3,307**	**-4,965**	**-7,660**

Statement of comprehensive income – Parent Company

KSEK Note	2018-04-01 2018-06-30	2017-04-01 2017-06-30	2018-01-01 2018-06-30	2017-01-01 2017-06-30	2017-01-01 2017-12-31
1-3					
Profit/loss for the period	**-2,048**	**-3,921**	**-3,307**	**-4,965**	**-7,660**
Other comprehensive income Item that may be reclassified to profit and loss					
Other comprehensive income for the period	0	0	0	0	0
Total other comprehensive income net after tax	**0**	**0**	**0**	**0**	**0**
Total comprehensive income for the period	**-2,048**	**-3,921**	**-3,307**	**-4,965**	**-7,660**

Balance Sheet – Parent Company

KSEK	Note	2018-06-30	2017-06-30	2017-12-31
ASSETS				
Investment in subsidiaries		11,832	11,832	11,832
Investments in associated companies		331	331	331
Financial assets		12,162	12,162	12,162
Non-current assets		**12,162**	**12,162**	**12,162**
Receivables from group companies		96,414	45,508	69,062
Other receivables		546	593	122
Prepayments and accrued income		1,753	303	95
Current receivables		98,714	46,405	69,279
Cash and cash equivalent		13,806	44,016	17,120
Current assets		**112,519**	**90,421**	**86,399**
Total assets		**124,682**	**102,583**	**98,561**
EQUITY AND LIABILITIES				
Restricted equity				
Share capital	11	1,122	1,088	1,088
Unrestricted equity				
Additional paid in capital	11	132,287	114,941	114,941
Retained earnings		-17,979	-10,318	-10,318
Profit for the period		-3,307	-4,965	-7,660
Equity		**112,124**	**100,746**	**98,050**
Convertible loan	11	12,000	0	0
Other payables		558	1,837	511
Current liabilities		12,558	1,837	511
Total liabilities		**12,558**	**1,837**	**511**
Total equity and liabilities		**124,682**	**102,583**	**98,561**

Notes

Note 1 General Information

Saniona AB (publ), Corporate Registration Number 556962-5345, the Parent Company and its subsidiaries, collectively the Group, is a publicly listed research and development company focused on drugs for diseases of the central nervous system, autoimmune diseases, metabolic diseases and treatment of pain. 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 Baltorpvej 154, DK-2750 Ballerup, Denmark. Saniona is listed at Nasdaq Stockholm Small Cap. The Parent Company's share is traded under the ticker SANION and the ISIN code SE0005794617.

Note 2 Significant accounting policies

The interim report has been prepared in accordance with IAS 34 Interim reporting. The Group applies the International Financial Reporting Standards (IFRS) and interpretations of IFRS IC as adopted by the EU, the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The condensed consolidated financial statements have been prepared under the historical cost convention, except in the case of certain financial assets and liabilities, which are measured at fair value. The condensed consolidated financial statements are presented in Swedish kronor (SEK) which is also the functional currency of the Parent Company.

The applied accounting principles are in accordance with those described in the Annual Report for 2017. More detailed information about the Group's and the Parent Company's accounting and valuation principles can be found in the Annual Report for 2017, which is available on www.saniona.com. New and amended standards and interpretations implemented as of January 1, 2018, such as IFRS 15 on revenue recognition and IFRS 9 for financial instruments, has not had any significant impact on the Group's financial statements and implementation of the new standards does not require restatement of previous periods since the effects are insignificant.

IFRS 16 Leasing will enter into force on January 1, 2019. The company does not expect the new standard to have a material effect on Saniona.

Disclosures in accordance with IAS 34 Interim Financial Reporting are presented either in the notes or elsewhere in the interim report.

Note 3 Financial assets and liabilities

All financial asset and financial liabilities, except for the investment in Cadent Therapeutics as described below, are classified as 'Loans and receivables' respectively 'Other financial liabilities'. These financial instruments are measured at amortized cost and the carrying amount is a reasonable approximation of fair value. There has been no fair value adjustment of the financial assets in 2017 and 2018.

