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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**SCHEDULE TO  
(Rule 13e-4)**

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934**

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**SOCIETAL CDMO, INC.**  
(Name of Subject Company (Issuer) and Filing Person (Offeror))

**Options to Purchase Common Stock, Par Value \$0.01 Per Share**  
(Title of Class of Securities)

**75629F109**  
(CUSIP Number of Class of Securities)

**J. David Enloe, Jr.**  
**President and Chief Executive Officer**  
**Societal CDMO, Inc.**  
**1 E. Uwchlan Ave, Suite 112**  
**Exton, Pennsylvania 19341**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Person)

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*Copies to:*

**Rachael M. Bushey**  
**Jennifer L. Porter**  
**Troutman Pepper Hamilton Sanders LLP**  
**3000 Two Logan Square**  
**Eighteenth and Arch Streets**  
**Philadelphia, Pennsylvania 19103**  
**(215) 981-4331**

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
  - Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
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## Item 1. Summary Term Sheet.

The information set forth under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the “*Exchange Offer*”), attached hereto as Exhibit (a)(1)(A), is incorporated herein by reference.

## Item 2. Subject Company Information.

### (a) *Name and Address.*

Societal CDMO, Inc., a Pennsylvania corporation (the “*Company*”), is the issuer of the securities subject to the Exchange Offer. The Company’s principal executive offices are located at 1 E. Uwchlan Ave, Suite 112, Exton, Pennsylvania 19341, and the telephone number of its principal executive offices is (770) 534-8239.

### (b) *Securities.*

This Tender Offer Statement on Schedule TO relates to an offer by the Company to certain employee optionholders, subject to specified conditions, to exchange some or all of their outstanding options to purchase shares of the Company’s common stock, par value \$0.01 per share (the “*Common Stock*”), for an award of restricted stock units of the Company. The Company’s executive officers, as disclosed in the Company’s Definitive Proxy Statement filed with the Securities and Exchange Commission on April 1, 2022, consultants, or present or past non-employee directors, will not be eligible to participate in this offer.

An option will be eligible for exchange (an “*Eligible Option*”) if it was granted (i) under the Company’s 2018 Amended and Restated Equity Incentive Plan (the “*2018 Plan*”) or (ii) as an inducement grant under Nasdaq listing rule 5635(c)(4), in each case on or before June 30, 2020 and has a per share exercise price equal to or greater than \$2.67 (the 52-week high of the Company’s Common Stock as of May 25, 2022). As of May 25, 2022, Eligible Options to purchase 686,930 shares of Common Stock were outstanding.

Pursuant to the Exchange Offer, in exchange for the tender and cancellation of Eligible Options, the Company will grant an award of restricted stock units (each, a “*New RSU*”) following the Expiration Time (as defined in the Exchange Offer) subject to the terms and conditions described in the Exchange Offer and in the related accompanying Election Form, the form of which is attached hereto as Exhibit (a)(1)(C).

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*,” “*Summary Term Sheet—Questions and Answers*” and the information set forth under Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”) and Section 7 (“*Price Range of Our Common Stock*”) of the Offering Memorandum for the Exchange Offer contained in the Exchange Offer (the “*Offering Memorandum*”) are incorporated herein by reference.

### (c) *Trading Market and Price.*

The information set forth under Section 7 (“*Price Range of Our Common Stock*”) of the Offering Memorandum is incorporated herein by reference.

## Item 3. Identity and Background of Filing Person.

### (a) *Name and Address.*

The Company is both the filing person and the subject company. The information set forth under Item 2(a) above and under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

The address of each executive officer and director of the Company is:

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Societal CDMO, Inc.  
1 E. Uwchlan Ave, Suite 112  
Exton, Pennsylvania 19341

The directors and executive officers of the Company are set forth below:

<b>Executive Officers</b>	<b>Title</b>
J. David Enloe, Jr.	President, Chief Executive Officer & Director
Ryan D. Lake	Chief Financial Officer

<b>Directors</b>	<b>Title</b>
Wayne B. Weisman	Chairman of the Board of Directors
William L. Ashton	Director
Dr. Michael Berelowitz	Director
Winston J. Churchill	Director
James C. Miller	Director
Laura L. Parks, Ph.D.	Director
Bryan M. Reasons	Director

#### **Item 4. Terms of the Transaction.**

(a) *Material Terms.*

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth in the Offering Memorandum under Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 3 (“*Procedures for Tendering Eligible Options*”), Section 4 (“*Withdrawal Rights*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”), Section 6 (“*Conditions of the Exchange Offer*”), Section 8 (“*Information Concerning Societal CDMO; Financial Information*”), Section 10 (“*Accounting Consequences of the Exchange Offer*”), Section 11 (“*Legal Matters; Regulatory Approvals*”), Section 12 (“*Material United States Tax Consequences*”) and Section 13 (“*Extension of the Exchange Offer; Termination; Amendment*”) are incorporated herein by reference.

(b) *Purchases.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

#### **Item 5. Past Contacts, Transactions, Negotiations and Agreements.**

(c) *Agreements Involving the Subject Company’s Securities.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference. The documents incorporated herein by reference as Exhibits (d)(1) and (d)(2) also contain information regarding agreements relating to securities of the Company.

#### **Item 6. Purposes of the Transaction and Plans or Proposals.**

(a) *Purposes.*

The information set forth under Section 2 (“*Purpose of the Exchange Offer; Additional Considerations*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Use of Securities Acquired.*

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The information set forth under Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New RSUs*”) of the Offering Memorandum is incorporated herein by reference.

(c) *Plans.*

The information set forth under Section 2 (“*Purpose of the Exchange Offer; Additional Considerations*”) of the Offering Memorandum is incorporated herein by reference.

**Item 7. Source and Amount of Funds or Other Consideration.**

(a) *Source of Funds.*

The consideration used in the Exchange Offer will be New RSUs. The information set forth in Item 4(a) above, and the information set forth under Section 14 (“*Consideration; Fees and Expenses*”) of the Offering Memorandum, are incorporated herein by reference.

