Sensidose AB

Investment Memorandum 2020-11-18

Invitation to subscribe for shares in Sensidose AB

Subscription period 29 November to 5 December 2020

Summary of the Offer

The rights issue is for existing shareholders of the company. The rights issue is in accordance with the Board's mandate from the Annual General Meeting in 2020 covering a maximum of 1,000,000 shares, representing 13.5% of the Company.

The subscription price for shares in the rights issue is SEK 6 per share valuing Sensidose to approximately SEK 38,6 million before the issue. Sensidose will receive 6 million SEK if the share issue is fully subscribed.

Subscription period:	**29 November to 5 December 2020**
The subscription price for the shares:	SEK 6 per share.
Payment dates:	December 9 -13,2020
Issue volume:	The offer covers a maximum of 1,000,000 shares, hence a fixed maximum number. Sensidose receives 6 million SEK if the share issue is fully subscribed
Terms of the issue:	The right to subscribe for the new shares shall accrue to the existing shareholders in relation to the number of shares they previously own (pro-rata). The rights issue is in accordance with the Board's mandate from the AGM 23 June 2020
Preferential	The new issue is with preferential rights for existing shareholders
Shares and share capital before the issue:	6,428,651 shares and 6,428,651 SEK in capital (quotient 1 SEK)
Sensidose valuation:	38 571 906 SEK (pre-money)
Share capital	The new issue may increase Sensidose share capital by a maximum of SEK 1 000,000 by issuing up to 1 000,000 shares.
Subscription undertakings:	None
Dilution	Shareholders who do not participate in the rights issue will have their ownership diluted by approximately 13.5 percent upon full subscription.
Allotment of shares	Allotment of shares will be determined by the Board of Sensidose. If not all new shares are subscribed for with preferential rights, the board shall, within the framework of the maximum amount of the issue, decide on the distribution of shares that has not been signed with preferential rights. Such distribution shall primarily take place to shareholders who subscribed for shares based on subscription rights and, in the event of oversubscription, in proportion to the number of subscription rights each exercised for subscription of shares (that is in proportion to the pro-rata subscription). The allocation is not dependent on when during the application time a subscription is submitted.

Use of Proceeds
The present capital raising ensures financial resources for the company to continue the journey towards profitable growth in the present markets while waiting for further information regarding the situation for the German launch. Part of the added financial resources will be used to ensure continued expansion in the addressable market and in establishing MyFID/Flexilev as a leading, treatment for individualized dosing in Parkinson's Disease.

Risk Factors
Many risk factors may have a negative impact on operations in Sensidose AB. It is therefore important that in addition to the company's growth opportunities also take into account relevant business risks that may be affected by external factors beyond the Company's control, such as political or regulatory decisions. Other risks are also associated with the shares offered for sale. Before investing, the investors are urged to read the note and consider in particular the section entitled "Risk Factors" below.

Pricing of shares

The issue price has been determined by the Board. The Board has taken into account the current and forecasted sales development, completed scale-up work, current situation with ongoing pandemic and market uncertainties.

An estimated 112 million SEK have previously invested in product development, patenting and marketing of MyFID and Flexilev / Zuades and operation of the Company. The appraisal is the basis for the issue price of the offering is based on the Board's overall assessment of Sensidose, including both previously invested time as its current activities and future market potential (to offer the possibility of individualized dosing of levodopa/carbidopa with a smart dosing device). In particular, the Board has considered that the valuation must give all shareholder benefit.

Sensidose is with this offer valued at around SEK 38,6 million “pre-money”.

Dilution
At full subscription, the number of shares amounts to 1,000,000, corresponding to a dilution of about 13.5 percent of its capital and votes, wherein the dilution means the number of new shares in relation to the total number of shares after registration of the new shares.

Dividends
Sensidose has not paid any dividends to its shareholders. The company has no dividend policy.

Other
The Board reserves the right, in any event, to prolong the time of subscription and payment. Any extension of the subscription period will be informed no later than the last day of the subscription period, from the company's CFO by e-mail (kristofer.svensson@sensidose.se). Sensidose Board also reserves the right to close the subscription even if a smaller part than the maximum number of shares has been subscribed.

Hereby shareholders are invited to buy shares in Sensidose in accordance with the terms of this Memorandum.
The Board is responsible for this document and has taken reasonable measures to ensure that the information provided is accurate and complete. For risk factors, see page 23.

Sollentuna, November 18th, 2020
Sensidose AB
Board of Directors

Company information

Company	Sensidose Aktiebolag
Org. Number	556550-3074
Domicile and residence	Uppsala, Uppsala County
Registration date of the company	1998-01-23
Current firm's registration date	2007-06-29
Country of incorporation	Sweden
Legal form	private limited company
Legislation	Swedish law and the Swedish Companies Act
CEO	Jack Spira
Address	Vetenskapsvägen 10, 191 38 Sollentuna
Phone	+46 (0) 50 722 62 72 (CEO Jack Spira)
E-mail	jack.spira@sensidose.se
Website	www.sensidose.se
Insurance	The company has taken the necessary insurance for the company's operations
Employees	The company has seven employees

Table of Contents

About this Memorandum

Definitions
In this Memorandum the following definitions apply unless otherwise noted:
"Company" or "Sensidose" refers Sensidose AB, corporate identity number. 556550-3074
"Memorandum" refers to this memorandum
"Placement" refers share offering Sensidose
"SEK" means Swedish kronor
"KSEK" means thousand Swedish kronor
"M" refers million Swedish kronor
"IP" refers Intellectual property, i.e. Immaterial rights
"MyFID" refers to the company dosing device for drug dispensing
"Flexilev / Zuades / Suades" refers to the company provided medicinal product

Responsibility
The Board is responsible for this document, and has taken reasonable measures to ensure that the information provided is accurate, complete and omissions that may affect the assessment of the Company.

Regarding prospectus requirements
The company's offer is not subject to the Financial Supervisory prospectus requirements and have not been reviewed and approved by Sweden's financial supervisory authority. The reason is that the rules on prospectuses do not require a prospectus drawn up for the new issue of shares that this Memorandum relates to. Swedish law applies in this Memorandum.

Statements about the world and the future
Statements about the world and other future conditions in the Memorandum reflect the Board's current views with respect to future events and financial performance. Forward-looking statements express only those estimates and assumptions that the board is doing at the time of the Memorandum. These statements are subject to uncertainty.

The auditor examination
Beyond what was set out in the audit reports incorporated by references, no information in the memorandum has been reviewed or audited by the Company's auditor.

Disclaimers
The Board ensures that information from references and citations has been accurately reproduced. Although the Company believes that these sources are reliable, no independent verification has been made and therefore the accuracy or completeness of the information is not guaranteed. Some figures in this memorandum have been subject to rounding. This means that certain tables may not seem to summarize up properly.

CEO's Statement

Sensidose is a commercial pharma company that fulfills all the requirements and possess all licenses to produce and sell both a medicine and a dosing device. Sensidose is in an organic expansion phase. We presently sell and market our product Flexilev, for the treatment of Parkinson's disease in Sweden, Norway and Denmark. Flexilev tablets are administered by our dispensing device MyFID™. Both Flexilev and MyFID have been developed by Sensidose and are fully owned by Sensidose.

With our patented technology, we are unique in being able to deliver personalized tablet dosages to patients with Parkinson's disease. Our technology, the user's compliance with prescribed treatment and due to the accuracy of individualized dosing with MyFID and micro tablets, establishes a new standard for tablet levodopa treatment in Parkinson's Disease. The difference with our technology compared with advanced treatments for this group is obvious; in particular, our technology requires no invasive surgery or pumps, which results in a gentler treatment for both the patient and relatives. The cost for society is also significantly lower compared to invasive treatment options.