Cadent Therapeutics merged in March 2017 with Ataxion, which was formed by Saniona, Atlas Venture and the management of Ataxion in 2013 as a spin-out from Saniona. Saniona received shares in Ataxion in return for certain knowhow and patents in relation to Saniona's ataxia program. The specific assets of Saniona had a carrying and fair value amount 0 at the time of formation of Ataxion and the investments made by the other parties were insignificant. The merged company Cadent Therapeutics is today developing the Ataxia-program. Considering the significant risk and duration of the development period related to the development of pharmaceutical products, management has concluded that the future economic benefits of Saniona's investment in Cadent Therapeutics cannot be estimated with sufficient certainty until Cadent Therapeutics is sold or public listed or the project has been finalized and the necessary regulatory final approval of the product has been obtained. Accordingly, the value of Saniona's investment in Cadent Therapeutics is measured at costs since the fair value cannot be determined reliable.

Note 4 Segment reporting

The Group is managed as a single business unit. The basis for identifying reportable segments is the internal reporting as reported to and followed up by the highest executive decision maker. The Group has identified the highest executive decision maker as the CEO. The internal management and reporting structure comprises only one business unit, and the Group therefore has only one operating segment, for which reason no segment information is provided.

Note 5: Share based payments

Share-based compensation expenses for the first half of 2018 totalled SEK 1.171 (107) thousand. The Group accounts for share-based compensation by recognizing compensation expenses related to share-based instruments granted to the management, employees and consultants in the income statement. Such compensation expenses represent the fair market values of warrants granted and do not represent actual cash expenditures.

	Options granted in 2015	Options granted in 2017	Options granted in 2018	Total
Share-based payment				
Outstanding at 1 January 2018	64,000	38,292	-	102,292
Granted during the period	-	-	286,003	286,003
Forfeited during the period	-	-	-	-
Outstanding at 30 June 2018	**64,000**	**38,292**	**286,003**	**388,295**

If all issued warrants are exercised for subscription of new shares, the Parent Company's will issue a total of 388,295 new shares corresponding to a dilution of approximately 1.72%. The data below has been used for the calculation.

Employee incentive program	2015	2017	2018
Allotted options	64,000	38,750	286,003
Fair value per option (SEK)	13.13	29.48	12.67
Share price for underlying shares (SEK)	19.90	45.50	26.95
Subscription price (SEK)	20.72	41.13	33.60
Vesting period	4 years	4 years	3 years
Estimated life of the option	4.50 years	5.50 years	6.25 years
Risk-free interest rate during the life of the option	0.2257%	-0.0584%	0.2389%
Assumed volatility*	91.29%	76.75%	57.41%
Expected dividends	0	0	0

** In 2015 and 2017, the volatility equals the historical volatility for the longest period where trading activity is available (for the period since listing at AktieTorget on April 22, 2014 to date of grant). In 2018, the volatility equals a twelve-month period.*

Option granted in 2015 entitle the holder to acquire one new share in Saniona for a subscription price of SEK 20.72. The options are earned gradually over a period of 48 months. Holders can take advantage of assigned and earned stock 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 2018 and last time after publication of the quarterly report for the third quarter of 2019. A more detailed description can be found in the annual report for 2017.

Option granted in 2017 entitle the holder to acquire one new share in Saniona for a subscription price of SEK 41.13. The options are earned gradually over a period of 48 months. Holders can take advantage of assigned and earned stock 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 2021 and last time after publication of the quarterly report for the third quarter of 2022. A more detailed description can be found in the annual report for 2017.

Allotment of 286,003 options took place in March 2018. Option granted in 2018 entitle the holder to acquire one new share in Saniona for a subscription price of SEK 33.60. 25% of the options vested on January 19, 2018, when the holder was elected as chairman of the Board of Directors. The balance of the options is earned with 25% on each anniversary of the election as chairman of the Board of Directors over a period of 3 years. The holder can take advantage of assigned and earned stock options during 30 days from the day following the publication of the Group's quarterly reports, or in for 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.

