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Ad hoc announcement pursuant to Art. 53 LR

Santhera Secures Additional Funding Through a Private Placement of Shares and Upsizing of Existing Financing Arrangement

- **Funding intended to support Company through FDA decision on vamorolone in DMD**
- **Company forms Strategy Committee of Board and Management**
- **Increase of share capital for private placement and future financings**

Pratteln, Switzerland, February 28, 2023 – Santhera Pharmaceuticals (SIX: SANN) announces a share placement and an amendment of its existing financing arrangement with funds managed by Highbridge Capital Management, LLC (“Highbridge”), to provide up to CHF 22.2 million, subject to certain milestones and conditions. This is intended to cover the capital requirements of the Company up to October 2023, when an FDA decision on vamorolone is expected (PDUFA date). Concomitant with this transaction, Santhera will form a Strategy Committee focusing on evaluating all strategic options for the Company and will nominate Bradley Meyer for election as a new member of its Board of Directors. In addition, Santhera will issue 40 million shares, 37 million of which it will hold in treasury for the time being, in the ordinary capital increase resolved by its shareholders on November 29, 2022.

“We are pleased to make this incremental debt and equity investment in Santhera. With this new capital infusion, we reiterate our long-standing support for the Company and our confidence in its management team,” said **Jonathan Segal, Managing Director, Highbridge Capital Management**.

“Santhera is excited to be bringing a new treatment to patients with DMD, with approval decisions expected towards the end of 2023 in both the U.S. and Europe, followed by a potential launch immediately after approval. We are grateful to Highbridge for its support of Santhera and its collaborative approach as we navigate this important stage,” said **Dario Eklund, Chief Executive Officer of Santhera**. “The Highbridge funding is intended to provide us with liquidity through the PDUFA date and should allow us to progress vamorolone towards market entry. Discussions are ongoing with various parties on potential opportunities to access the resources required to ensure an effective roll-out of vamorolone once approval has been secured, and we will look at these opportunities with our Board of Directors in the coming weeks and months.”

Highbridge providing debt and equity financing to fund path to PDUFA date

Highbridge will provide up to CHF 22.2 million, thereof around CHF 2.2 million through the purchase of 3 million shares at CHF 0.75 per share and up to CHF 20 million through the existing financing arrangement, to fund Santhera up to the PDUFA date in October 2023 when an FDA decision on vamorolone in the U.S. is expected.

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Santhera and Highbridge have amended the existing financing arrangement between the two parties which was previously announced on June 2, 2022, and last amended on September 28, 2022. Highbridge has agreed to the disbursement of up to CHF 20 million in senior secured exchangeable notes of which CHF 5 million will be available immediately and CHF 15 million in subsequent tranches, conditional on certain milestones and other conditions. All outstanding exchangeable notes can be exchanged by Highbridge for shares at a discount to VWAP (volume-weighted average price) at the current floor price. In addition, Santhera has agreed on a new conversion price of CHF 0.50 for CHF 5 million of the private convertible bond and to CHF 1.00 for the remaining outstanding private convertible bond and a new exercise price of CHF 0.50 per share for the existing warrants held by Highbridge. As consideration for the incremental capital of up to CHF 20 million, Santhera is issuing to Highbridge two million warrants, each of which is exercisable for one Santhera share at an exercise price of CHF 0.50 at any time upon issuance until September 20, 2026.

Bradley Meyer nominated as new Board member

In connection with the financing, Santhera will nominate Bradley Meyer, Senior Advisor at Ducera Partners, as a new Board member for election by the shareholders at the Annual General Meeting that will take place on June 27, 2023. He will act as observer of the Board before his election by the Annual General Meeting. Mr Meyer is a founding member of Ducera Partners, with vast experience in M&A, financial and other advisory services. He was a founding member of Millstein & Co and previously, the managing director of Perella Weinberg Partners, with core competencies in finance and advisory services. From 2003 to 2012 Mr Meyer was a member of the financial restructuring group of Houlihan Lokey. Previous work experience includes Lazard as a member of the M&A group. Mr Meyer is a graduate of Harvard University and currently serves on the Boards of Aveng Group and Quotient.

Strategy Committee to be formed addressing strategic options for the Company

Santhera will form a Strategy Committee to evaluate all strategic options for the Company with a primary focus on bringing vamorolone, the Company's key pipeline product, to market as quickly and effectively as possible, and to assess the product's potential in additional indications. This includes potential out-licensing agreements with respect to vamorolone, lonodelestat and Raxone® in certain geographies which would also contribute non-dilutive funding. In addition, Santhera continues to evaluate the monetization of assets, royalty financing, standby equity distribution agreement and, depending on market conditions, equity-based funding. Members of the new Strategy Committee will be Dario Eklund (CEO), Andrew Smith (CFO), Thomas Meier, PhD (Chairman of the Board), Patrick Vink (Board member), and Bradley Meyer (Board observer).

