

Ad hoc announcement pursuant to Art. 53 LR

Santhera Calls Extraordinary General Meeting to Seek Approval for Further Financings

Pratteln, Switzerland, November 4, 2022 – Santhera Pharmaceuticals (SIX: SANN) provides an update on its activities and is calling an Extraordinary General Meeting (EGM), which will be held on November 29, 2022, 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.

Funding Outlook

As announced earlier, the primary operational focus of Santhera in 2022 continues to be the advancement of the regulatory submissions for vamorolone in the U.S. and the EU towards approval. In parallel, the Company plans to advance operational preparations for product launches anticipated for 2023 in both regions.

In order to ensure the execution of the Company's plans to mid-2023, when approval of vamorolone for DMD in the U.S. is expected at the earliest, Santhera will need to secure additional funds. Santhera is pursuing strategic options including but not limited to non-dilutive funding in the form of out-licensing agreements and/or the monetization of assets and, in parallel, is also evaluating debt financing, royalty financing, standby equity distribution agreement or, depending on market conditions, equity-based funding.

Santhera still has treasury shares, conditional and authorized capital from past authorizations by shareholders which are available for future placement, subject to market conditions. This, in combination with cash balances of CHF 12.7 million (at June 30, 2022), the recent drawdown from the Highbridge facility and remaining facilities, is expected to provide a liquidity runway into Q1-2023.

In order to have the flexibility to raise additional capital, Santhera is calling for the present extraordinary meeting of shareholders and proposes to its shareholders an ordinary share capital increase as described below, which would allow Santhera to secure additional equity-based financing.

On the Agenda Items and Proposals

Santhera proposes to the shareholders an ordinary capital increase in respect of up to 40 million shares to allow for a potential financing or refinancing in Q1-2023 at short notice. At the same time, Santhera proposes an increase of its authorized share capital and its conditional share capital for financings to enable its Board to enter into equity or equity-based financings or re-financings at a moment favorable to the Company.

It is currently uncertain whether Santhera will consummate a financing based on the ordinary capital increase (if approved by shareholders) within the statutory three-month time window. Also, Santhera has not decided on the structure of any such financing. For instance, such financing could be in a transaction form at the exclusion of shareholders' subscription rights, e.g., a PIPE (Private Investment in Public Equity) or an ABB (accelerated book building). It could also be in the form of a rights offering that would allow all eligible shareholders to participate.

Agenda Items

The BoD proposes:

1. *Ordinary capital increase* by up to CHF 400,000.00 to up to CHF 1,137,213.74 by issuing up to 40,000,000 fully paid-in registered shares with a par value of CHF 0.01 each.
2. Increase of *authorized capital* by CHF 100,000.00 (currently CHF 368,606.87) and its extension until November 28, 2024.
3. Increase of *conditional capital for financings* by CHF 100,000.00 (currently CHF 313,746.64).
4. Approval of *total maximum variable compensation* of CHF 2,500,000 for the members of the Executive Management (incl. employer contributions to social security).

The figures above (motions 1 to 3) do not reflect any share issuances from authorized or conditional capital that may occur before the EGM. If the ordinary capital increase is not consummated within three months after this EGM (i.e., on February 28, 2023), the resolution with respect to motion 1 of the EGM will lapse by operation of law. If at said date, the ordinary share capital has not been increased by at least CHF 200,000.00, the resolutions with respect to motions 2 and 3 of the EGM will lapse by operation of law.

The variable compensation (motion 4) will be performance and time based; it will not be paid out immediately but only if and when performance criteria, which will be set by the Board, are met. The Board will, at its discretion, pay such compensation intended to retain Executive Management, depending on the financial condition of Santhera and the availability of shares (e.g., from authorized or conditional capital or treasury shares) (i) in cash, (ii) in equity instruments, such as options or performance share units, or (iii) a mix of cash and equity instruments.

Invitation and agenda items for the EGM

The invitation with agenda items and explanations 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. The Company has an exclusive license for all indications worldwide to vamorolone, a dissociative steroid with novel mode of action, which was investigated in a pivotal study in patients with Duchenne muscular dystrophy as an alternative to standard corticosteroids. Santhera has submitted a new drug application (NDA) to the U.S. FDA and a marketing authorization application (MAA) to the European Medicines Agency (EMA) for vamorolone for the treatment of DMD. The clinical stage pipeline also includes lonodelestat to treat cystic fibrosis (CF) and other neutrophilic pulmonary diseases. 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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