Note 6 Income tax and deferred tax subsidiaries in Denmark

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

The Group recognized a tax income of SEK 7,021 (4,540) thousand during the first half of 2018. This amount has been recognized under non-current tax assets in accordance to the accounting policies described below.

Under the Danish R&D tax credit scheme (Skattekreditordningen), loss-making R&D entities can obtain a tax credit which is equal to the tax value of the incurred research and development expenses. The tax credit is payable in November in the following financial year. In 2017 and 2018, the R&D expense tax-base is capped to DKK 25 million equal to a tax credit of DKK 5.5 million at a tax rate of 22%. Research and development tax-credits under the Danish R&D tax credit scheme is recognized in the income statement to the extent that it relates to the research and development expenses for the period and Saniona expects to fulfil the requirement for tax credit for the year. The tax credit under the Danish R&D tax credit scheme is recognized in the balance sheet under current tax assets if payable within 12 months and under non-current tax assets if payable after 12 months. As of June 30, 2018, the Group had SEK 7.7 million in current tax asset, which will be payable in November 2018 and SEK 7.3 million in non-current tax assets which will be payable in November 2019. As of June 30, 2017, the Group had no current tax asset and SEK 4.6 million in non-current tax asset, which will be payable in November 2018.

Note 7 Pledged assets and contingent liabilities

The Group has provided a guarantee of KSEK 50 (50) to Euroclear. The Parent Company has provided a guarantee to the subsidiary Saniona A/S to ensure that Saniona A/S will be able to pay its creditors as the obligations fall due for the period until June 30, 2019. Saniona A/S had no external net debt as of June 30, 2018.

Note 8 Related parties

Related parties comprise the Group's Executive Management, Board of Directors and companies within the Group. Apart from intercompany transaction and board fees as well as remuneration of management in accordance to the remuneration policy as resolved at the annual general meeting, there has been no transaction with related parties during 2017 and 2018.

Note 9 Investment in Scandion Oncology

On May 3, 2017, Saniona participated in formation of a new company, Scandion Oncology A/S. The investment of KSEK 331 has been recorded in the Saniona AB's and the Groups balance sheet under Investment in associated companies. In December, Saniona announced that Scandion Oncology has raised DKK 2 million in a private placement. As of June 30, 2018, Saniona AB owns 46.55% of Scandion Oncology A/S. The remaining 53.45% of the shares are owned by the three co-founders of Scandion Oncology A/S and a group of investors participating in the private placement. Saniona Group has no further obligations toward Scandion Oncology A/S. The financial statements of Scandion Oncology A/S have not been subject to consolidation in the Group. As of June 30, 2018, Saniona does not have controlling interest in Scandion Oncology.

Note 10 NeuroSearch

On July 4, 2017, Saniona acquired NeuroSearch's remaining interest in the preclinical and clinical assets, which Saniona acquired from NeuroSearch during the period 2012-2016. According to the previous agreements, Saniona was obliged to pay NeuroSearch a milestone payment of EUR 400,000 when the first preclinical program was tested in humans. In addition, Saniona was obliged to pay royalties on its product sales or a percentage of its licensing income in relation to the acquired clinical assets including the clinical development compounds, tesofensine and NS2359. According to the new agreement, Saniona has paid NeuroSearch a onetime cash payment of DKK 5.5 million. Following this, Saniona has no additional payment obligations to NeuroSearch. Saniona estimates that the onetime cash payment of DKK 5.5 million would have been payable to NeuroSearch with a four-year period under the previous agreements. Therefore, the amount will be expensed over a four-year period starting July 1, 2017. In 2018 the onetime cash payment has been expensed with DKK 0.7 million (SEK 0.9 million) and as June 30, 2018, the recorded value of the asset is DKK 3.4 million (SEK 4.8 million).

Note 11 Convertible loan

Saniona entered into a convertible notes funding agreement with Nice & Green S.A on December 29, 2017. Under the terms of the agreement, Nice & Green has committed to subscribe up to SEK 72 million in convertible notes in 12 individual tranches of SEK 6 million each over a 12-month period subject to prolongation by Saniona. 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 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. 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. 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. For further details, please see Saniona's press release dated December 29, 2017.