Consummation of ordinary capital increase

On February 28, 2023, Santhera will complete the ordinary capital increase resolved by its shareholders on November 29, 2022, by issuing 40,000,000 shares. Santhera will deliver 3,000,000 of these shares to Highbridge as explained above. The remaining 37,000,000 shares issued will be used for equity-based financings. In addition, Santhera will update its articles of association to reflect past share issuances out of the conditional capital for employee participation and out of the conditional capital for financings. As a result, following the delivery of 3,000,000 shares to Highbridge, the number of Santhera shares

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registered in the commercial register as of February 28, 2023, will be 125,588,445, whereof 40,536,629 shares will be held in treasury. All of these shares will be listed on the SIX Swiss Exchange.

Concurrently, with the ordinary capital increase and as decided by the Santhera's shareholders on November 29, 2022, Santhera's authorized capital will increase to CHF 468,606.87 and its conditional capital for financing will increase to CHF 298,886.87.

Swiss Takeover Board decision

Upon completion of the ordinary capital increase, Santhera will exceed the mandatory offer threshold of 33 1/3% of the voting rights for a short period of time. Santhera is obliged to publish the decision of the Swiss Takeover Board (the **TOB**) of December 7, 2022:

"The Takeover Board decides:

1. *Santhera Pharmaceuticals Holding AG and Santhera Pharmaceuticals (Schweiz) AG and other persons controlled by Santhera Pharmaceuticals Holding AG will be exempt from the obligation to make a public takeover offer as a result of the acquisition of shares in Santhera Pharmaceuticals Holding AG by Santhera Pharmaceuticals Holding AG, Santhera Pharmaceuticals (Schweiz) AG and/or other persons controlled by Santhera Pharmaceuticals Holding AG in connection with the ordinary capital increase resolved at the extraordinary general meeting of November 29, 2022.*
2. *This exemption from the mandatory offer obligation according to clause 1 of the present decision is granted under the following conditions:*
 - i. *The threshold of 33 1/3% of voting rights in Santhera Pharmaceuticals Holding AG by Santhera Pharmaceuticals Holding AG, Santhera Pharmaceuticals (Schweiz) AG and/or other persons controlled by Santhera Pharmaceuticals Holding AG may not be exceeded for more than three months; and*
 - ii. *Santhera Pharmaceuticals Holding AG, Santhera Pharmaceuticals (Schweiz) AG and/or other persons controlled by Santhera Pharmaceuticals Holding AG do not exercise a material influence on Santhera Pharmaceuticals Holding AG during the period when the threshold is exceeded.*
3. *Santhera Pharmaceuticals Holding AG and Santhera Pharmaceuticals (Schweiz) AG are required to inform the Takeover Board within five trading days after the threshold of 33 1/3% of the voting rights in Santhera Pharmaceuticals Holding AG is exceeded or undercut by Santhera Pharmaceuticals Holding AG, Santhera Pharmaceuticals (Schweiz) AG and/or other persons controlled by Santhera Pharmaceuticals Holding AG.*
4. *Santhera Pharmaceuticals Holding AG is required to publish the provisions of the present decision as well as the reference to the right of objection of qualified shareholders pursuant to Articles 6 and 7 TOO.*
5. *This decision will be published on the website of the Swiss Takeover Board following the publication by Santhera Pharmaceuticals Holding AG in accordance with clause 4 above.*
6. *The fees payable by Santhera Pharmaceuticals Holding AG and Santhera Pharmaceuticals (Switzerland) AG with joint and several liability amounts to CHF 20,000."*

Santhera's Board of Directors has decided not to publish a separate report within the meaning of Article 61 para. 3 lit. a of the Takeover Ordinance.

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Shareholders of the Company who have been holding at least 3% of the voting rights of Santhera, whether exercisable or not (a “qualified participation”), since the date of publication of the decision, may file an objection against the decision of the TOB. The objection must be filed with the TOB (Stockerstrasse 54, 8002 Zurich; fax: +41 44 283 17 40) within five (5) trading days from the date of publication of the decision. The first trading day after the publication of the decision on the TOB's website will be the first day of the filing period. The objection must contain a motion, summary reasons and proof of the qualified participation as from the date of the publication of the decision.

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 (DMD) as an alternative to standard corticosteroids. Santhera has a new drug application (NDA) under review by the U.S. FDA and a marketing authorization application (MAA) under review by 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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