Sales in our present market continue to grow in a very positive manner. Up to November 2020, the sale increased by 24% compared to the same period in 2019. We continue to start new patients regularly and do see a continued good influx of patients even during the ongoing Covid pandemic. Importantly, we continuously see a very good response to our treatment. We often get very positive remarks from our patients. I would like to cite one patient who stated: “I cannot understand why not every patient gets this treatment”!

That said, we still have a relatively low market share. While this can be seen as an advantage (a lot to capture) it has a clear backside, the company is not yet cash-flow positive. During 2020 we aimed to reach this goal with the launch in Germany. Together with our partner, Desitin Arzneimittel GmbH, we made great efforts towards this common goal. A new attractive package for MyFID and Flexilev was developed, pre-marketing material, scientific material produced, meetings with doctors were held, training material produced, a German bank account was established, payment system from German pharmacies established, product for the German market was produced and placed with the distributor for the launch. Then came Corona…As the hospital closed down for visitors it became impossible to continue with the launch and everything was put on hold. As we started to see an opening, by summer 2020, we and Desitin, received a letter from the German authority regarding the pricing of the product. Note that this is not regarding approval, the product is approved but the pricing of pharmaceuticals in Europe is usually handled by a separate authority in each country. The pricing authority claimed that Flexilev should be priced as any other generic levodopa/carbidopa. It would be too long to give a full background to the system here, but considering that this came as a bolt of lightning from a blue sky for Desitin it is understood that this was not expected and outside of the normal rules for pricing in Germany. Since then we have been in discussion with the authority and we provided a very in-depth explanation for the need and value of the product as well as the pricing. This explanation and documentation package was supported in writing by several key opinion leaders in the field of Parkinson in Germany.

While waiting for the answer we continue to foster the Scandinavian market but in our projection for 2020/2021 we had counted on having sales and income from Germany, especially during 2021. Without these sales, we will need further capital. We estimate that we, with a continuous Scandinavian growth as we presently have, including a reduction of operative costs, will become cash-flow positive in year 2022. To be able to keep up with the market demand of new devices, produce the product, keep the company running and be able to wait and see what the outcome in Germany will be, we do need to ask our shareholders for a further 6 MSEK..

Although the above might sound very defensive I want to point out that Sensidose AB has accumulated considerable value. We are selling our product in several markets. We have established cost-efficient production and distribution, we have a functioning service and complaint department, we distribute devices and we have established and fulfilled all regulatory requirements regarding surveillance and quality. We have passed all audits from regulatory and inspecting bodies. As we grow the market, we have all the competence in-house and will grow the company organically to serve the present market. We are committed to continuing to bring this important treatment option to the patients and consolidate Sensidose. With this issue of shares, we will get the necessary

funding to overcome the present situation in Germany and create value for our shareholders. We look forward to your continuous support!

Sensidose AB

Sollentuna, November 18th, 2020

Jack Spira
CEO

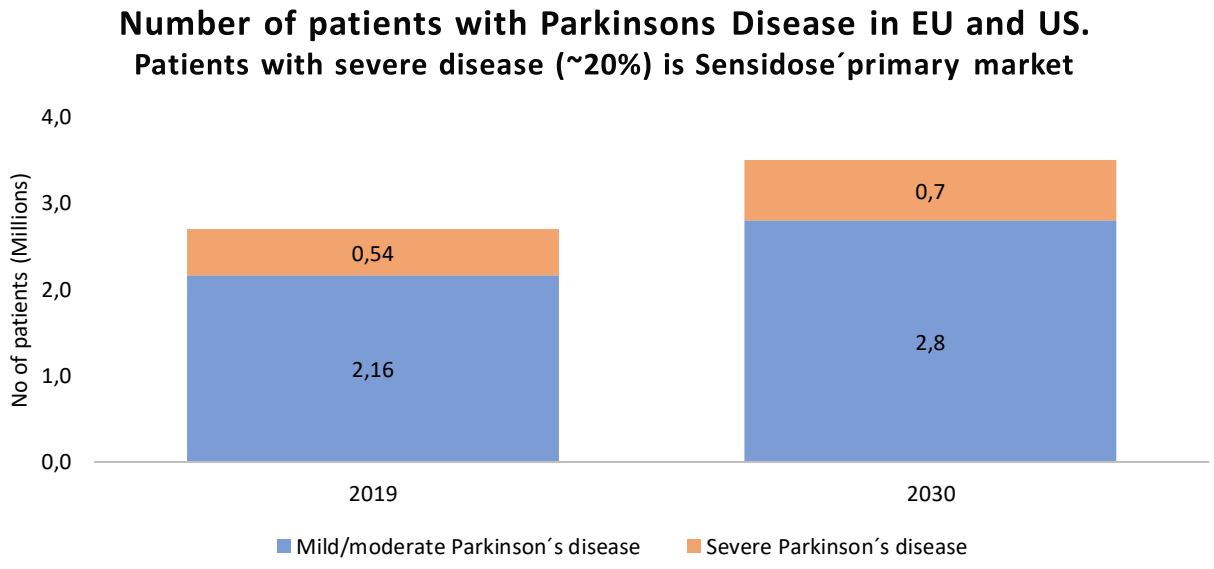
Sensidose: The company, the market, and the future in brief

Sensidose has developed and commercialized a concept for individualized treatment of Parkinson's disease with the help of "micro-tablets" and a dispensing device (MyFID). With the company's patented technology, using MyFID and micro-tablets, at each time when the medication is taken, the dosage is adopted for each individual´s needs. This allows Sensidose to offer patients and healthcare opportunities for specific individualized treatment with a robust, reliable, and for every individual adapted dosage schedule supported by MyFID´s software. The treatment method is unique in providing Sensidose opportunity to expand both existing and new markets and generate revenue from the sale of micro-tablets (Flexilev / Zuades / Suades).

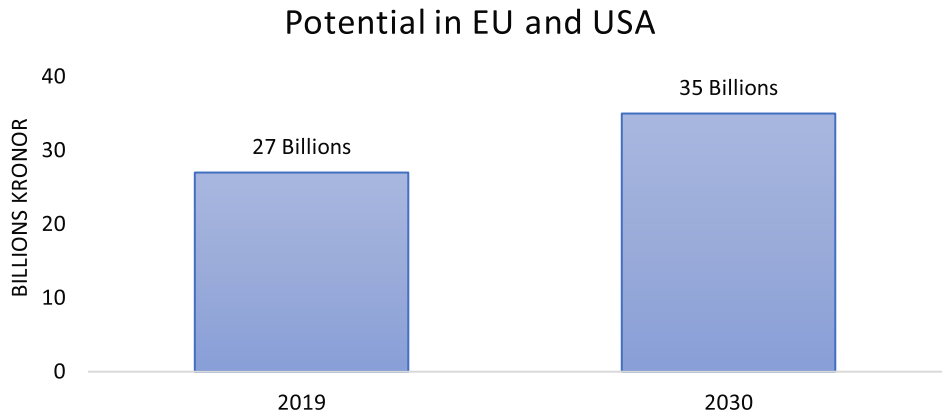
The market

The company operates in the market for drugs to treat Parkinson's disease where we provide Flexilev® / Zuades / Suades. The global pharmaceutical market for Parkinson's disease was valued at 2.18 billion US dollars in 2016 and is expected to grow at a compound annual growth rate (CAGR) of more than 10% from 2017 to 2025 according to a new report entitled "Parkinson's Disease Therapeutic Market Forecast - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2017-2025 "published by Transparency Market Research (TMR). The report further says that a high incidence of Parkinson's disease will persist due to the increase in the geriatric population worldwide. Europe is expected to dominate the global market in Parkinson by end of 2025, which can be attributed to the high prevalence and the increase in the incidence of Parkinson's disease in the developed countries in regions such as Germany, France, Britain and Italy. Parkinson's is a life-long disease and the life expectancy is only marginally shortened due to the disease. Levodopa, the active substance in Flexilev, can be used from the start, and throughout the illness. Levodopa is often a complement to the various other treatment alternatives. At present, we see nothing that will change the market conditions for levodopa in our field. There are therefore good opportunities to establish Flexilev / Zuades / Suades as part of the treatment arsenal for a long time to come as well as in conjunction with other treatment alternatives.