(b) *Conditions.*

The information set forth under Section 6 (“*Conditions of the Exchange Offer*”) of the Offering Memorandum is incorporated herein by reference.

(d) *Borrowed Funds.*

Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

(a) *Securities Ownership.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

**Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

(a) *Solicitations or recommendations.*

Not applicable.

**Item 10. Financial Statements.**

(a) *Financial Information.*

The information set forth under Section 8 (“*Information Concerning Societal CDMO; Financial Information*”), including Section 15 (“*Additional Information*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Pro Forma Information.*

Not applicable.

**Item 11. Additional Information.**

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

- (1) The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.
- (2) The information set forth under Section 11 (“*Legal Matters; Regulatory Approvals*”) of the Offering Memorandum is incorporated herein by reference.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.

(c) *Other Material Information.*

Not applicable.

**Item 12. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
(a)(1)(A)	Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022
(a)(1)(B)	Form of Announcement to Eligible Employees
(a)(1)(C)	Election Form
(a)(1)(D)	Notice of Withdrawal of Election Form
(a)(1)(E)	Form of Email Confirming Receipt of Election Form
(a)(1)(F)	Form of Email Confirming Receipt of Notice of Withdrawal of Election Form
(a)(1)(G)	Form of Reminder Email to Eligible Employees Regarding the Expiration of the Exchange Offer
(a)(1)(H)	Form of Email to Eligible Employees Confirming Acceptance of Eligible Options
(a)(1)(I)	Form of Email Notice Regarding Rejection of Options for Exchange
(a)(1)(J)	Form of Expiration Notice Email
(a)(1)(K)	Form of Welcome Email
(a)(1)(L)	Form of Email Notice Regarding Invalid Election Form
(a)(1)(M)	Form of RSU Award Agreement for New RSUs Granted under Offer to Exchange Program (incorporated by reference to Exhibit 10.28 to the Registrant’s Annual Report on Form 10-K (File No. 001-36329), filed on February 26, 2021).
(d)(1)	Societal CDMO, Inc. 2018 Amended and Restated Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-36329), filed on May 9, 2018).
(d)(2)	Form of Non-Qualified Stock Option Award Agreement under the 2018 Amended and Restated Equity Incentive Plan (incorporated by reference to Exhibit 10.26 to the Registrant’s Annual Report on Form 10-K (File No. 001-36329), filed on February 26, 2021).
(d)(3)	Form of Non-Qualified Stock Option Inducement Award Agreement (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-36329), filed on August 9, 2021).
107	Filing Fee Table.

**Item 13. Information Required by Schedule 13E-3.**

Not applicable.

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**SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

**SOCIETAL CDMO, INC.**

By: /s/ J. David Enloe, Jr. \_\_\_\_\_

J. David Enloe, Jr.  
President and Chief Executive Officer

Dated: June 1, 2022

SOCIETAL CDMO, INC.  
1 E. UWCHLAN AVE, SUITE 112  
EXTON, PENNSYLVANIA 19341

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

JUNE 1, 2022

SOCIETAL CDMO, INC.

SUMMARY TERM SHEET — OVERVIEW

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS

**This offer and withdrawal rights will expire at 5:00 p.m., Eastern Time,  
on FRIDAY, JULY 1, 2022, unless extended**

By this Offer to Exchange Eligible Options for restricted stock units (as the context requires, this document and the actions taken hereby, the “*Exchange Offer*”), Societal CDMO, Inc., which we refer to in this document as “*we*,” “*us*,” “*our*,” or “*Societal CDMO*,” is giving each Eligible Employee (as defined below) the opportunity to exchange one or more Eligible Options (as defined below) for New RSUs (as defined below), as discussed below and in the attached disclosure document for the Exchange Offer (the “*Offering Memorandum*”).

The “*Expiration Time*” of the Exchange Offer is 5:00 p.m., Eastern Time, on Friday, July 1, 2022. If we extend the period of time during which this Exchange Offer remains open, the term “*Expiration Time*” will refer to the last time and date on which this Exchange Offer expires.

You are an “*Eligible Employee*” if:

- on the date the Exchange Offer commences, you are employed by Societal CDMO or one of our subsidiaries and have not submitted a notice of resignation or been notified by Societal CDMO or our subsidiary that your employment is being terminated;
- on the date on which the surrendered Eligible Options are canceled and the New RSUs (as defined below) are granted to replace them, you continue to be employed by Societal CDMO or one of our subsidiaries and have not submitted a notice of resignation or been notified by Societal CDMO or our subsidiary that your employment is being terminated; and
- you are not an (i) executive officer, (ii) consultant, or (iii) non-employee member of the board of directors of Societal CDMO (the “*Board*”).

An “*Eligible Option*” is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the closing of the Exchange Offer;
- has an exercise price equal to or greater than \$2.67 per share (the 52-week high for our common stock as of May 25, 2022); and
- was granted on or before June 30, 2020 under either (i) our 2018 Amended and Restated Equity Incentive Plan (the “*2018 Plan*”), or (ii) as an inducement grant under Nasdaq listing rule 5635(c)(4).

See the Offering Memorandum below for additional information regarding the terms of the Offering, including without limitation the information in Section 1 (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) and Section 2 (“*Purpose of The Exchange Offer; Additional Considerations*”).

*Terms of New RSUs.* If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you an award of restricted stock units (each, a “**New RSU**”) with the following terms (collectively, the “**New RSU Terms**”):

- Each New RSU will not have an exercise or purchase price. Each New RSU will represent your right to receive one share of our common stock (subject to adjustments for mergers, spinoffs, stock splits, etc.) for each New RSU that vests in the future.
- The number of your New RSUs will be determined using an exchange ratio that takes into account the fair value of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below.

Eligible Option Exercise Price Range	Weighted Average Exchange Ratio (Surrendered Eligible Options: New RSUs)
\$4.55 to \$7.90	3.6 to 1
\$7.99 to \$9.64	3.6 to 1
\$10.17 to \$16.62	5.0 to 1

- Your New RSUs will be granted under the 2018 Plan.
- Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become exercisable. Your New RSUs will vest in two equal annual installments following the New RSU Grant Date (as defined below), subject to your continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.

