

Ad hoc announcement pursuant to Art. 53 LR

*A conference call will be held on June 19, 2024, at 14:00 CEST / 13:00 BST / 08:00 EDT. Details are at the end of this news release.*

## **Santhera Secures up to CHF 69 million in Royalty and Debt Financing to Fund Operations to Cash Flow Break-Even**

- **Funding underpins the advancement of AGAMREE® (vamorolone) roll-out and growth in Europe and the pursuit of further developmental initiatives**
- **Financing includes up to USD 38 million from R-Bridge, an affiliate of CBC Group, in exchange for a partial monetization of royalty payments received by Santhera in North America and China**
- **Santhera also received a commitment for a CHF 35 million senior secured term loan from Highbridge, subject to customary conditions**
- **Near-term maturing private convertible bonds to be converted (CHF 4 million) or extended (CHF 7 million) to August 2025**
- **Proceeds from financing to be used to repay listed convertible bonds maturing August 2024 and fund strategic priorities and operations to cash flow break-even**

**Pratteln, Switzerland, June 18, 2024 – Santhera Pharmaceuticals (SIX: SANN) announces that it has entered into committed financing arrangements that, when consummated, will provide Santhera with gross funding totaling approximately CHF 69 million to drive growth, repay maturing bonds and extend cash runway through to the first half of 2026, at which point Santhera expects to be cash flow break-even.**

“We are very pleased to have achieved significant financing goals for Santhera and our shareholders through these initiatives. The new financing is non-dilutive to shareholders, the royalty monetization is partial and capped, leaving upside potential to Santhera, and the debt repayment schedule aligns well with our growth expectations,” said **Andrew Smith, Chief Financial Officer of Santhera**. “Importantly, it addresses our near term debt obligations and provides us with sufficient funding to drive market launches and growth of AGAMREE in Europe and to pursue additional development programs for AGAMREE.”

### **Royalty monetization financing for AGAMREE totaling up to USD 38 million with R-Bridge**

Santhera is monetizing 75% of the future royalty income streams (net of any agreed payment obligations of Santhera to ReveraGen and Idorsia) from its licensing agreements for AGAMREE with Catalyst Pharmaceuticals, Inc. for North America and with Sperogenix Therapeutics Ltd. for China, in respect of net product sales occurring from July 1, 2024. R-Bridge will pay USD 30 million upfront upon closing of the transaction, less certain fees, and, in addition, staged sales-related milestone payments that, if achieved, would result in total payments to Santhera of up to USD 38 million.

Payments to R-Bridge are capped, and once the agreed threshold or duration of royalty payments is met, the North America and China royalty payments will revert back to Santhera. Santhera will retain certain rights to buy back the royalty income stream.

The financing advances Santhera's commercialization of AGAMREE across Europe and supports further clinical development, including post-approval commitments in Duchenne muscular dystrophy (DMD) and expansion into additional indications, the latter together with partner Catalyst Pharmaceuticals, Inc.

Closing of the transaction is subject to conditions and is expected within the next 30 days.

**New CHF 35 million term loan by Highbridge, coupled with conversion/maturity extension of private bonds**

Santhera has entered into a commitment letter for a senior secured term loan financing with certain funds managed by Highbridge Capital Management, LLC (Highbridge), an existing investor in the Company. Subject to and upon closing, the financing instrument will provide CHF 35 million in a single draw. The loan has a four-year maturity with amortization in the amount of 15% per year, commencing after 24 months, and will pay a cash interest of 3-month SARON (floor of 2%) plus 9.75% per year. Santhera has agreed to an original issue discount and a redemption premium. Under certain conditions, Santhera has the option for partial interest payments in kind and/or early loan redemption, both subject to a premium.

As part of the transaction, Highbridge will (1) extend the maturity of the private senior unsecured convertible bonds, with a strike price of CHF 10 and due in August 2024, by 12 months, (2) convert the private senior unsecured convertible bonds, with a strike price of CHF 5 and due in August 2024, (3) exercise the warrants it holds, and (4) receive 236,540 warrants, each of which is exercisable for one Santhera share at an exercise price of CHF 11.0975 at any time during a five-year period.

The parties have entered into a commitment letter, which is subject to conditions, including documentation of the transaction. Funding is subject to certain conditions, covenants and documentation, and is expected within the next 30 days.

**Use of proceeds from funding**

The net proceeds from these financings will be used primarily to repay the outstanding amount of CHF 13.5 million of the public senior unsecured convertible bond due 2024 (SIX ticker SAN21, ISIN CH0563348744) as well as for product commercialization and general corporate purposes, extending the cash runway to anticipated cash flow break-even.

**Advisor**

Rothschild & Co acted as sole advisor to Santhera for these transactions.

**Conference Call**

Santhera will host a conference call on June 19, 2024, at 14:00 CEST / 13:00 BST / 08:00 EDT to discuss the financing. Participants are invited to call one of the following numbers (no dial-in code is required):

Switzerland/Europe: +41 58 310 50 00

United Kingdom: +44 207 107 06 13

USA: +1 631 570 56 13

A replay will be accessible at <https://www.santhera.com/ad-hoc-news> from about two hours after the call has ended.

### **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. The Company has an exclusive license from ReveraGen for all indications worldwide to AGAMREE® (vamorolone), a dissociative steroid with novel mode of action, which was investigated in a pivotal study in patients with Duchenne muscular dystrophy (DMD) as an alternative to standard corticosteroids. AGAMREE for the treatment of DMD is approved in the U.S. by the Food and Drug Administration (FDA), in the EU by the European Medicines Agency (EMA), and in the UK by the Medicines and Healthcare products Regulatory Agency (MHRA). Santhera has out-licensed rights to AGAMREE for North America to Catalyst Pharmaceuticals, Inc. and for China to Sperogenix Therapeutics. For further information, please visit [www.santhera.com](http://www.santhera.com).

*AGAMREE® is a trademark of Santhera Pharmaceuticals.*

### **About R-Bridge**

R-Bridge is an affiliate of CBC Group, Asia's largest healthcare-dedicated asset management firm with an AUM of \$8.8 billion and is headquartered in Singapore with offices in U.S., Asia, and Europe. With a diversified, multi-product strategy, CBC Group is focused on platform-building, buyout, private credit and royalties, and real estate, across the healthcare space, including pharmaceutical, biotech, medical technology, and healthcare services. R-Bridge was founded in 2019 to provide alternative, non-dilutive financing for healthcare companies backed by royalties, revenue interests and other cash flow generated by sales of healthcare products and services in Asia as well as globally, with the intent to generate attractive and non-correlated returns for investors. R-Bridge raised its inaugural fund in 2020 and is currently investing out of its successor fund, RBF II. For further information, please visit [www.cbridgecap.com](http://www.cbridgecap.com)

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