

To the general meeting of

Santhera Pharmaceuticals Holding AG, Pratteln

Basle, 9 June 2022

Independent auditor's report related to the reduction of share capital with release of funds

We have audited in accordance with article 732 para. 2 Swiss Code of Obligations (CO) whether the claims of the creditors of Santhera Pharmaceuticals Holding AG are fully covered despite the proposed reduction of the share capital.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the balance sheet as of 31 December 2021 and for executing the capital reduction in accordance with the legal requirements.

Board of Directors' proposal

The Board of Directors proposes to reduce the current share capital of divided into 73'721'374 registered shares with a nominal value of CHF 1.00,	CHF	73'721'374.00
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by means of allocation to the reserves from capital contribution of CHF 0.99 per share or a total of	CHF	72'984'160.26
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resulting in a new share capital amount of	CHF	<u>737'213.74</u>
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After the reduction, the share capital will be divided into 73'721'374 shares with a nominal value of CHF 0.01.

CHF 72'984'160.26 of the reduction value will be allocated to the reserves from capital.

Auditor's responsibility

Our responsibility is to express an opinion based on our audit as to whether the claims of the creditors are fully covered despite the reduction of the share capital. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the claims of the creditors are fully covered despite the reduction of the share capital.

An audit involves performing procedures to obtain audit evidence about the disclosures in the Board of Directors' proposal. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the proposal, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the claims of the creditors of Santhera Pharmaceuticals Holding AG are fully covered despite the proposed reduction of the share capital.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosure

- ▶ Balance sheet as of 31 December 2021 (before and after the capital reduction)

Balance Sheet

As of December 31, in CHF	2021	Capital increase March 2022	Capital decrease Nominal value at 0.01	Balance as of 31.12.2021 after capital increase and capital decrease in 2022
Assets				
Cash and cash equivalents	6,440,518			6,440,518
Other receivables from third parties	76,659			76,659
Other receivables from shareholdings	213,683			213,683
Prepaid expenses and accrued income	9,100			9,100
Loans to shareholdings	8,935,839			8,935,839
Current assets	15,675,799			15,675,799
Loans to shareholdings	161,903,684			161,903,684
Investments in shareholdings	404,020			404,020
Noncurrent assets	162,307,704			162,307,704
Total assets	177,983,503			177,983,503
Liabilities and equity				
Trade accounts payable to third parties	247,413			247,413
Other accounts payable to third parties	8,433			8,433
Other short-term liabilities	1,271,205			1,271,205
Accrued expenses	1,742,468			1,742,468
Senior unsecured convertible bonds	13,945,000			13,945,000
Current liabilities	17,214,519			17,214,519
Senior unsecured convertible bonds	34,563,375			34,059,811
Noncurrent liabilities	34,563,375			34,563,375
Total liabilities	51,777,894			51,777,894
Share capital	54,607,811	19'113'564	-72,984,160.26	737'214.74
<i>Reserves from capital contributions</i>	19,187,643		72'984'160.26	92'171'803.26
<i>Other capital reserves</i>	2,849,795			2,849,795
Statutory capital reserves	22,037,437			76,645,249
<i>Accumulated result</i>	-41,414,474			-41,414,474
<i>Results carried forward</i>	-39,801,095			-39,801,095
<i>Net result for the period</i>	-1,613,379	-513,564		-2,126,943
<i>Other voluntary reserves (free reserves)</i>	95,994,714			95,994,714
Voluntary accumulated result and other reserves	54,580,240			54,580,240
Treasury shares	-5,019,879	-18,600,000		-23'619'879
Total equity	126,205,609			126,205,609
Total liabilities and equity	177,983,503	0	0	177,983,503