*Exchange Ratio.* The number of shares subject to Eligible Options that an Eligible Employee must surrender in order to receive a New RSU is referred to as an “exchange ratio.”

The exchange ratios were determined in a manner intended to result in the grant of a New RSU with an aggregate fair value, for accounting purposes, that is approximately the same as the aggregate fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on The Nasdaq Capital Market (“**Nasdaq**”) as of May 25, 2022. Such a fair value exchange is intended to balance the compensatory goals of the Exchange Offer and the interests of our stockholders, including reducing our total number of outstanding options, avoiding further dilution to our stockholders and minimizing the accounting expense of the grants of New RSUs.

The exchange ratios were determined with reference to the fair value of the eligible vested and unvested stock options (calculated using the Black-Scholes option valuation model in compliance with ASC Topic 718) within the relevant grouping. In determining fair value, the Black-Scholes model takes into account many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an eligible stock option.

See Section 1 (“**Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**”), Section 7 (“**Price Range of Our Common Stock**”) and Section 8 (“**Information Concerning Societal CDMO; Financial Information**”) of the Offering Memorandum for additional information.

*Process to Participate.* The commencement date of the Exchange Offer is Wednesday, June 1, 2022. We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form distributed with the Offering Memorandum. The Exchange Offer is voluntary with respect to each Eligible Option you hold. You are not required to participate in the Exchange Offer. If you hold more than one option grant that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the shares underlying any selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled, and your New RSUs will be granted effective promptly following the Expiration Time (such date, the “**New RSU Grant Date**”).

See the “*Risk Factors*” section of this Exchange Offer beginning on page 13 for a discussion of risks and uncertainties that you should consider before agreeing to exchange your Eligible Options for New RSUs. You should consider, among other things, these risks and uncertainties before deciding whether to participate in the Exchange Offer.

Shares of our common stock are quoted on Nasdaq under the symbol “SCTL.” On May 27, 2022, the closing price of our common stock as reported on Nasdaq was \$0.75 per share. We recommend that you obtain current market quotations for our common stock before deciding whether to elect to participate in the Exchange Offer.

You should direct any questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offering Memorandum, the Election Form, the Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to [optionexchange@societalcdo.com](mailto:optionexchange@societalcdo.com).

### IMPORTANT INFORMATION

The statements in this document concerning the Eligible Options, the 2018 Plan and the New RSUs are summaries of the material terms but are not complete descriptions thereof. The full text of these documents has been filed with the U.S. Securities and Exchange Commission (the “*SEC*”) and we strongly encourage you to review such documents. See Section 15 of the Offering Memorandum, entitled “*Additional Information*” for more information regarding the Schedule TO.

**If you choose to participate in the Exchange Offer, you must properly complete and sign the accompanying Election Form and electronically submit the properly completed and signed Election Form to us through the E\*TRADE portal so that we receive it before 5:00 p.m. Eastern Time, on FRIDAY, JULY 1, 2022 (or such later date as may apply if the Exchange Offer is extended).**

You are responsible for making sure that the Election Form is successfully submitted through the E\*TRADE portal.

You do not need to return your stock option agreements for your Eligible Options to be cancelled and exchanged in the Exchange Offer. We will provide you with a written confirmation of the cancellation of any such options along with a restricted stock unit agreement for your New RSUs shortly following the grant of your New RSUs.

Although the Board has approved the Exchange Offer, consummation of the Exchange Offer is subject to the satisfaction or waiver of the conditions described in Section 6 of the Offering Memorandum (“*Conditions of the Exchange Offer*”). Neither we nor the Board (or the Compensation Committee thereof) makes any recommendation as to whether you should participate, or refrain from participating, in the Exchange Offer. You must make your own decision whether to participate. You should consult your personal financial and tax advisors if you have questions about your financial or tax situation as it relates to the Exchange Offer.

Neither the SEC nor any state securities commission has approved or disapproved of this transaction or passed upon the fairness or merits of this transaction or the accuracy or adequacy of the information contained in the Exchange Offer. Any representation to the contrary is a criminal offense.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD PARTICIPATE IN THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED ELECTION FORMS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY SOCIETAL CDMO.

**SUMMARY TERM SHEET — QUESTIONS AND ANSWERS**

**OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RESTRICTED STOCK UNITS**

Set forth below are answers to some of the questions that you may have about the Exchange Offer. We encourage you to carefully read the remainder of this Offer to Exchange Eligible Options for New RSUs and the accompanying Election Form. Where appropriate, we have included references to the relevant sections of the Offering Memorandum where you can find a more complete description of the topics in this summary.

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**Q1. Why is Societal CDMO making the Exchange Offer?**

We believe that to enhance long-term shareholder value we need to maintain competitive employee incentive and retention programs. An equity stake in the success of our company is a critical component of these programs. During the past several fiscal years, however, our stock price has declined. As of early October 2021, we had issued approximately 4.7 million outstanding stock options, 100% of which were “underwater” (or “out-of-the-money”), meaning the exercise price of each of those options was greater than our current stock price.

Although we continue to believe that stock options are an important component of our employees’ total compensation, many of our employees view their existing stock options as having little or no value due to the difference between the exercise prices and the current market price of our common stock. As a result, for many employees, these options are ineffective at providing the incentives and retention value that our Board believes is necessary to motivate our employees to increase long-term shareholder value.

In furtherance of our goal to adequately incentivize our employees, the Compensation Committee of our Board began considering, with input from Pay Governance, who serves as the Compensation Committee’s independent compensation consultant, whether conducting an option exchange program would assist with our retention efforts. As a result, we determined that a program under which Eligible Employees could exchange underwater stock options for a lesser number of RSUs was the most attractive means available to us to restore incentives for our non-executive employees.

We believe that the inherent value of the new RSUs and extended vesting periods of the RSUs may be more effective in retaining and incentivizing employees than the existing underwater stock options. We believe the Exchange Offer will provide us with an opportunity to restore for Eligible Employees an incentive to remain with us and contribute to the future growth and success of our company.

