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Santhera Announces Settlement of Exchange Offer and Issuance of New Senior Unsecured Convertible Bonds due 2024

Pratteln, Switzerland, May 4, 2021 – Santhera Pharmaceuticals (SIX: SANN) announces the settlement of the exchange offer in respect of its CHF 60 Million Convertible Bonds due 2022 and the issuance of CHF 30,270,375 Senior Unsecured Convertible Bonds due 2024.

Santhera Pharmaceuticals Holding AG is settling today its offer to exchange its outstanding CHF 60 million 5% Convertible Bonds due 2022 (the **2017/22 Bonds**) on the terms set out in the Notice of Repurchase Offer dated March 25, 2021 (the **Exchange Offer**). Upon settlement, 2017/22 Bonds in the aggregate principal amount of CHF 15,155,000 remain in circulation.

Santhera will issue today Senior Unsecured Convertible Bonds due 2024 (the **2021/24 Bonds**) in the aggregate principal amount of CHF 30,270,375, on the terms set out in the issuance and listing prospectus dated May 4, 2021, to those holders of the 2017/22 Bonds who accepted the Exchange Offer. The principal amount/denomination of the 2021/24 Bonds is CHF 3,375 per bond, with a conversion price of CHF 3.00 and a conversion ratio of 1,123 shares per bond.

In addition, holders of the 2017/22 Bonds which accepted the Exchange Offer will receive an aggregate of 233,194 Santhera shares (or 26 shares per 2017/22 Bond).

The admission to trading and thereafter the listing of the 2021/24 Bonds will be applied for by Basler Kantonalbank as listing agent. The first trading day of the 2021/24 Bonds will be set, once the necessary approvals of SIX Exchange Regulation Ltd have been granted, and notified to the holders of the 2021/24 Bonds.

After the settlement and issuance of the new bonds, the Company's share capital will be as follows:

Ordinary share capital	26,201,136 ¹
Conditional capital for financings	8,195,418
Conditional capital for employee participation programs	2,537,052
Authorized capital	6,711,202

¹ Of which more than 2,300,000 treasury shares

Conversion of the 2021/24 Bonds, excluding any make whole interest, would utilize 10,080,371 underlying shares, the balance of 4,826,249 conditional and authorized shares is expected to be required to satisfy existing agreements or additional financing.

Stifel Nicolaus Europe Limited is serving as sole financial advisor to the Company.

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Related documents

Overview bonds issued by Santhera: <https://www.santhera.com/investors-and-media/investor-toolbox/bonds>

Notice of a Repurchase Offer (Exchange of CHF 60,000,000 Senior Unsecured Convertible Bonds due 2022): <https://www.santhera.com/investors-and-media/investor-toolbox/bond-exchange-offering>

Preliminary Issuance and Listing Prospectus Regarding the New Bonds: <https://www.santhera.com/investors-and-media/investor-toolbox/bond-exchange-offering>

Corporate calendar

June 22, 2021 Annual General Meeting

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, currently investigated in a pivotal study in patients with DMD as an alternative to standard corticosteroids. The clinical stage pipeline also includes lonodelestat (POL6014) 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 ex-North American rights to its first approved product, Raxone® (idebenone), 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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Forward-looking Statements

This publication may contain certain forward-looking statements concerning Santhera Pharmaceuticals Holding AG and its business. Such statements involve certain risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Santhera Pharmaceuticals Holding AG to be materially different from those expressed or implied by such statements. Readers should therefore not place undue reliance on these statements, particularly not in connection with any contract or investment decision. Santhera Pharmaceuticals Holding AG disclaims any obligation to update these forward-looking statements.

Offer Restrictions

The Exchange Offer is not being made and will not be made, directly or indirectly, in any country or jurisdiction in which the Exchange Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require the Company or any of its subsidiaries to change

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or amend the terms or conditions of the Exchange Offer in any material way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Exchange Offer. It is not intended to extend the Exchange Offer to any such country or jurisdiction. Any such document relating to the Exchange Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used for the purpose of soliciting the purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction.

United States

The Exchange Offer is being made in the United States in reliance on, and compliance with, Section 14(e) of the US Securities Exchange Act of 1934 and Regulation 14E thereunder.

The Company, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, 2017/22 Bonds outside the Exchange Offer during the period in which the Exchange Offer remains open for acceptance. If such purchases or arrangements to purchase are made they will be made outside the United States and will comply with applicable law, including the Exchange Act.

The Company as the offeror is a Swiss company. Information distributed in connection with the Exchange Offer is subject to Swiss disclosure requirements that are different from those of the United States. Financial statements and financial information included herein are prepared in accordance with Swiss accounting standards that may not be comparable to the financial statements or financial information of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws in respect of the Exchange Offer, since the Company is located in Switzerland and all of its officers and directors are residents of Switzerland or elsewhere outside of the United States. You may not be able to sue the Company or its officers or directors in a Swiss court or another court outside the United States for violations of the U.S. securities laws. Finally, it may be difficult to compel the Company and its affiliates to subject themselves to a U.S. court's judgment.

United Kingdom

The communication of this publication and any other documents or materials relating to the Exchange Offer is not being made and such documents and/or materials have not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**), as amended. Accordingly, such documents and/or materials are not being distributed to, are not directed at and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (1) persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or (2) persons falling within Article 43(2) of the Order, or (3) to other persons to whom it may lawfully be communicated (together **Relevant Persons**). The investment activity to which this document relates will only be engaged in with Relevant Persons and persons who are not Relevant Persons should not rely on it.

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European Economic Area

In any Member State of the European Economic Area (the **EEA** and each a **Member State**), this communication is only addressed to, and is only directed at, "qualified investors" within the meaning of the Prospectus Regulation. Each person in a Member State or in the United Kingdom who receives any communication in respect of the Exchange Offer contemplated in this announcement will be deemed to have represented, warranted and agreed to and with the Company and the Tender Agent that it is a qualified investor within the meaning of the Prospectus Regulation. For these purposes, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018. The 2017/22 Bonds have not been admitted to trading on a regulated market in the EEA or in the United Kingdom.

Switzerland

This communication qualifies as advertisement pursuant to the Swiss Financial Services Act (**FinSA**) and does neither constitute an offer or invitation to subscribe for or purchase any securities of Santhera Pharmaceuticals Holding AG nor a prospectus nor a key information document within the meaning of the FinSA. Investors should make their decision to accept the Exchange Offer solely based on the Notice of a Repurchase Offer (Exchange of CHF 60,000,000 Senior Unsecured Convertible Bonds due 2022) and the preliminary offering and listing prospectus regarding the New Bonds, each dated March 25, 2021 which, subject to compliance with applicable securities laws, is accessible via <https://www.santhera.com/investors-and-media/investor-toolbox/bond-exchange-offering>. Investors are furthermore advised to consult their bank or financial adviser before making any investment decision.

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