In the first six month of 2018, Saniona has drawn five tranches totalling SEK 30 million of which SEK 18 million has been converted to shares by Nice & Green as of June 30, 2018. The converted amount of SEK 18 million is taken to equity after deducting expenses relating to capital increase totalling KSEK 619.

Business terms - glossary

Alzheimer's disease
A chronic neurodegenerative disease that usually starts slowly and gets worse over time and accounts for 60% to 70% of cases of dementia. As the disease advances, symptoms can include problems with language, disorientation (including easily getting lost), mood swings, loss of motivation, not managing self-care, and behavioural issues. Gradually, body functions are lost, ultimately leading to death. The cause for most Alzheimer's cases is still mostly unknown except for 1% to 5% of cases where genetic differences have been identified. Several competing hypotheses exist trying to explain the cause of the disease.

Ataxia
A neurological sign consisting of lack of voluntary coordination of muscle movements. Ataxia is a non-specific clinical manifestation implying dysfunction of the parts of the nervous system that coordinate movement, such as the cerebellum. Several possible causes exist for these patterns of neurological dysfunction and they can be mild and short term or be symptoms of sever chronic diseases such as Friedreich's ataxia, which is an autosomal recessive inherited disease that causes progressive damage to the nervous system which manifests in initial symptoms of poor coordination that progresses until a wheelchair is required for mobility.

Atlas Venture
Atlas Venture Inc.

BenevolentAI
BenevolentAI acquired Proximagen Ltd. in Q1 2017.

Boehringer Ingelheim
Boehringer Ingelheim GmbH.

Cadent Therapeutics
Cadent Therapeutics was established in March 2017 through a merger between Saniona's spin-out company, Ataxion, and Luc Therapeutics.

Cocaine addiction
The compulsive craving for use of cocaine despite adverse consequences.

CNS
Central Nervous System, a part of the nervous system consisting of the brain and spinal cord.

Chronic itching
Chronic itching (also known as pruritus) is defined as an unpleasant sensation that provokes the desire to scratch. Prolonged itching and scratching may increase the intensity of the itch and lead to skin injury, infection and scarring. The possible causes are numerous and include dry skin, skin disorders such as eczema and psoriasis, infections such as chicken pox and scabies, underlying illness such liver disease, kidney failure and cancers, nerve disorders such as multiple sclerosis and diabetes mellitus, and allergic diseases including allergic reactions to medications such as antibiotics and chemotherapy. For some patients, there's no known cause. Chronic itching ranges in intensity from a mild annoyance to a disabling condition. The constant need to scratch can be as debilitating as chronic pain. Depending on the underlying cause, the current treatment options include moisturizing cream, antihistamines, corticosteroids, local anaesthetics, calcineurin inhibitors and antidepressants. Many patients experience only a partial relief whereas others have no relief from existing treatment options.

CTA
Clinical Trial Application which a pharmaceutical company file to EMA to obtain permission to ship and test an experimental drug in Europe before a marketing application for the drug has been approved. The approved application is called an Investigational New Drug (IND) in the US.

EMA
European Medicines Agency

Essential tremor
Essential tremor is the most common movement disorder with a prevalence of 4% in persons age 40 and older and considerably higher among persons in their 60s, 70s, 80s and 90s. It typically involves a tremor of the arms, hands or fingers but sometimes involving the head, vocal cords or other body parts during voluntary movements such as eating and writing. Although essential tremor is often mild, people with severe tremor have difficulty performing many of their routine activities of daily living.

FDA
US Food and Drug Administration

GABA-A α2/α3 program
A small molecule program which is designed to positively modulate (PAM) GABA-A α2 and GABA-A α3 ion channels, which are expressed in various central and peripheral neurons and are believed to be key mediator in the control of pain signalling and the control of anxiety.

IK program
A small molecule program which is designed to block (antagonize) IK channels, which are expressed by immune cells and believed to be key mediator of inflammation in auto inflammatory diseases such as inflammatory bowel disease, multiple sclerosis and Alzheimer's' disease.