See Section 2 of the Offering Memorandum (“*Purpose of The Exchange Offer; Additional Considerations*”) for more information.

**Q2. Who is eligible to participate in the Exchange Offer?**

Only Eligible Employees are eligible to participate in the Exchange Offer. You are an “*Eligible Employee*” if:

- on the date the Exchange Offer commences, you are employed by Societal CDMO or one of our subsidiaries and have not submitted a notice of resignation or been notified by Societal CDMO or one of our subsidiaries that your employment is being terminated;
- on the date on which the surrendered Eligible Options are canceled and the New RSUs (as defined below) are granted to replace them, you continue to be employed by Societal CDMO or one of our subsidiaries and have not submitted a notice of resignation or been notified by Societal CDMO or one of our subsidiaries that your employment is being terminated; and
- you are not a(n) (i) executive officer, (ii) consultant, or (iii) non-employee member of the Board of Societal CDMO.

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

**Q3. Which options are subject to the Exchange Offer?**

Under the Exchange Offer, Eligible Employees will be able to elect to tender outstanding Eligible Options for exchange.

An “*Eligible Option*” is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the closing of the Exchange Offer;

- has an exercise price equal to or greater than \$2.67 per share (the 52-week high for our common stock as of May 25, 2022); and
- was granted on or before June 30, 2020 under either (i) the 2018 Plan, or (ii) as an inducement grant under Nasdaq listing rule 5635(c)(4).

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

#### Q4. How do RSUs differ from stock options?

The table below outlines some key differences between stock options and RSUs:

	<u>Stock Options</u>	<u>RSUs</u>
What they are	The right to purchase a fixed number of shares of Societal CDMO common stock at a fixed exercise price for a fixed period of time.	The right to receive a fixed number of shares of Societal CDMO common stock in the future at no exercise or purchase price.
How they work	<p>Once a stock option grant vests, you can exercise the vested portion at any time until the expiration date of that option. Exercising means you buy the stock at the exercise price set on the date of grant.</p> <p>If the price of our common stock is greater than the exercise price when you exercise and sell the shares, you receive the gain (after payment of applicable taxes) (sometimes referred to as being “in-the-money”).</p> <p>However, when our stock price is <i>less</i> than the exercise price, the stock option has no intrinsic value and is considered to be underwater (sometimes referred to as being “out-of-the-money”).</p>	Once an RSU vests, a share of Societal CDMO common stock is issued to you and at no cost to you, other than withholding taxes associated with the RSU. Once our stock is issued to you following the vesting of the RSU, you can either keep it as an investment or sell it.

#### Q5. Will the terms and conditions of my New RSUs be the same as my exchanged options?

No. The terms and conditions of your New RSUs, including the vesting schedule of your New RSUs, will be different from the exchanged options. The tax treatment of the New RSUs will differ significantly from the tax treatment of your exchanged options. See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information. New RSUs will be granted under the 2018 Plan and will be subject to a restricted stock unit grant notice and agreement provided to you, a form of which is filed with the SEC as an exhibit to the Schedule TO.

#### Q6. How many New RSUs will I receive for the Eligible Options I exchange?

The number of New RSUs to be granted to you will be determined using an exchange ratio that takes into account the exercise price of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below.

Eligible Option Exercise Price Range	Weighted Average Exchange Ratio (Surrendered Eligible Options: New RSUs)
\$4.55 to \$7.90	3.6 to 1
\$7.99 to \$9.64	3.6 to 1
\$10.17 to \$16.62	5.0 to 1

The exchange ratios were calculated to approximate a “value-for-value” exchange, meaning that they were determined in a manner intended to result in the grant of a New RSU with an aggregate fair value, for accounting purposes, that is approximately the same as the aggregate fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on Nasdaq as of May 25, 2022.

The exchange ratios were determined with reference to the fair value of the eligible vested and unvested stock options (calculated using the Black-Scholes option valuation model) within the relevant grouping. In determining fair value, the Black-Scholes model takes into account many variables and estimates, such as our current stock price, the volatility of the price of our common stock, and the remaining term of an eligible stock option. Setting the exchange ratios in this manner was intended to result in the issuance of replacement New RSUs that have an aggregate fair value approximately equal to the aggregate fair value of the surrendered options they replace. This will minimize any additional compensation cost that we must recognize on the New RSUs, other than compensation expense that might result from fluctuations in our stock price after the exchange ratios have been set but before the exchange actually occurs.

**Q7. Will my New RSUs have an exercise or purchase price?**

Your New RSUs will not have an exercise or purchase price. Each New RSU will represent your right to receive a number of shares of our common stock upon vesting without payment of any exercise or purchase price.

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information and Section 7 of the Offering Memorandum (“*Price Range of Our Common Stock*”) for information concerning the historical prices of our common stock.

**Q8. When will my New RSUs vest?**

Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become vested and exercisable. Your New RSUs will vest in two equal annual installments following the New RSU Grant Date, subject to your continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.

**Q9. Do I need to exercise my New RSU in order to receive shares?**

No. Unlike stock options, which you must exercise in order to receive the vested shares subject to the option, you do not need to exercise RSUs in order to receive shares. If your New RSUs vest in accordance with the vesting schedule described above and set forth in the applicable RSU agreement, you will automatically receive the shares subject to the New RSUs within a brief period following the vesting date.

**Q10. If I participate in the Exchange Offer, when will my New RSUs be granted?**

Unless we amend or terminate the Exchange Offer in accordance with its terms, we will grant you New RSUs in exchange for Eligible Options with respect to which you properly made a valid election (and did not validly revoke that election), effective as of the New RSU Grant Date, which is currently expected to be Friday, July 1, 2022. The New RSUs will reflect the New RSU Terms.