Potential



In the EU and the US in 2019, there are according to estimates about 2.7 million patients with Parkinson's disease, including approximately 540,000 patients with severe Parkinson's disease (yellow above). In 2030, the incidence of Parkinson's disease in the EU and the United States is estimated to amount to 3.5 million patients, of which 700 thousand are patients with severe Parkinson's disease.



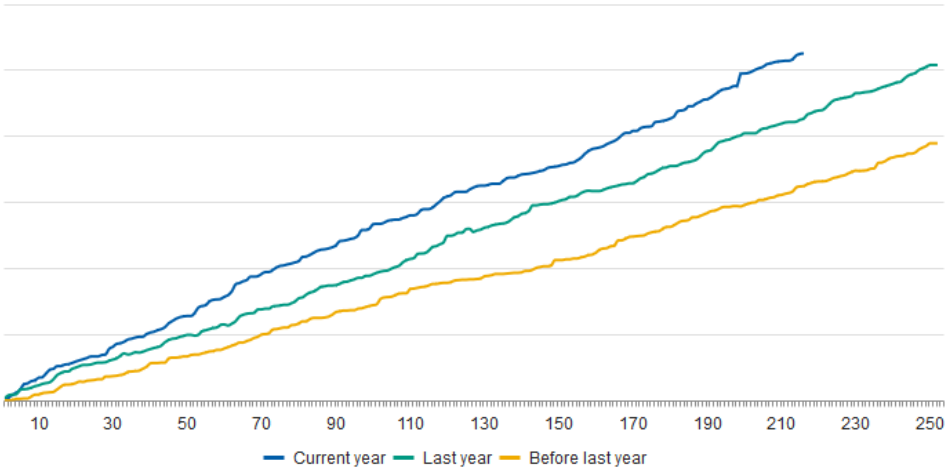
Applying Sensidose Swedish annual revenue per patient (about 50 thousand SEK) in the 540-700 thousand patients with severe Parkinson's disease, the total market for Sensidose EU and the US amounts to 27-35 billion per year.

Sensidose drug Flexilev® is approved in 14 European countries (including Sweden). Initially, we focused on Scandinavia, but now we direct the focus towards central Europe, mainly Germany. Our product is targeted to the difficult to treat patients, and our goal is to capture a significant share of this market. We aim to continue to expand our presence outside of the regions where we currently are active.

Sensidose turnover in Sweden, three initial years of sales including 2020

Since the start of the commercialization, we have seen a slow but very steady increase in sales as depicted in the diagram below where the blue line is 2020. Sales increase with an average of about 25% per year and we still see a good influx of patients, hence a saturation effect or plateau has not been seen so far! Sales in Norway and Denmark started later than Sweden so figures there are not comparable.

Sales overview 2018-2020



Financial forecast 2021-2024[1]

Sensidose expects sales to grow 25-30% annually on the Scandinavian market, reaching a total of SEK 20 million in 2024. Revenue from a German launch is not included in this forecast because of uncertainties regarding pricing. The

[1] Forecasts for the future are uncertain and the outcome may deviate from these assumptions

presented forecast has been created only for existing markets in Scandinavia. Thus, there are significant opportunities for revenue growth in other export markets.

Financial Prediction (KSEK)	2021	2022	2023	2024
Net sales	9 280	11 904	15 476	20 118
Costs of goods sold	-1 135	-1 429	-1 857	-2 414
Gross profit	9 145	10 476	13 619	17 704
Operational costs	-10 565	-8 714	-9 047	-9 449
Depreciation	-3 300	-3 300	-3 300	-3 300
Financial expenses	-270	-204	-138	-72
Operating profit	-5 990	-1 743	1 133	4 883
Cash Flow	-5 434	457	2 733	6 483

With the expected annual growth in the Scandinavian markets, the Company achieves cash-flow positivity in the year 2022 and the full year 2023 shows a positive result. These numbers are assuming that Sensidose lower its operational costs by approximately 20% in the year 2022 and does not include any expansion into new products, indications, etc. The Company has accumulated tax losses amounting to SEK 103 million.

Company

Sensidose was founded in 1998 by Professor Sten-Magnus Aquilonius and Christer Nyström, both from the University of Uppsala. Both were at that time also active in the company NeoPharma. NeoPharma developed a method for the continuous delivery of levodopa to the small intestine employing a pump and a specifically formulated gel (Duodopa®). This treatment means that you get an even and adjustable level of levodopa in the blood. Duodopa has proved to be a welcome addition to the treatment options for patients in the late phase of Parkinson's disease. The founders realized that, even if you cannot by oral Levodopa achieve a continuous delivery as you can do with Duodopa®, it should with micro tablets and more frequent and individualized treatment, be possible to improve care for patients in an earlier phase of the disease.

Sensidose CEO, Jack Spira has both a scientific and commercial profile and extensive experience in the pharmaceutical industry from both small biotech companies and multinational corporations. The company's CFO, Kristofer Svensson and its controller, Michael Owen, together have extensive experience in corporate accounting in both listed and private environments.

Sensidose Board is comprised of individuals with extensive knowledge from the scientific community, pharmaceutical industry and the financial industry. The company's chairman, Ingemar Kihlström, has very broad experience in start-up companies in life science and board work.

Positioning – Individualization

A drug's success depends not only on its efficacy but also on how it is used, ie, the dose, how often it is taken and its side effect profile. For many drugs, the optimal use is to get a smooth and stable level of drug in the blood. This can be achieved with various types of pumps, i.e., invasive methods that gradually deliver the drug into circulation. This is costly and patients an exhausting method of drug intake. Therefore,> 95% of all traditional drugs (small molecules) formulated in dry form, e.g., as a tablet or powder, in a strength that is designed to fit an average patient and usually taken once or twice a day.

The disadvantage of the standard doses is that they are not able to individualize treatment, basically all patients get the same dose. Fine adjustment with an example, 15% greater or smaller dose using the intake of standard tablets is difficult, if not impossible, to achieve securely.

Solution

Sensidose can through using our proprietary micro-tablets, which contain a small subset of the dose in a standard tablet, offer an individualized and tailored treatment of Parkinson's disease.

This is accomplished by instead of taking a tablet with a large amount of drug, the patient takes several micro-tablets, each containing a smaller amount of drug. The dose can then be adjusted to any individual need, using a multiple of the unit medicines the micro tablets contain. In the Sensidose case, one can dispense the dose you need in 5 mg increments. This opens the possibility of developing individual dose regimens not only in terms of dose but also time. One can e.g. allow one dose to be 45 mg while the next maybe 60 mg. To deal with this, the unique tablet is combined with a dosing device that dispenses out a pre-programmed dose at a specific time. With the help of modern technology memory functions such as alarms and buzzers, and registration and monitoring of doses are available and the information is stored in the device.
Even if the Sensidose technology cannot achieve the same stable level of the drug in the blood as in an invasive infusion using pump therapy it can be assumed that the Sensidose concept will achieve the beneficial clinical result in a more cost-efficient way.

Description of the company's technology and product

The company's technology and products are based on a dispensing device - MyFID® and micro tablets Flexilev / Zuades (Norway) / Suades (Germany) that are adapted for MyFID. MyFID is a programmable dispensing apparatus for tablets. By combining the possibilities of modern technology and the "micro" tablets one achieves a personalized use of the drug with very good compliance. MyFID is pre-programmed to deliver a certain amount of medication at a certain time. The doctor together with the patient will decide which dose a patient is to use and when to take it. Patients have the freedom to control several functions.

