

English convenience translation of the authoritative German version
Invitation to the Extraordinary General Meeting of Shareholders

December 11, 2018, 10.30 am

Hohenrainstrasse 24

4133 Pratteln, Switzerland

Agenda (Overview)

1. Ordinary Capital Increase – Amended Motion by the Board of Directors

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Agenda Items, Motions and Explanations

1. Ordinary Share Capital Increase

Motion

The Board of Directors (**BoD**) proposes to increase the Company's ordinary share capital from CHF 7,527,479 by a maximum of CHF 5,000,000 (original motion: CHF 3,500,000) to a maximum of CHF 12,527,479 (original motion: CHF 11,027,479) as per the following provisions:

1(a)	Total nominal value by which the share capital shall be increased	Up to <u>CHF 5,000,000</u> (original motion: CHF 3,500,000).
1(b)	Amount of contribution to be paid	CHF 1 per registered share.
2(a)	Number, nominal value and type of shares	A maximum of <u>5,000,000</u> registered shares (original motion: 3,500,000 registered shares) with a nominal value of CHF 1 each.
2(b)	Preferential rights of individual classes of shares	None.
3(a)	Issue Price and Subscription Price	The BoD is authorized to determine the issue price and (if the shares are placed indirectly) subscription price. The total proceeds of the capital increase after deduction of cost, commissions and taxes shall be no less than USD 20,000,000.
3(b)	Beginning of dividend entitlement	January 1, 2019.
4	Type of Contributions	In cash.
5	Takeover of assets (also planned takeovers of assets)	None.
6	Special benefits	None.
7	Restriction on transferability of Shares	The new shares are subject to the restrictions on transferability in accordance with article 5 of the Company's articles of incorporation.
8	Restriction or exclusion of subscription rights and allocation of subscription rights that have not been exercised or that have been withdrawn	The subscription rights have been excluded to allow for a placement of the shares on short notice in the form of a private placement and/or an accelerated book building. The shares will be allocated to investors who are willing to subscribe for a tranche of the newly issued shares at short notice.

9	Prerequisites for the exercise of contractually acquired subscription rights	Do not exist.
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Explanations

To pay the USD 20,000,000 million license fee to Idorsia and continue our development programs, in particular the development of the newly in-licensed products POL6014 for cystic fibrosis and vamorolone for the treatment of DMD, we had proposed a financing of around CHF 50 million. In the generally difficult market environment, our share price has decreased in recent days, and we can not be sure to reach the financing of approximately CHF 50 million with the originally planned 3.5 million shares. In order to increase our chances to achieve the planned target of financing of CHF 50 million, the Board of Directors has decided, after detailed discussion, to amend its original proposal and to request an increase of the share capital by a maximum of CHF 5 million, corresponding to 5 million shares. This is in the interest of the Company and the shareholders, even if it involves a slightly greater dilution.