See Section 1 of the Offering Memorandum (“*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

**Q11. What happens to my New RSUs if I terminate my employment with Societal CDMO?**

Vesting of your New RSUs will cease upon termination of your service with Societal CDMO. Any unvested New RSUs you then hold will be forfeited.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by Societal CDMO. The terms of your employment with Societal CDMO remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by Societal CDMO until the expiration of the Exchange Offer, the grant date for the New RSUs or thereafter during the vesting period of the New RSUs. In addition, we cannot provide any assurance that your employment with Societal CDMO will continue past the vesting date of any New RSU issued in exchange for an Eligible Option that would have been vested and exercisable as of your termination date had the Eligible Option not been exchanged for a New RSU. See Section 1 of the Offering Memorandum ("**Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**") and Section 5 of the Offering Memorandum ("**Acceptance of Eligible Options for Exchange; Grant of New RSUs**") for more information.

**Q12. Must I participate in the Exchange Offer?**

No. Participation in the Exchange Offer is completely voluntary. If you hold more than one option grant under the Plans that qualifies as an Eligible Option and would like to participate in the Exchange Offer, you will be allowed to elect to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of any selected Eligible Option grant. If you choose not to participate in the Exchange Offer, then your Eligible Options will remain outstanding and subject to their current terms.

**Q13. How should I decide whether or not to participate in the Exchange Offer?**

We are providing substantial information to assist you in making your own informed decision. Please read all the information contained in the various sections of the Offering Memorandum below, including the information in Section 2 ("**Purpose of The Exchange Offer; Additional Considerations**"), Section 7 ("**Price Range of Our Common Stock**"), Section 8 ("**Information Concerning Societal CDMO; Financial Information**"), Section 9 ("**Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities**"), Section 12 ("**Material United States Tax Consequences**") and Section 15 ("**Additional Information**") of the Offering Memorandum. You should seek further advice from your legal counsel, accountant and financial advisor. Participation in the Exchange Offer is entirely your decision and should be made based on your personal circumstances. No one from Societal CDMO is, or will be, authorized to provide you with legal, tax, financial or other advice or recommendations regarding whether you should participate in the Exchange Offer.

In addition to reviewing the materials provided, please note the following:

- The Exchange Offer is not a one-for-one exchange. If you participate in the Exchange Offer, there will be fewer shares subject to your New RSUs than your Eligible Options.
- Options provide value upon exercise only if our common stock price increases after its grant date. RSUs provide value upon vesting even if our common stock price does not increase after its grant date. However, because the exchange ratios for the Exchange Offer are value-based, and will be less than or equal one-for-one, it is possible that, at some point in the future, Eligible Options you choose to exchange could be economically more valuable than the New RSUs received by you pursuant to the Exchange Offer.
- You should carefully consider the tax consequences of the New RSUs. In general, the New RSUs will be taxed when they vest and shares are issued to you. You are strongly encouraged to consult with your personal legal counsel, accountant, financial and/or tax advisor(s) for advice on these matters.

Please also review the "**Risk Factors**" that appear on page 13.

**Q14. How do I find out how many Eligible Options I have and what their exercise prices are?**

The Election Form distributed along with the Exchange Offer includes a list of your Eligible Options as of June 1, 2022. At any time during the Exchange Offer, you may contact us via email at [optionexchange@societaledmo.com](mailto:optionexchange@societaledmo.com) to confirm the number of option grants that you have and the grant dates, remaining term, exercise prices, vesting schedule and other information regarding such option grants.

**Q15. Can I tender for exchange stock options that I have already fully exercised?**

No. The Exchange Offer applies only to outstanding Eligible Options. An option that has been fully exercised is no longer outstanding and is therefore not an Eligible Option.

**Q16. Can I tender for exchange the remaining unexercised portion of an Eligible Option that I have already partially exercised?**

Yes. If you exercised an Eligible Option in part before June 1, 2022, the remaining unexercised portion of the Eligible Option can be tendered for exchange in the Exchange Offer.

See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") for more information.

**Q17. Can I tender for exchange a portion of an Eligible Option?**

No partial exchange of an Eligible Option grant will be permitted. If you elect to tender an Eligible Option for exchange, you must tender the entirety of the outstanding (i.e., unexercised) portion of that Eligible Option. You may elect to tender as few or as many of your Eligible Option grants as you wish. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Option grants that you have properly tendered for exchange.

See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") for more information.

**Q18. What if I am on an authorized leave of absence during the Exchange Offer?**

Any Eligible Employee who is on an authorized leave of absence will be eligible to participate in the Exchange Offer.

See Section 1 of the Offering Memorandum ("*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") for more information.

**Q19. What happens if my employment with Societal CDMO terminates before the Expiration Time?**

If you have tendered Eligible Options under the Exchange Offer and your employment with Societal CDMO terminates for any reason on or prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, you will no longer be eligible to participate in the Exchange Offer. Accordingly, we will not accept your Eligible Options for exchange, and you will not be eligible to receive New RSUs. In such a case, you may be able to exercise the vested portion of your existing Eligible Options for a limited time after your termination date, subject to and in accordance with their original terms.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain an employee of Societal CDMO. The terms of your employment with Societal CDMO remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our service until the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them. In addition, we cannot provide any assurance that your employment with Societal CDMO will continue past the vesting date of any New RSU granted in exchange for an Eligible Option.

See Section 1 ("*Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*") and Section 5 ("*Acceptance of Eligible Options for Exchange; Grant of New RSUs*") of the Offering Memorandum for more information.

**Q20. Will I owe taxes if I participate in the Exchange Offer?**

Neither the acceptance of your Eligible Options for exchange nor the grant of any New RSUs will be a taxable event for U.S. federal income tax purposes.

You should consult with your personal tax advisor to determine the personal tax consequences of participating in the Exchange Offer. If you are an Eligible Employee who is subject to the tax laws of a country other than the United States or of more than one country, you should be aware that there may be additional or different tax consequences that may apply to you. We advise all Eligible Employees who may consider tendering their Eligible Options for exchange to consult with their own tax advisors with respect to the federal, state, local and foreign tax consequences of participating in the Exchange Offer.

See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information regarding the tax aspects of the Exchange Offer.