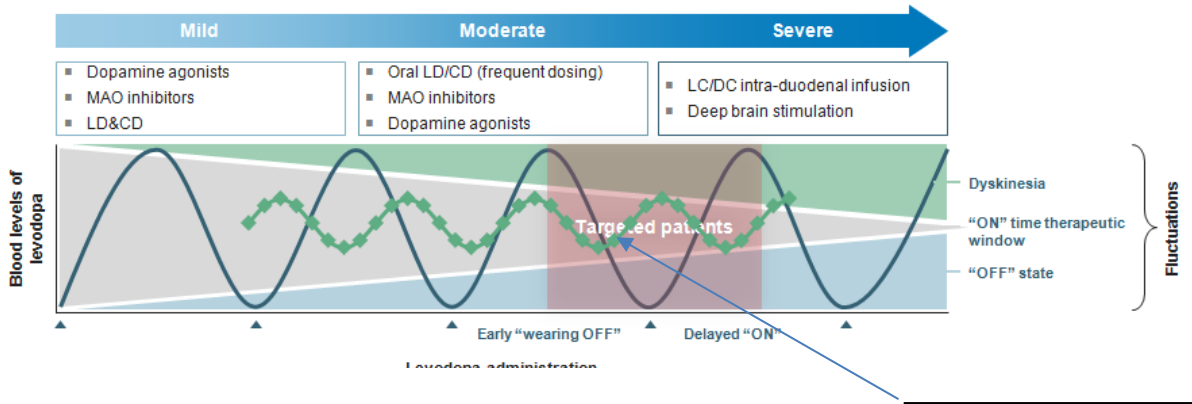
MyFID 1.5 for the German market

MyFID has unique registration possibilities. It records when a dose is taken and the amount taken. It also records the missed doses, i.e. when the drug is not taken. MyFID will ask and record the reasons for extra doses taken, that is doses taken outside of the schedule. It also records the disease symptoms by using easy to use scales that make it possible for the patient and the physician to monitor treatment effects. This allows both the treater and patient to get a continuous view of how the disease develops and varies with time. All the information recorded is available for both the patient and physician and can be retrieved with the help of a specially developed and standardized treatment report. MyFID gives the physician and the patient a more precise and accurate background for further treatment decisions.

The next version of MyFID (1.5) is an upgraded version of the original 1.0 version. It is developed with new components and launch is planned for December 2020. Due to the pandemic, the launch will be successive rather than a classical lunch.

Individualized therapy

To enable individualized dosing of oral tablets, thereby achieving a uniform delivery of a specific dose is the core of Sensidose technology. With the help of micro-tablets, containing small amounts of levodopa for the treatment of Parkinson's disease, it is possible to fine-tune therapy similarly as is done with Duodopa®, but without an invasive procedure. The figure below illustrates the current treatment with standard tablets. In the later stage of disease with large standard doses, the treatment is not individually adapted and will be outside the so-called therapeutic window (the therapeutic window is illustrated by the grey area in the figure below). Sensidose treatment, as illustrated by the turquoise line enables a fine-tuning so the treatment always is within this window.



This illustrates that by using micro tablets, it is possible to treat patients with advanced Parkinson's disease and a narrow "therapeutic window". To facilitate individualized dosing, it is obvious that a dispensing device with an electronic diary is needed.

Vision

Sensidose vision is to offer a greater number of users the possibility of an individualized, fine-tuned tablet treatment of Parkinson's disease and other medical conditions. The method will not cure the disease but is aiming at alleviating the patient's, caregivers and society's disease burden.

Events in the Company's development

1998

The company is founded, patent regarding the company's technology is submitted

2009

The first clinical bioequivalence study conducted

2010

Another clinical study (multiple dosing study) is performed

2011

Company management and personnel recruited for dispensing device development

2013

The dosing device "MyFID" receives CE mark

2014

Flexilev tablets receive marketing approval in Sweden

2016

Approved reimbursement in Sweden. Marketing permission for a further 13 countries in Europe received. Comparative pharmacokinetics study in patients completed

2017

Comparative study of Flexilev versus the standard treatment completed

2018

Launch in Denmark and Norway

2019

The company scaled up production volumes and moved its production of pharmaceuticals from Sweden to Germany which secures deliveries of increasing future product needs at a significantly lower cost.
Version 1.5 of MyFID under development.
License agreements with Desitin Arzneimittel GmbH for marketing and sales service in Germany. The company received funding from Vinnova (Swedish Innovation Agency) together with Uppsala University and Örebro University implementing the innovation project "Sensor-controlled monitoring and treatment of opioid requiring pain".

Marketing
Sensidose generates revenue through the sale of Flexilev® / Zuades® / Suades® tablets. We provide the dispensing device for free(by way of loan) to users and at no cost for the health care system. In Sweden, we have our own sales force, while in Norway and Denmark we have agents. In Germany, we have contracted Desitin to market the product while keeping the MAH (Marketing Authorization Holder) within Sensidose.

Production of Flexilev
The transfer of the production of Flexilev to the new producer in Germany has been successful, increased capacity and reduced manufacturing cost.

Development of MyFID 1.5
Development of MyFID 1.5, an upgraded version of our present dispensing device includes new components, a new front and a more modern design. MyFID 1.5 is covered by existing CE marking, development finalized and is currently in production.

Background and rationale for the new share offer

Background

The proceeds from the upcoming share issue will be used for maintaining the company´s sales momentum in the Scandinavian area while we move towards being cash-flow positive. We are also launching the upgraded dispensing device MyFID 1.5. The financial strength given to Sensidose through this issue is expected to cover the company's expenses and planned investments until the company becomes cash flow positive in 2022, in the present scenario without the German market.

Use of proceeds

The company estimates that a capital injection of approximately 6 million SEK is needed to take the company over 2021-2022 (with included expense control) while resolving the situation in Germany. The new issue will cover the company's expenses and will mainly be used as described below.

Stock build MyFID 1.5 (about 1.8 million)

Sensidose long-term success is based on being able to provide and sell the product Flexilev / MyFID. We need to have a stock of MyFID 1.5 ready for future expansion and exchange of older devices as they are worn out.

Settling company debt (about 1 million)

The development cost for MyFID 1.5 was partially converted to shares and partially remaining as debt. Part of the proceeds will be used for the settlement of that debt.

The company's operations (about 3.2 million)

The company's operating costs include salaries for staff and board members, patents, premises, administration, travel and insurance.

Further development of the application MyFID 2.0 and the treatment of Parkinson's disease

Sensidose has applied to Horizon2020 for the development of next-generation MyFID and a modern new approach to Parkinson's treatment. Previous applications received very high scores in the assessment and the company received a so-called "Certificate of Excellence". The present application will be evaluated late in 2020. If it is successful Sensidose will have the means to start this development. Without a positive response, Sensidose will not have the financial resources to start this project.

Sensidose future activities

Development

Sensidose has undergone several stages. From conception, development, clinical trials, production, registration, approval and marketing. We are now in a phase of expansion.

Snapshot of development stages in the development of Flexilev / MyFID

Expansion

Sensidose has entered into agreements with license for Germany. We will continue our efforts to grow the market in areas where we believe we can justify the price for the treatment and where the introduction does not burden our financial situation.

Sales of medicines is a multifaceted and demanding activity involving regulatory requirements, laws and regulations related to the situation in health care, and contacts with physician and patient organizations. Accessibility can therefore bring challenges. We need to be open to new ideas and methods that allow us to reach our customers more efficiently while we convey value for the users, health care payers and our shareholders. We see clearly major opportunities and we will continue with the marketing strategy we have initiated to achieve our goals.