IND
Investigational New Drug is a program by which a pharmaceutical company obtains permission to ship and test an experimental drug in the U.S. before a marketing application for the drug has been approved. In Europe, the application is called a Clinical Trial Application (CTA).

Ion channel
Channels or pores in cell membranes which is made up of unique protein classes. Ion channels controls muscles and nerves and are central to the function of the body by governing the passage of charged ions across cell membranes.

Ion channel modulators
A drug which modulates the function of ion channels by blocking or opening ion channels or by decreasing or increasing throughput of ion channels. Agonists opens ion channels, Antagonists blocks ion channels, PAMs (Positive Allosteric Modulators) increase throughput whereas NAMs (Negative Allosteric Modulators) decrease throughput of ion channels.

Major Depressive Disorders
A mental disorder characterized by a pervasive and persistent low mood that is accompanied by low self-esteem and by a loss of interest or pleasure in normally enjoyable activities.

Medix
Productos Medix, S.A de S.V.

Multiple sclerosis
A demyelinating disease in which the insulating covers of nerve cells in the brain and spinal cord are damaged by the immune system. This damage disrupts the ability of parts of the nervous system to communicate, resulting in a wide range of signs and symptoms including physical, mental, and sometimes psychiatric problems.

Neuropathic pain
Pain caused by damage or disease affecting the somatosensory nervous system. Central neuropathic pain is found in spinal cord injury, multiple sclerosis, and some strokes. Aside from diabetes (diabetic neuropathy) and other metabolic conditions, the common causes of painful peripheral neuropathies are herpes zoster infection, HIV-related neuropathies, nutritional deficiencies, toxins, remote manifestations of malignancies, immune mediated disorders and physical trauma to a nerve trunk. Neuropathic pain is also common in cancer as a direct result of cancer on peripheral nerves (*e.g.*, compression by a tumour), or as a side effect of chemotherapy, radiation injury or surgery. Neuropathic pain is often chronic and very difficult to manage with some 40-60% of people achieving only partial relief.

NS2359
A triple monoamine reuptake inhibitor, which blocks the reuptake of dopamine, norepinephrine, and serotonin in a similar manner to cocaine. However, NS2359 dissociates slowly from these transporters and has a long human half-life (up to 10 days) which makes frequent dosing unnecessary. NS2359's pharmacological profile means that it may be able to reduce cocaine withdrawal symptoms, reduce cocaine craving and reduce cocaine-induced euphoria. In preclinical trials, NS2359 has been shown to reduce the reinforcing effects of cocaine and may have effects on cue induced drug craving. Furthermore, human trials with NS2359 have shown that NS2359 has little or no abuse potential and does not have adverse interactions with cocaine. Thus, NS2359 is a promising clinical candidate for the treatment of cocaine dependence.

Schizophrenia
A mental disorder often characterized by abnormal social behaviour and failure to recognize what is real. Common symptoms include false beliefs, unclear or confused thinking, auditory hallucinations, reduced social engagement and emotional expression, and lack of motivation.

Tesofensine
A triple monoamine reuptake inhibitor, which is positioned for obesity and type 2 diabetes, two of the major global health problems. 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. Tesofensine demonstrated strong weight reducing effects in Phase 2 clinical studies in obese patients.

TRC
The University of Pennsylvania Treatment Research Center. For further details, please see the Partners section.

Type 2 diabetes
A metabolic disorder that is characterized by hyperglycemia (high blood sugar) in the context of insulin resistance and relative lack of insulin. This contrasts with diabetes mellitus type 1, in which there is an absolute lack of insulin due to breakdown of islet cells in the pancreas. The classic symptoms are excess thirst, frequent urination, and constant hunger. Type 2 diabetes makes up about 90% of cases of diabetes, with the other 10% due primarily to diabetes mellitus type 1 and gestational diabetes. Obesity is thought to be the primary cause of type 2 diabetes in people who are genetically predisposed to the disease.

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