**Q21. Will I owe taxes if I do not participate in the Exchange Offer?**

In general, your rejection of the Exchange Offer will not be a taxable event for U.S. federal income tax purposes.

See Section 12 of the Offering Memorandum (“*Material United States Tax Consequences*”) for more information.

**Q22. What will happen to my Eligible Options if I participate in the Exchange Offer?**

We will cancel all Eligible Options tendered by you and accepted by Societal CDMO for exchange in the Exchange Offer.

**Q23. Is it possible for my New RSUs to be or become underwater?**

No. Since New RSUs do not have an exercise or purchase price, New RSUs will never become underwater, but the value of the New RSUs will change with fluctuations in our stock price.

**Q24. What happens to Eligible Options that I choose not to tender or that are not accepted for exchange in the Exchange Offer?**

Generally, there will be no impact to Eligible Options that you choose not to tender for exchange prior to the original Expiration Time.

We will not accept for exchange any options that are tendered that do not qualify as Eligible Options. If you tender an option that is not accepted for exchange, we will send you a separate email following the Expiration Time notifying you that your tendered option was not accepted for exchange.

**Q25. How long do I have to decide whether to participate in the Exchange Offer?**

The Exchange Offer expires at 5:00 p.m., Eastern Time, on Friday, July 1, 2022 (or such later date as may apply if the Exchange Offer is extended). We will not make any exceptions to this deadline. However, although we do not currently intend to do so, we may, in our sole discretion, extend the expiration date of the Exchange Offer at any time. If we extend the Exchange Offer, we will publicly announce the extension and the new expiration date no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced expiration date.

See Section 13 of the Offering Memorandum (“*Extension of Exchange Offer; Termination; Amendment*”) for more information.

**Q26. How do I tender my Eligible Options for exchange?**

If you are an Eligible Employee, you may tender your Eligible Options for exchange at any time before the Exchange Offer expires at 5:00 p.m., Eastern Time, on Friday, July 1, 2022 (or such later date as may apply if the Exchange Offer is extended).

To validly tender your Eligible Options, you must click “Accept” and electronically sign the Election Form, and any other documents required by the Election Form, on the E\*TRADE portal.

You do not need to return your stock option agreements relating to any tendered Eligible Options as they will be automatically cancelled effective as of the New RSU Grant Date if we accept your Eligible Options for exchange. We will separately provide to you the grant documents relating to your New RSUs for your acceptance through our online equity administration portal following the New RSU Grant Date.

Your Eligible Options will not be considered tendered until we receive your properly completed and electronically signed Election Form and any other documents required by the Election Form. We must receive your properly completed and electronically signed Election Form through the E\*TRADE portal before 5:00 p.m., Eastern Time, on Friday, July 1, 2022 (or such later date as may apply if the Exchange Offer is extended). If you miss this deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the signed Election Form only through the E\*TRADE portal. You are responsible for making sure that the Election Form is successfully submitted through the E\*TRADE portal.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine would be unlawful to accept. Subject to our rights to extend, terminate and amend the Exchange Offer, we expect to accept all properly tendered Eligible Options following the Expiration Time.

See Section 3 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*") for more information.

**Q27. Can I withdraw previously tendered Eligible Options?**

Yes. You may withdraw your tendered Eligible Options at any time before the Exchange Offer expires at 5:00 p.m., Eastern Time, on Friday, July 1, 2022 (or such later date as may apply if the Exchange Offer is extended). Unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options at any time after 11:59 p.m., Eastern Time, on Friday, July 29, 2022.

To withdraw tendered Eligible Options, you must deliver to us a properly completed and signed Notice of Withdrawal of Election Form (a "*Notice of Withdrawal*") with the required information prior to the Expiration Time. The Notice of Withdrawal must be delivered by email (by PDF or similar imaged document file) to [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com).

If you miss the deadline to withdraw but remain an Eligible Employee, any previously tendered Eligible Options will be exchanged pursuant to the Exchange Offer. You may change your mind as many times as you wish, but you will be bound by the last properly submitted Election Form or Notice of Withdrawal that we receive before the Expiration Time.

You are responsible for making sure that you properly submit a Notice of Withdrawal for any tendered Eligible Option that you wish to subsequently withdraw. You must allow sufficient time to complete, sign and deliver your Notice of Withdrawal to ensure that we receive it before the Expiration Time.

Once you have withdrawn Eligible Options, you may re-tender such Eligible Options by submitting a new Election Form and following the procedures for validly tendering Eligible Options in the Exchange Offer described in Question 26 above.

See Section 4 of the Offering Memorandum ("*Withdrawal Rights*") for more information.

**Q28. How will I know whether you have received my Election Form or my Notice of Withdrawal?**

We will send you an email or other form of communication, as appropriate, to confirm receipt of your Election Form or Notice of Withdrawal, as applicable, shortly after we receive it. However, it is your responsibility to ensure that we receive your Election Form or Notice of Withdrawal, as applicable, prior to the Expiration Time.

See Section 3 and Section 4 of the Offering Memorandum ("*Procedures for Tendering Eligible Options*" and "*Withdrawal Rights*") for more information.

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**Q29. What will happen if I do not complete my Election Form by the deadline?**

If we do not receive a completed Election Form from you by the Expiration Time, then all of your Eligible Options will remain outstanding at their original exercise price and subject to their original terms. If you prefer not to tender any of your Eligible Options for exchange in the Exchange Offer, you do not need to do anything.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

**Q30. What if I have any questions regarding the Exchange Offer?**

You should direct questions about the Exchange Offer (including requests for additional or paper copies of the Exchange Offer and other Exchange Offer documents which we will promptly furnish to you at our expense) by email to [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com).

## RISK FACTORS

Participation in the Exchange Offer involves a number of potential risks and uncertainties, including those described below. You should consider, among other things, these risks and uncertainties before deciding whether or not to request that we exchange your Eligible Options in the manner described in the Exchange Offer. You should carefully review the risk factors set forth below and those contained in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (the “SEC”) on March 1, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, filed with the SEC on May 11, 2022, as well as the other information provided in the Exchange Offer and the other materials that we have filed with the SEC, before making a decision as to whether or not to tender your Eligible Options. See Section 15 of the Offering Memorandum (“*Additional Information*”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports.