Business Model
Sensidose business model is based on selling Flexilev tablets using an in-house sales force on the domestic market, and through agents/licensee in export markets where the companies work together for a successful sale.

Objectives
Sensidose financial objective in the near future is to increase sales in the Scandinavian market. In the longer term, we will prioritize further expansion to additional markets.

Competitors
There are no competitors in the market with a product similar to ours. A company in Gothenburg, OnDosis, develops a concept similar to ours with a dispensing device but with microparticles (not micro-tablets). Their stated indications are ADHD, immunosuppression and pain, which are partly similar to those we have in mind for our second indication. OnDosis has no product on the market and we are carefully monitoring their progress. Regarding our current primary therapeutic target (Parkinson's disease) we see them as a competitor. However, they have not stated any interest in this indication.

Regulatory approvals
Sensidose received the final Mutual Recognition Procedure (MRP) approval from the Swedish Medical Products Agency o February 7, 2018, and has thus MRP approval Flexilev / Zuades in 14 EU countries.

MyFID received CE mark initially in 2013 and renewed ln 2018 and valid through 2023.

Immaterial rights
The company's proprietary product is protected by patents and patent applications related to the dosing process, dispensing device and tablet form. Sensidose has full ownership of these patents and patent applications, and there are no royalties or fees to third parties. A summary table of the six patent families is illustrated in the table below.

patent Family	Coverage Summary	Status
Micro-dosing Tablet (PCT Application WO99 / 23014 filed October 6, 1998)	Method for fine-tuning of individual patient dosages by counting variable numbers of tablets containing low, sub-therapeutic Amounts of the API. The patient is not limited to any specific type or tablet therapeutic indication.	In force in the US, France, Germany, UK, Sweden, Netherlands, Spain, Italy, Canada, Australia, China, Israel and Brazil
	Device for the above	In force in US
Dosing device for use with microtablets (PCT Application WO2010 / 060568 filed April 21, 2010)	Electronic device including a micro tablet feeding mechanism where the tablets are stored in a removable cassette Which alsocontains a gear wheel Which forms part of the feeding mechanism. The device can have a range of functions.	In force in China and Europe.

patent Family	Coverage Summary	Status
Pharmaceutical use of electronic dosing device (divisional application EP 11726702.1, based on a now drawn with EP Application)	A dosing device including a micro tablet feeding mechanism where the tablets are stored in a removable cassette Which also contains a gear wheel Which forms part of the feeding mechanism. The device contains a plurality of microtablets containing certainement APIs.	European divisional application (based on drawn with EP Application) Granted and is now in force.
Gear wheel with a blocked compartment (PCT Application WO2014 / 114943 filed January 24, 2014)	An infra-red sensor, Which is Positioned between the receiving area and the dispensing area of the gear wheel, in Conjunction with associated software, allows the MyFID® device to identify an error in the dispensing operation. The application is Intended to preventable the use of generic cassettes / tablets with the device.	In force in the United States, Canada, China, Japan and Russia. Granted in Europe. The Corresponding PCT application is now expired.
Tablet formed from a compacted powder and having a certainement size (UK application 1520007.4 filed November 12 2015 now terminated; PCT Application WO2017 / 081094 filed November 9 2016)	In order for the cassette and device to work properly, A Certain shape or doming of the tablets is Necessary. The application seeks to preventable generic companies from making a micro tablet with a similar shape.	Pending in Europe and the United States.
System for Evaluating dosage parameters (UK application 1708624.0; PCT Application WO2018 / 220085)	A System That can evaluate how different dosage parameters Can Affect a patient.	Published as WO2018 / 220,085th National / regional phase commences Dec 2019th

Significant agreements

Sensidose has entered into a production agreement with Desitin Arzneimittel GmbH as of the 3rd of January 2019. It establishes that Desitin commits to the manufacturing of Flexilev micro tablets containing levodopa/carbidopa. On August 14, 2019, Sensidose entered into an exclusive service agreement with Desitin Arzneimittel GmbH for the marketing of Flexilev (Suades) in Germany. The agreement includes a commitment by Desitin to invest in the marketing of Suades in the German market. The agreement and collaboration were successfully brought forward to a ready for launch state when the pandemic caused it to be halted. It was then followed by a surprising move by the German authority regarding reimbursement, placing our product into a "basket" of pure generics. Sensidose has together with Desitin commented upon this and we are waiting for the answer and decision from the German Authority. Such an answer is expected at the end of this year or the beginning of 2021. Meanwhile, the decision has been taken not to launch on the German market as the offered prize is not attractive for either Desitin or Sensidose.

Disputes

Sensidose is not and has not been involved in legal or arbitration proceedings. The company is not aware of any claims or similar that may result in litigation.

Directors, senior executives and auditors

The following is a description of Sensidose directors, executives and auditors. The Sensidose board consists of Ingemar Kihlström (Chairman), Sten-Magnus Aquilonius, William Gunnarsson and Bo-Ragnar Tolf. Jack Spira is the CEO.

Board members

Chairman Ingemar Kihlström

Elected in 2018 Ass. Prof. Ingemar Kihlström has extensive experience in drug development and the life science industry. He has a PhD in Physiology at Uppsala University and has worked in both the Astra (now Astra-Zeneca) and Pharmacia. Kihlström has been working with the funding and development of both large and small life science companies. Ingemar has during many years worked on the board of more than 30 different companies and currently serves on 9 boards and is Chairman in 4 companies.

Sten-Magnus Aquilonius

Elected 2003. MD, Ph.D., professor of neurology at the University of Uppsala in 1996 - 2006. One of the founders of NeoPharma AB and Sensidose AB. Sten-Magnus Aquilonius has published over 160 articles in scientific journals.

Bo-Ragnar Tolf

Elected in 2011, M. Sc. Pharm., Ph.D., former director of the Innovation Office at Karolinska Institutet. Experience from leading positions in small to large biotech/pharmaceutical companies. Bo-Ragnar Tolf has knowledge covering research and development of pharmaceuticals, including manufacturing and intellectual property.

William Gunnarsson

Elected in 2012. Has worked in senior positions at Bristol-Myers and was CEO of Nobel Pharma, Inc. (Tokyo). Founded Orphan Europe in 1990. Member of the Board of Gesynta Pharma AB, Synphora Aktiebolag, Laccure AB Sixera Pharma AB, Cordivest AB and Premalux AB. William Gunnarsson graduated from the Royal Swedish Navy College and became a Navy Reserve Officer in 1967 and also a graduate of the University of Gothenburg in Science and Economics in 1973.

Senior executives

CEO Jack Spira

Employed 2012. Dr. Spira has worked in the pharmaceutical industry for over 25 years, primarily in Pharmacia but also in leading positions in several global pharmaceutical companies. He has MD, PhD degree from the Karolinska Institute in Stockholm. Dr. Spira has previously been a director of FormPipe AB (publ). Board member of Isifer AB. Jack Spira has published over 50 articles in scientific journals.

CFO Kristofer Svensson

Employed 2017. Kristofer Svensson has a B.Sc of Economics from Stockholm University. Before studies, he worked for 5 years at Skandia Transport AB. Current assignments: Board member of KS Consulting AB.

Controller Michael Owens

Controller since 2017. Michael has previous experience as Authorized Public Accountant with Ernst & Young, "Staff Accountant" for Arthur Andersen & Co., and has also served as CFO at AB Tre Cé System and Vitamex. *Current assignments*: CFO at Athera AB, Dizlin Pharmaceuticals AB, Inhalation Sciences AB, Lipidor AB, Lipigon AB and Ziccum AB. Controller at Infant Bacterial Therapeutics AB. Board member of LECRA Group International AB, First Base AB and M Owens Management Consulting AB.

Head of QA Maria Wikström

Maria Wikström (PhD) has worked in the medical device industry for 14 years. With knowledge from pharmaceutical, cosmetic and medical device industries all across the world, she has gathered a solid knowledge of

both manufacturing processes and how to achieve qualitative and high-efficiency operational structures in different types of companies and cultures.

