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## **Santhera Launches Senior Convertible Bond Issue**

**Liestal, Switzerland, February 10, 2017 – Santhera Pharmaceuticals (SIX: SANN) announces the launch of an offering of CHF 50 million senior unsecured convertible bonds (the "Convertible Bonds") due 2022 with the possibility of an increase by a maximum of CHF 10 million to CHF 60 million.**

Santhera intends to use the net proceeds from this placement primarily to fund the commercialization of Raxone<sup>®</sup> in the currently approved indication, to prepare the market entry and commercial launch in subsequent indications, for investment into further clinical trials with Raxone and for other corporate purposes.

The Convertible Bonds have a 5-year maturity, are expected to carry a coupon of between 4.5% and 5.0% per annum, payable semi-annually in equal instalments in arrear, and have a Conversion Price set at a premium of 20% to 25% over the volume weighted average price (VWAP) of the shares today between launch and pricing (the "Reference Share Price"). The Conversion Price will be reset after the first year if the VWAP of the shares during a specified period of time will be below the Reference Share Price. The new Conversion Price must not be lower than 75% of the Conversion Price at issuance. In addition, Santhera may call the Convertible Bonds at any time on or after the second anniversary of the issue date at par, plus accrued interest, if any, if the VWAP of the shares is at least 160% of the Conversion Price.

The number of shares to be delivered upon conversion shall be sourced from conditional capital and, if needed, authorized capital. Subject to the approval by the Annual Shareholders' Meeting on April 4, 2017, the Board of Directors plans to increase conditional capital by an amount that is sufficient to satisfy all conversion rights attached to the Convertible Bonds by delivery of shares solely out of the Company's conditional capital. The preemptive rights of the shareholders to subscribe the Convertible Bonds have been excluded for this offering.

The final terms of the Convertible Bonds will be determined through an institutional bookbuilding process and are expected to be announced later today after the conclusion of the process.

Application will be made for the Convertible Bonds to be admitted for listing and trading on the SIX Swiss Exchange, with provisional trading expected to start on or around February 16, 2017. Payment and settlement of the Convertible Bonds is expected to be on or around February 17, 2017.

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Santhera agreed to a company lock-up ending 90 days after that date, subject to customary exceptions.

The offering consists of (i) a public offering of bonds to investors in Switzerland and (ii) private placement of bonds in certain other jurisdictions outside Switzerland, the United States, Canada, Japan and Australia in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, on exemptions provided by the directive 2003/71/EC, and in accordance with applicable securities laws.

Bank am Bellevue and Kepler Cheuvreux are acting as Joint Bookrunners on the Convertible Bond offering.

### **About Santhera**

Santhera Pharmaceuticals (SIX: SANN) is a Swiss specialty pharmaceutical company focused on the development and commercialization of innovative pharmaceutical products for the treatment of orphan mitochondrial and neuromuscular diseases. Santhera's lead product Raxone is authorized in the European Union, Norway, Iceland and Liechtenstein for the treatment of Leber's hereditary optic neuropathy (LHON). For Duchenne muscular dystrophy (DMD), the second indication for Raxone, Santhera has filed a Marketing Authorization Application (MAA) in the European Union and Switzerland. In collaboration with the US National Institute of Neurological Disorders and Stroke (NINDS) Santhera is developing Raxone in a third indication, primary progressive multiple sclerosis (PPMS), and omigapil for congenital muscular dystrophy (CMD), all areas of high unmet medical need. For further information, please visit the Company's website [www.santhera.com](http://www.santhera.com).

*Raxone<sup>®</sup> is a trademark of Santhera Pharmaceuticals.*

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This announcement does not constitute an offer to sell, a solicitation of an offer to buy any of the bonds nor underlying shares described herein, or any kind of advice, nor shall there be any offer, solicitation or sale in any country or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any country or jurisdiction. This press release also does not constitute a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange.

The relevant information on the bonds and the issuer is only available in the preliminary and the final prospectus, respectively, the latter of which is currently expected to be published on or around February 13, 2017. The bonds are subject to the selling restrictions set out in the prospectus. The preliminary and the final prospectus will be available free of charge at Bank am Bellevue AG, Seestrasse 16, 8700 Küsnacht/Zurich, Switzerland (telephone number: +41 44 267 67 67; facsimile number: +41 44 267 67 50; email: prospectus@bellevue.ch), during regular business hours.

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