### Risks Related to the Exchange Offer

*The exchange ratio used in the Exchange Offer may not accurately reflect the value of your Eligible Options at the time of their exchange.*

The calculation of the exchange ratio for the Eligible Options in the Exchange Offer is based on the Black-Scholes option pricing model and relies on numerous assumptions. If a different method or different assumptions are used, or if the exchange ratio is calculated as of a different date, the exchange ratio may vary from the exchange ratio in this Exchange Offer. The valuation method that we use for establishing the exchange ratio is designed to estimate a fair value of options as of the date the exchange ratio is calculated and is not a prediction of the future value that might be realized through Eligible Options or New RSUs. In addition, the exchange ratio is “capped” at one RSU for one share subject to the Eligible Options to which the New RSU replaces, if the fair value of the Eligible Options exchanged would result in you receiving more New RSUs than the number of shares underlying your Eligible Options exchanged.

You should be aware that option valuation is inherently difficult to estimate and imprecise. Although the Black-Scholes model is a standard and accepted model for determining the value of options, the utilization of different assumptions in the Black-Scholes option pricing model can produce significantly different results for the ultimate value of an option.

Moreover, even experts can disagree on the correct assumptions to use for any particular option valuation exercise. The assumptions we use for purposes of this Exchange Offer may not be the same as those used by others and, therefore, our valuation of the Eligible Options, the New RSUs and/or the exchange ratio may not be consistent with those obtained using other valuation techniques or input assumptions and may not reflect the actual value of these options.

*Your cancelled Eligible Options may be worth more than the New RSUs that you receive in exchange.*

Because the New RSUs you receive will likely cover fewer shares than the number of shares outstanding under your Eligible Options, it is possible that, at some point in the future, due to increases in our stock price, those Eligible Options would have been more economically valuable than the New RSUs granted pursuant to the Exchange Offer.

Whether you will be in a better position if you surrender your Eligible Options for New RSUs instead of retaining your Eligible Options depends on many factors, including the number of Eligible Options you hold, the number of New RSUs that you would receive in exchange for your Eligible Options, the exercise price of your Eligible Options, the value of our common stock in the future, how long you remain employed by Societal CDMO or one of our subsidiaries and the expiration date of your Eligible Options. We encourage you to consult with your financial, tax, legal and other advisors when determining whether to participate in the Exchange Offer.

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***If your service with Societal CDMO terminates before your New RSUs vest, you will not be able to receive value for your unvested New RSUs, but you may have been able to receive value for the Eligible Options you exchanged for the New RSUs.***

The New RSUs will be subject to a new vesting schedule that differs from the vesting schedules of the Eligible Options that you exchange. The New RSUs will vest in two equal annual installments following the New RSU Grant Date, subject to your continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan and therefore, none of the New RSUs will be vested on the New RSU Grant Date even if your Eligible Options are fully or partially vested. Accordingly, if your service with Societal CDMO terminates after you exchange your Eligible Options for New RSUs, you may not be able to realize as much value from your New RSUs as you could have realized from the Eligible Options you exchanged. For example, if you do not exchange your vested Eligible Options for New RSUs, and your service with Societal CDMO terminates, if our stock price increases above the exercise price per share of your vested Eligible Options, you would still be able to exercise and sell the underlying shares of common stock for these vested Eligible Options at a gain. However, if you exchange your vested Eligible Options for New RSUs, and your service with Societal CDMO terminates after you receive New RSUs but before such New RSUs have vested, you will receive no value from being granted the New RSUs.

***You may incur additional taxes in connection with the New RSUs for U.S. tax purposes.***

For more detailed information regarding the tax treatment of stock options, see Section 12 of the Offering Memorandum (***“Material United States Tax Consequences”***).

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OFFERING MEMORANDUM

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUS

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## OFFERING MEMORANDUM

### OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW RSUS

#### Section 1. Eligible Employees; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer.

Societal CDMO, Inc. (“*Societal CDMO*,” “*we*,” “*us*,” or “*our*”) is offering eligible employees the opportunity to exchange certain outstanding stock options for new restricted stock units. As described in this Section 1 of this Offering Memorandum—Offer to Exchange Eligible Options for New RSUs (this “*Offering Memorandum*”), Eligible Options that are validly tendered prior to the Expiration Time will be exchanged for New RSUs in exchange for an Eligible Employee’s agreement to accept the terms of the New RSUs. Each capitalized term that is used in this paragraph without being defined has the meaning set forth below.

We are making the offer on the terms and subject to the conditions described in this Offering Memorandum, as they may be amended from time to time, and these terms and conditions constitute the “*Exchange Offer*.” The Exchange Offer is not conditioned on the acceptance of the Exchange Offer by a minimum number of optionholders or the tender of elections to exchange options covering a minimum number of shares.

#### *Eligible Employees*

All individuals who hold Eligible Options (as defined below) and who, as of the date the Exchange Offer commences and as of the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, are current employees of Societal CDMO, may participate in the Exchange Offer (the “*Eligible Employees*”) (see below for excluded option holders). To be an Eligible Employee, you must continue to be employed by Societal CDMO, and not have submitted a notice of resignation or received a notice of termination, between the date the Exchange Offer commences and the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them.

You will not be eligible to tender Eligible Options for exchange in the Exchange Offer if you cease to be an Eligible Employee for any reason prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability. An individual who is on an authorized leave of absence and is otherwise an Eligible Employee on the Expiration Date will be eligible to tender Eligible Options in the Exchange Offer. A leave of absence is considered “authorized” if it was approved in accordance with Societal CDMO’s policies.

Your employment with Societal CDMO will remain at will, regardless of your participation in the Exchange Offer, and can be terminated by you or Societal CDMO at any time. Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by Societal CDMO. The terms of your employment with Societal CDMO remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by Societal CDMO until the grant date for the New RSUs or any vesting date of your New RSUs in the future.