Technical Director, Per Holm
Mr Holm is s a competent technical specialist and developer. His experience covers both in hardware and software. He has worked at Sensidose AB since 2015 and is the current technical manager for the company.

Auditor
This memorandum has not been audited as expressly stated in the memorandum. The company's auditor is PWC, Kista Science Tower, 164 51 Kista, Phone: 010-212 59 50. Main auditor is Henrik Boman, Authorized Public Accountant and member of FAR.

Remuneration to the Board and senior management
Remuneration to the Board
Following the decision at the AGM on 23 June 2020, the Board fees for the 2020/2021 shall amount to SEK 200 000 for the chairman and SEK 50 000 to each of the other members. No pension or other benefits is to be paid to the Board members for the period until the next AGM. None of the directors are entitled to benefits after termination of the assignment.

Remuneration to senior executives
In the financial year 2019 and the first half of 2020, the remuneration paid to senior executives was in the form of salary. No bonus or other remuneration was paid.

Transactions with related parties
Board members received remuneration in accordance with the decision of the AGM.

There have been no other significant transactions with related parties in fiscal 2020.

Warrant program 2018/2022
The AGM 2018 decided to issue warrants to the employees, which give the right to subscribe for shares at a subscription price of SEK 15 per share in 2022. All 150,000 warrants have been subscribed for and allotted. An option gives the right to subscribe for one share.

Warrant program 2019/2023
The AGM 2019 decided to issue warrants to the employees, which give the right to subscribe for shares at a subscription price of SEK 13 per share in 2023. All 150,000 warrants have been subscribed for and allotted. An option gives the right to subscribe for one share.

Share capital and ownership
The share capital of Sensidose shall be at least 2,568,206 and at most SEK 10,272,824 divided between a minimum of 2,568,206 shares and a maximum of 10,272,824 shares. There is only one type of shares, common shares. All shares carry equal rights to dividends and are entitled to one vote at the Annual General Meeting. The quota value is SEK 1 per share.
The company's share register is administered electronically by NVR (Nordic securities Register) and administered by Aspia, Uppsala. Shareholders will receive no physical share certificates.

Share capital:

År	Händelse	Ökning antal aktier	Aktier ack	Kvotvärde	Emissions kurs	Emissionsbelopp	Ökning av aktiekapital	Totalt aktiekapital
1998-01-23	Nyemission	1 000	1 000	100	100	100 000	100 000	100 000
2003-09-09	Nyemission	112	1 112	100	100	11 200	11 200	111 200
2003-09-09	Nyemission	73	1 185	100	100	7 300	7 300	118 500
2003-09-09	Nyemission	11	1 196	100	100	1 100	1 100	119 600
2005-09-01	Nyemission	112	1 308	100	9 000	1 008 000	11 200	130 800
2007-01-25	Nyemission	1 956	3 264	100	1 720	3 364 672	195 600	326 400
2008-03-20	Nyemission	2 050	5 314	100	3 064	6 281 200	205 000	531 400
2009-01-30	Nyemission	615	5 929	100	3 064	1 884 360	61 500	592 900
2009-11-05	Nyemission	414	6 343	100	2 359	976 626	41 400	634 400
2010-04-21	Nyemission	548	6 891	100	3 153	1 727 844	54 800	689 100
2011-02-01	Nyemission	322	7 213	100	3 200	1 030 400	32 200	721 300
2011-06-01	Nyemission	262	7 475	100	3 300	864 600	26 200	747 500
	Split 100:1		747 500	1				
2011-09-08	Nyemission	61 200	808 700	1	37	2 292 552	61 200	808 700
2011-09-14	Nyemission	5 000	813 700	1	37	187 300	5 000	813 700
2012-03-14	Nyemission	46 823	860 523	1	37	1 732 451	46 823	860 523
2012-03-20	Nyemission	13 515	874 038	1	37	500 055	13 515	874 038
2012-06-19	Nyemission	459 724	1 333 762	1	40	18 388 960	459 724	1 333 762
2013-06-17	Nyemission	190 537	1 524 299	1	34	6 478 258	190 537	1 524 299
2014-05-07	Konverterin	213 560	1 737 859	1	32	6 833 578	213 560	1 737 859
2014-05-07	Nyemission	249 731	1 987 590	1	40	9 989 240	249 731	1 987 590
2014-08-05	Nyemission	119 301	2 106 891	1	40	4 772 040	119 301	2 106 891
2016-02-03	Nyemission	199 995	2 306 886	1	40	7 999 800	199 995	2 306 886
2016-11-24	Nyemission	256 320	2 563 206	1	40	10 252 800	256 320	2 563 206
2016-11-24	Nyemission	5 000	2 568 206	1	40	200 000	5 000	2 568 206
2018-08-31	Nyemission	534 492	3 102 698	1	8	4 276 013	534 492	3 102 698
2018-08-31	Konverterin	1 293 546	4 396 244	1	8	10 348 532	1 293 546	4 396 244
2019-05-10	Nyemission	1 057 407	5 453 651	1	7	7 401 849	1 057 407	5 453 651
2019-11-18	Nyemission	850 000	6 303 651	1	8	6 800 000	850 000	6 303 651
2020-06-27	Nyemission	125 000	6 428 651	1	8	1 000 000	125 000	6 428 651

Ownership Sept 30, 2020

Owner	Number of shares and votes	Ownership (%)
BWG Invest S.à.rl au capital de EUR 1`945`129,	1 138 721	17.71%
Arkonek Invest	583 559	9.08%
Myacom Investment AB	508 915	7.92%
Jungfrutomten Värdeinvest Aktiebolag	498 599	7.76%
Nystrom, Christer	305 980	4.76%
Hakansson, Yvonne	285 759	4.45%
Aquilonius, Sten-Magnus	265 098	4.15%
CapMate Aktiebolag	243 643	3.79%
JDS Invest	220 811	3.43%
Lundmark, Anders	195 710	3.04%
Other shareholders	2 179 856	33.91%
Amount	**6 428 651**	**100%**

Financial overview

If the financial overview

The financial information given below is from the 2019 Annual Report of Sensidose which is incorporated in this memorandum by reference. The Annual Report 2019 has been audited by the Company's auditor. Accounts for 2020 have not been reviewed by the Company's auditor and adjustments can be made. The cash flow statement for the year 2020 has not been audited by the Company's auditor. The information below is part of the memorandum as a whole and must therefore be read together with other information in the memorandum. The Annual Report 2019 has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board in 2012: 1, Annual report and consolidated financial statements (K3). The figures below have not been audited by the Company's auditor.

