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Ad hoc announcement pursuant to Art. 53 LR

Santhera Provides Corporate Update and Calls Extraordinary General Meeting to Seek Approval for Further Financings

Pratteln, Switzerland, November 24, 2021 – Santhera Pharmaceuticals (SIX: SANN) provides an update on its activities and is calling an Extraordinary General Meeting (EGM), which will be held on December 15, 2021, at 10:30 hrs at the domicile of the Company. At the EGM, Santhera seeks authorization for additional funding to enable continued pipeline development and preparations for the commercialization of vamorolone.

Corporate Update

In the course of this year, Santhera has seen significant progress in its pipeline development and organizational restructuring which resulted in a significantly lower cost base, and the Company has implemented various measures to strengthen its capital structure.

Vamorolone for the treatment of Duchenne muscular dystrophy (DMD)

On November 17, 2021, following the announcement of positive 24-week results from the VISION-DMD, pivotal Phase 2b study on June 2, 2021, Santhera announced a successful outcome of a first pre-NDA meeting with the U.S. Food and Drug Administration (FDA) in which the FDA agreed that (i) the efficacy of vamorolone as demonstrated in the 24-week double-blind phase of the pivotal VISION-DMD study supports an NDA application and that (ii) the results from the 24-week double-blind phase of the pivotal VISION-DMD study and the open-label studies provide sufficient safety data to support an NDA filing of vamorolone for the treatment of DMD. The FDA also noted in its response that, as a synthetic steroid, vamorolone may have potential public health benefits for other indications. On this basis, Santhera will continue to collaborate with the FDA and evaluate opportunities for indications beyond DMD. Additionally, on November 23, 2021 Santhera announced the completion and positive results of the vamorolone 48-week VISION-DMD study. Santhera plans a rolling NDA filing for vamorolone in DMD in Q1-2022 in the US and a filing in the EU during Q2-2022. A decision of the FDA could be expected to be obtained in Q4-2022 (if Santhera is granted a priority review (based on the fast track designation previously granted by the FDA)). Santhera plans to launch vamorolone shortly after the FDA approval with its own organization that it is currently building up in the U.S. under the leadership of newly appointed President North America, Stephanie Brown, and main markets in Europe. Santhera is seeking collaborations outside those regions for DMD and for additional indications worldwide. Santhera estimates the peak product sales potential for vamorolone in the indication DMD alone to be in excess of USD 500 million in the US and the largest five European countries combined.

Lonodelestat a neutrophil elastase inhibitor (hNE) in development to treat cystic fibrosis (CF)

Following the positive Phase 1b study results announced in March 2021, Santhera will continue the clinical development program to advance lonodelestat for the treatment of cystic fibrosis and potentially for other inflammatory pulmonary conditions, whether acute or chronic.

Financing

In the first three quarters of 2021, Santhera has implemented various measures to strengthen its capital structure. A partial restructuring of our CHF 60 Million Convertible Bonds due in February 2022 (**2017/22 CB**), which included the issuance of CHF 30,270,375 Convertible Bonds due in July 2024 (**2021/24 CB**), resulted in an outstanding repayment obligation under the 2017/22 CB of somewhat more than CHF 15 million. In September 2021, Santhera issued a private convertible bond in the amount of CHF 15 million. Santhera will use the proceeds from this bond to entirely repay the 2017/22 CB. As a consequence of this restructuring, only in 2024, Santhera will have to repay a principal amount of up to CHF 19,561,500 under the 2021/24 CB (the balance of the 2021/24 CB having been already converted) and a principal amount of CHF 15 million under the newly issued private convertible bond. On September 27, 2021, the Company announced that it had secured CHF 45 million in funding via an oversubscribed equity financing of CHF 20 million, a placement of the private convertible bond of CHF 15 million mentioned above and upsizing of an existing financing arrangement of up to CHF 10 million. This funding secures Santhera's liquidity needs until mid-2022, past the NDA filing for vamorolone in the United States that is currently planned for Q1-2022.

EGM for Financing Purposes

Santhera will require additional funding during 2022 to enable continued pipeline development and preparations for the commercialization of vamorolone. For this purpose, the Board of Directors (BoD) is calling an extraordinary shareholders' meeting (EGM), to be held on December 15, 2021, and proposes various capital increases to Santhera's shareholders. These should give the Company a flexible instrument enabling the BoD to issue, without delay, new shares for financing purposes at a moment favorable to Santhera and to use such shares as underlying of existing share delivery obligations of Santhera which otherwise have to be covered by shares from other sources as well as to enable continued pipeline development and preparations for the commercialization of vamorolone.

Agenda Items

The BoD proposes:

- *Ordinary capital increase* by CHF 20,000,000 to CHF 74,607,810 by issuing 20,000,000 fully paid-in registered shares with a par value of CHF 1 each.
- Increase of *authorized capital* from CHF 11,862,424 by CHF 15,441,481 to CHF 27,303,905 and its extension until December 14, 2023.
- Increase of *conditional capital for financings* by CHF 15,038,128 to CHF 21,878,228.

The figures above do not reflect any share issuances from authorized or conditional capital that may occur before the EGM.

If the ordinary capital increase can be fully consummated within three months from the date of the EGM, then in a second step, both the authorized capital and the conditional capital for financing would be increased again by CHF 10,000,000 each.

Invitation and agenda items for the EGM

The invitation and agenda items for the Extraordinary General Meeting can be viewed on Santhera's website at https://www.santhera.com/investors-and-media/investor-toolbox/share-bondholder-meetings.

COVID-19

Due to the extraordinary circumstances and in accordance with the applicable Covid-19 legislation, shareholders may exercise their rights at the EGM exclusively via the independent proxy. There is no possibility to attend the EGM in person.

About Santhera

Santhera Pharmaceuticals (SIX: SANN) is a Swiss specialty pharmaceutical company focused on the development and commercialization of innovative medicines for rare neuromuscular and pulmonary diseases with high unmet medical need. Santhera has an exclusive license for all indications worldwide to vamorolone, a first-in-class dissociative steroid with novel mode of action, which was investigated in a pivotal study in patients with DMD as an alternative to standard corticosteroids. The clinical stage pipeline also includes lonodelestat to treat cystic fibrosis (CF) and other neutrophilic pulmonary diseases as well as an exploratory gene therapy approach targeting congenital muscular dystrophies. Santhera out-licensed rights to its first approved product, Raxone® (idebenone), outside North America and France for the treatment of Leber's hereditary optic neuropathy (LHON) to Chiesi Group. For further information, please visit www.santhera.com.

Raxone® is a trademark of Santhera Pharmaceuticals.

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