Income Statement

KSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	1 889	1 265	5 314	3 989	5 517
Received contributions	90	1	971	752	991
Operating income	**1 979**	**1 266**	**6 285**	**4 741**	**6 508**
Raw materials and consumables	-332	-252	-926	-1 297	-1 591
Other external expenses	-1 144	-1 511	-6 331	-5 144	-5 411
Personnel costs	-1 343	-1 196	-4 095	-3 625	-5 331
Depreciation of tangible and Intangible assets	-870	-680	-2 219	-2 023	-2 741
Other operating income / expenses	-3	-2	-18	-9	-15
Operating loss	**-1 713**	**-2 375**	**-7 304**	**-7 357**	**-8 581**
Income from financial items					
Interest and similar items	-70	-59	-215	-183	-240
Net Income	**-1 783**	**-2 434**	**-7 519**	**-7 540**	**-8 821**

Balance sheet

KSEK	2020-09-30	2019-09-30	2019-12-31
Fixed assets			
Intangible assets			
Capitalized development costs	4 270	1 808	4 214
Patents	635	1 593	1 365
Total intangible assets	**4 905**	**3 401**	**5 579**
Tangible fixed assets			
Machinery and other technical facilities (MyFID)	1 022	1 512	1 355
Inventory	111	29	96
Construction of (MyFID)	478	865	506
Total tangible assets	**1 611**	**2 406**	**1 957**
Total fixed assets	**6 516**	**5 807**	**7 536**
Current assets			
Inventories mm.			
Raw materials and consumables	**2 120**	**1 896**	**1 610**
Receivables			
Accounts receivable	771	608	654
Current tax receivable	16	83	-
Other receivables	568	480	566
Prepayments and accrued income	454	220	323
Total current assets	**1 809**	**1 391**	**1 543**
Cash and bank balances	3 723	4 292	9 269
Total current assets	**7 652**	**7 579**	**12 422**
TOTAL ASSETS	**14 168**	**13 386**	**19 958**
Equity and liabilities			
Restricted equity			
Share capital	6 429	5 454	6 303
Statutory reserve	1 509	1 509	1 509
Reserve for capitalized development costs	4 116	645	3 303
Total restricted equity	**12 054**	**7 608**	**11 115**
Unrestricted equity			
Premium fund	108 012	104 654	107 950
Retained earnings	-106 189	-97 368	-97 368
Net income	-7 519	-7 540	-8 821
Total unrestricted equity	**-5 696**	**-254**	**1 761**
Total equity	**6 358**	**7 354**	**12 876**
Long-term liabilities			
Liabilities to credit institutions	3 795	3 182	3 007
Liabilities to suppliers	774		
Total long-term liabilities	**4 569**	**3 182**	**3 007**
Current liabilities			
Accounts payable	743	786	1 281
Current liabilities to credit institutions	691	617	792
Current tax liability	19	-	29
Other current liabilities	202	109	92
Accrued expenses and deferred income	1 586	1 338	1 880
Total current liabilities	**3 241**	**2 850**	**4 074**
Total liabilities	**7 810**	**6 032**	**7 081**
TOTAL EQUITY AND LIABILITIES	**14 168**	**13 386**	**19 958**

Shareholders equity

KSEK

	Restricted Equity				Unrestricted Equity			
	Share Capital	Unreg. Share Capital	Fund for ext. expenditure	Statutory reserve	Premium fund	Retained earnings	Net Result	Total Equity
Opening Equity 2019-01-01	**4 396**	**0**	**794**	**1 509**	**98 049**	**-82 858**	**-14 510**	**7 380**
Allocation of net income						-14 510	14 510	0
Net result							-7 540	-7 540
Reserve for capitalized development costs			-149		149			0
Transactions with shareholders								
Rights issue Mars 2019	1 057				6 345			7 402
Warrants 2019/2023					107			107
Closing Equity 2019-09-30	**5 453**	**0**	**645**	**1 509**	**104 650**	**-97 368**	**-7 540**	**7 349**

Opening Equity 2019-01-01	**4 396**	**-**	**794**	**1 509**	**98 049**	**- 82 858**	**- 14 510**	**7 380**
Allocation of net income						-14 510	14 510	0
Net result							-8 821	-8 821
Reserve for capitalized development costs			2 509		-2 509			0
Transactions with shareholders								0
Rights issue Mars 2019	1 057				6 345			7 402
Unreg. Rights issue Nov 2019		850			5 950			6 800
Warrants 2018/2022					26			26
Warrants 2019/2023					90			90
Closing Equity 2019-12-31	**5 453**	**850**	**3 303**	**1 509**	**107 950**	**- 97 368**	**- 8 821**	**12 876**

Opening Equity 2019-01-01	**5 453**	**850**	**3 303**	**1 509**	**107 950**	**- 97 368**	**- 8 821**	**12 876**
Allocation of net income						-8 821	8 821	0
Net result							-7 519	-7 519
Reserve for capitalized development costs			813		-813			0
Transactions with shareholders								0
Rights issue Nov 2019	850	-850						0
Unreg. Rights issue June 2020		125			875			1 000
Closing Equity 2020-09-30	**6 303**	**125**	**4 116**	**1 509**	**108 012**	**- 106 189**	**- 7 519**	**6 357**

Cash Flow Analysis

KSEK	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Operating activities					
Operating profit	-1 713	-2 375	-7 304	-7 357	-8 581
Financial items, net	-70	-59	-215	-183	-240
Adjustment for items not included in cash flow					
(Depreciation)	870	680	2 219	2 023	2 741
Cash flow from operating activities before changes in working capital	**-913**	**-1 754**	**-5 300**	**-5 517**	**-6 080**
Cash flow from changes in working capital					
Increase / Decrease inventories	332	252	-510	11	297
Increase / Decrease in receivables	-120	493	-267	-250	-486
Increase / Decrease in current liabilities	-266	-673	-732	-42	1 091
Cash flow from operating activities	**-967**	**-1 682**	**-6 809**	**-5 798**	**-5 178**
Investments					
Acquisition of fixed assets	-15	-117	-1 198	-554	-3 002
Financing activities					
Loans	180	-	1 461	-	-
Amortization of loans	-	-154	-	-463	-462
Warrants	-	107	-	112	116
Right issues	-	-		7 402	7 402
Unregistred Right issues	-	-	1 000	-	6 800
Cash flow from financing activities	**180**	**-47**	**2 461**	**7 051**	**13 856**
Cash flow for the period	**-802**	**-1 846**	**-5 546**	**699**	**5 676**
Cash and cash equivalents at beginning of period	4 525	6 138	9 269	3 593	3 593
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3 723**	**4 292**	**3 723**	**4 292**	**9 269**

Comments on the financial development

Amounts are stated in thousands (KSEK). Figures in parentheses refer to the previous year unless otherwise indicated.

Net sales

Net sales for the period from January 1 to September 30, 2020 amounted to 5 314 KSEK (3 989).

Operating expenses

Operating expenses consist primarily of upscale costs, regulatory costs, patent costs, consulting costs, development costs for MyFID 1.5, marketing and personnel costs.

Last year comparison

Operating expenses during the first three quarters of 2020 amounted to 13 589 KSEK as compared to 12 098 the first three quarters of 2019, an increase of 1 491 KSEK. The increase is explained by the final payment of Upscale cost of production, the continuous development of MyFID 1.5, higher regulatory costs (personnel costs and received contributions directed toward personnel is separated in the income statement).

Operating loss

Operating loss for the period from January 1 to September 30, 2020 was 7 304 KSEK (7 357). The improvement is due to increased sales, contributions received and a higher gross margin.

Balance sheet

Company assets constitute intangible assets in the form of capitalized development and patents. The sum of

intangible assets was as of September 30th, 2020, 4 905 KSEK (3 401). The increase is due to capitalized development costs. Tangible assets mainly consist of MyFID dispensing devices and parts thereof. The tangible assets amounted to September 30th, 2020 a total of 1 611 KSEK (2 406). The decrease in tangible assets was mainly because of the write-down of construction parts for MyFID 1,0.

Total Current assets amounted to 7 652 KSEK on September 30, 2020 (7 579).

Total assets amounted to 14 168 KSEK on September 30, 2020 (13 386).

Cash Flow
Cash flow from operations amounted to -6 809 KSEK for the period January 1 to September 30, 2020, compared to -5 798 KSEK in the same period in 2019. The company's loss before changes in working capital amounted to 5 300 KSEK (5 517) and the loss after changes in working capital amounted to 6 809 KSEK (5 798).

Cash flow from investing activities amounted to -1 198 KSEK for the period January 1 to September 30, 2020, compared to -554 KSEK for the same period 2019.
Cash flow from financing amounted to 2 461 KSEK for January 1 to September 30 in 2020, (7 051). The difference is mainly that Sensidose in 2019 raised capital by issued shares amounting to 7,402 KSEK, compared with a right issue in the corresponding period in 2020 that amounted to 1 000 KSEK.
Cash and cash equivalents amounted 3 723 KSEK on September 30, 2020 as compared to 4 292 KSEK for the same date in 2019.

Accounting

Valuation principles
Assets, provisions and liabilities have been valued at cost unless otherwise stated.

Tax
Income tax expense comprises current and deferred tax. The current tax is the income tax for the current financial year relating to the taxable profit. Deferred tax is the income tax for taxable income relating to future financial years as a result of past transactions or events.
Sensidose tax loss per December 31, 2019 amounted to approximately 103 million. Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be possible to reduce with deferred tax. Deferred tax assets have not been capitalized.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation and any impairment as of the acquisition date. The estimated useful lives of intangible assets is 7 years and 5 years for tangible assets. The Company has considered the assets' carrying values by forecasting future cash flows which indicate that the capitalized value of the assets has not demonstrated impairment.

Expenditure on research and development
All costs arising from its research phase are expensed when incurred.

Translation of items in foreign currency
Assets and liabilities in currencies other than the reporting currency are translated at the closing rate on the balance sheet date.

Financial instruments
Financial assets and liabilities are reported in accordance with Chapter 11. K3 (financial instruments measured at cost). Financial assets are measured at initial recognition at cost, including any transaction fees directly attributable to the acquisition of the asset. Trade and other receivables that are current assets are valued individually at the amount expected. Financial liabilities are measured at amortized cost.

Equity
The Company has issued capital instruments in the form of warrants. Transactions with shareholders and share issues to rate higher than the quota value are recognized directly in the share premium account. Amounts are stated in thousands (thousands of Swedish crowns). Figures in parentheses refer to the previous year unless otherwise stated.

Risk Factors

Several risk factors may have a negative impact on the operations of Sensidose AB. It is therefore important that in addition to the company's growth opportunities also take into account relevant business risks that may be affected by external factors beyond the Company's control, such as political or regulatory decisions. Other risks associated with the shares under this Memorandum offered for sale are also possible. Below is a description of risk factors in no particular order and with no claim to be comprehensive. All risk factors can naturally not be assessed without a complete evaluation of other information in this memorandum.

Company-specific risks

Forward-looking information
The memorandum may contain forward-looking statements. These statements are not guarantees of future conditions and are subject to inherent risks and uncertainties. Words such as "anticipated," "estimate", "expect", "proposes", "intend", "planned", "estimate", "may", "will" and similar expressions regarding indications or prognosis of future developments or trends and which are not based on historical facts, are forward-looking statements. Forward-looking statements include statements about future business operations of Sensidose, and as a result, the Offer. These statements reflect Sensidose expectations, based on the information currently available to Sensidose and these expectations and intentions are based on several assumptions and subject to risks and uncertainties that may be outside of Sensidose control, including but not limited to the effects of changes in general economic conditions, interest rates, fluctuations in production, fluctuations in reserve estimates, licensing, competition, employee relations, natural disasters such as Covid-19 and the potential need for increased investment. Actual results could differ materially from those expressed or implied in the forward-looking statements.

Financing and capital
The company has so far costs more than its revenues. Sensidose thus, depending on when it reaches a positive cash flow, even in the future may need to seek further external capital. The size, as well as the timing of the Company's future capital requirements, will depend on a number of factors, including the success of the commercialization of products, research and development and the conclusion of cooperation agreements. There is a risk that new capital cannot be raised when the need arises for the Company or that capital cannot be raised on terms acceptable to the Company. This may have negative consequences for the Company's business, financial condition and results.

Sensidose new products
There is a risk that Sensidose will not succeed in developing the company's next product in accordance with the development plan and therefore revenue may become completely or partially absent.
Product development can take a long time and when product development is ongoing, it is uncertain whether there will be a market for the product when it is fully developed, how large the market is in such cases, what competing products may be on the market in the future. To the extent that competition consists of existing products is a risk that Sensidose will not able to get potential customers to replace known and established products. Another risk is that competitors, many of which have greater resources than the Company, developing alternative products that are more effective, safer or cheaper than those of Sensidose. This can lead to Sensidose not being able to reach a market for their products, which may affect the Company's business, financial condition and results of operations.

Changing market conditions
There is a risk that there may be changes in the market, there may be new drugs or pricing may change or price and the subsidy cannot be obtained, or other regulatory changes. This could significantly change the company's marketing plan. There is also a risk that the relevant drug authority and price-setting authorities may require additional studies to prove and validate various aspects. This could impact the possibility of revenue for Sensidose.

Dependence on key personnel and qualified employees
Sensidose business is to some extent dependent on a number of key personnel, as well as the Company's Managing Board. If one or more key employees choose to leave Sensidose and Sensidose fails to replace them it could affect the

Company's business, financial condition and results of operations. If Sensidose is unable to hire qualified personnel to a sufficient extent and under the conditions required, it could affect the Company's business, financial condition and results of operations.

Intellectual property issues
Sensidose is largely dependent on its ability to obtain and protect patents, as well as the ability to protect specific knowledge. The risk is that Sensidose may not be granted a patent for inventions, that the patents do not provide sufficient patent protection, or that granted patents are being circumvented or abrogated. It is normally associated with high costs to run a process concerning the validity of a patent. The company is relatively small and there is a risk that competitors have access to greater financial resources and thus better conditions than Sensidose to handle such costs. In some jurisdictions, such costs may be borne by Sensidose even if the results otherwise will be positive for Sensidose. If the Company fails to obtain and protect patents, competitors may have the opportunity to freely use Sensidose products, which would then negatively affect Sensidose ability to commercialize its operations.

Besides, the Company's ability to enter into important agreements is impaired in such cases. There is the risk that future patents granted to others than the Company may restrict the Company's ability to commercialize its intellectual property, which may affect the Company's results and financial position. There is also a risk that Sensidose without knowing it infringes the intellectual property rights of others and incurs claims for compensation for such infringement. The Company may in such cases also be prohibited under penalty to continue to use those rights.

Dependence on suppliers
The company does not plan at present to conduct its production of products but will be dependent on subcontractors. If Sensidose is not able to find reliable suppliers who can deliver products with the quality and quantity that Sensidose requires , may affect the Company's operations and earnings.

Articles of association

(Established on AGM 2018-05-29 Reg No: 556550-3074)

§ l Company is Sensidose Limited.

§ 2 The Board shall have its headquarters in Uppsala, Uppsala County.

§ 3 The company will operate in the field of drug development and drug delivery and related business.

§ 4 The share capital shall be not less than 2,568,206 SEK, and a maximum of 10,272,824 SEK.

§ 5 Number of shares shall be not less than 2,568,206 and no more than 10,272,824.

§ 6 The shares shall only be of one type.

§ 7 The Board shall consist of at least one and no more than seven members, with a maximum of two deputies. The board is elected annually at the AGM for the period until the next annual general meeting.

§ 8 The Company shall have one auditor.

§ 9 Notice of General Meetings shall be given to the shareholders by regular mail or by e-mail. Notice shall be given no earlier than six weeks and no later than two weeks before the meeting.

§ 10 At the Annual General Meeting the following matters should be discussed.
1. Election of Chairman of the Meeting
2. Preparation and approval of a voting list
3. Selection of one or two secretaries for meeting minutes.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the meeting agenda.
6. Presentation of the annual report and audit report.
7. Resolution of
a) determination of the income statement and balance sheet,
b) allocation of the profit or loss according to the balance sheet,
c) discharge of liability the Board and Chief Executive Officer.
8. Decision on the fee for Board of Directors and auditors
9. Election of Board and auditors
10. Other matters on the meeting under the Companies Act (2005: 551)

§ 10 The company's financial year shall be January 1 to December 31.

§ 12 Annual General Meetings may, in addition to Uppsala, be held in Stockholm.