Our executive officers, consultants, former employees, and non-employee members of our board of directors (the “*Board*”) are not eligible to participate in the Exchange Offer.

#### *Eligible Options*

An “*Eligible Option*” is an outstanding option that:

- is held by an Eligible Employee;
- is outstanding as of the closing of the Exchange Offer;
- has an exercise price equal to or greater than \$2.67 per share (the 52-week high for our common stock as of May 25, 2022); and

- was granted on or before June 30, 2020 under either (i) our 2018 Amended and Restated Equity Incentive Plan (the “**2018 Plan**”), or (ii) as an inducement grant under Nasdaq listing rule 5635(c)(4).

#### *The Proposed Exchange*

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you an award of restricted stock units (each, a “**New RSU**”) with the following terms (collectively, the “**New RSU Terms**”):

- Each New RSU will not have an exercise or purchase price. Each New RSU will represent your right to receive one share of our common stock for each New RSU that vests in the future (subject to adjustments for mergers, stock splits, spin-offs, etc.).
- The number of your New RSUs will be determined using an exchange ratio based on the exercise price of your tendered Eligible Option. The chart below sets forth the applicable exchange ratios, which are further discussed below.

Eligible Option Exercise Price Range	Weighted Average Exchange Ratio (Surrendered Eligible Options: New RSUs)
\$4.55 to \$7.90	3.6 to 1
\$7.99 to \$9.64	3.6 to 1
\$10.17 to \$16.62	5.0 to 1

- Your New RSUs will be granted under the 2018 Plan.
- Your New RSUs will not be vested on the date they are granted, even if the corresponding exchanged Eligible Options had previously become exercisable. Your New RSUs will vest in two equal annual installments following the New RSU Grant Date (as defined below), subject to your continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.

You are not required to participate in the Exchange Offer. If you hold more than one option grant that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Option grants as you wish; however, you must tender all of the shares underlying any selected Eligible Option grant. Eligible Options properly tendered in this Exchange Offer and accepted by Societal CDMO for exchange will be cancelled and your New RSUs will be granted promptly following the Expiration Time (such date, the “**New RSU Grant Date**”).

#### *Exchange Ratios applicable to all New RSUs*

The exchange ratios were calculated to approximate the fair value of the Eligible Options, meaning that they were determined in a manner intended to result in the grant of a New RSU with an aggregate fair value, for accounting purposes, that is approximately the aggregate fair value of the Eligible Options the New RSU replaces, calculated based on the closing price of our common stock on Nasdaq as of May 25, 2022. Such a fair value exchange is intended to balance the compensatory goals of the Exchange Offer and the interests of our stockholders, including reducing our total number of outstanding options, avoiding further dilution to our stockholders and minimizing the accounting expense of the grants of New RSUs. Fractions of New RSUs will not be granted and cash will not be paid for any fractional shares. New RSUs calculated according to the exchange ratios that result in fractional shares will be rounded to the nearest whole share of our common stock.

#### *Expiration and Extension of the Exchange Offer*

The Exchange Offer is scheduled to expire at 5:00 p.m., Eastern Time, on Friday, July 1, 2022, unless we, in our sole discretion, extend the expiration date of the Exchange Offer (such time and date referred to herein as the “**Expiration Time**”). See Section 13 (“**Extension of Exchange Offer; Termination; Amendment**”) for a description of our rights to extend, terminate and amend the Exchange Offer.

If you do not elect to tender your Eligible Options before the Expiration Time, such Eligible Options will remain subject to their current terms, including the current exercise prices and vesting schedules.

## **Section 2. Purpose of the Exchange Offer; Additional Considerations.**

We believe that to enhance long-term shareholder value we need to maintain competitive employee incentive and retention programs. We rely on our employees to implement our strategic initiatives, expand and develop our business, and satisfy customer needs. Competition for many of these employees, particularly in the contract development and manufacturing organization (“*CDMO*”) industry for pharmaceuticals, is intense and many companies use stock options as a means of attracting, motivating, and retaining their best employees. Stock options historically constituted a key part of our hiring, incentive, and retention programs because our Board believes that equity compensation encourages employees to act like owners of the business, motivating them to work toward our success and rewarding their contributions by allowing them to benefit from increases in the value of our common stock.

When our Compensation Committee approves the grant of a stock option, it establishes the exercise price that the employee must pay to purchase shares of our common stock when the option is exercised. The per share exercise price is generally set at the closing price of a share of our common stock as reported by Nasdaq on the date the option is granted. Thus, an employee realizes value only if the employee exercises an option and sells the purchased shares at a price that exceeds the stock option’s exercise price. During the past several fiscal years, however, our stock price has declined. As of early October 2021, we had issued approximately 4.7 million outstanding stock options, 100% of which were “underwater” (or “out-of-the-money”), meaning the exercise price of each of those options was greater than our current stock price.

Although we continue to believe that stock options are an important component of our employees’ total compensation, many of our employees view their existing stock options as having little or no value due to the difference between the exercise prices and the current market price of our common stock. As a result, for many employees, these options are ineffective at providing the incentives and retention value that our Board believes is necessary to motivate our employees to increase long-term shareholder value.

In furtherance of our goal to adequately incentivize our employees, the Compensation Committee of our Board began considering, with input from Pay Governance, who serves as the Compensation Committee’s independent compensation consultant, whether conducting an option exchange program would assist with our retention efforts. As a result, we determined that a program under which Eligible Employees could exchange underwater stock options for a lesser number of RSUs was the most attractive means available to us to restore incentives for our non-executive employees.

We believe that the inherent value of the new RSUs and extended vesting periods of the RSUs may be more effective in retaining and incentivizing employees than the existing underwater stock options. We believe the Exchange Offer will provide us with an opportunity to restore for Eligible Employees an incentive to remain with us and contribute to the future growth and success of our company.

In deciding whether to tender one or more Eligible Options pursuant to the Exchange Offer, you should know that we continually evaluate and explore strategic opportunities as they arise. At any given time, we may be engaged in discussions or negotiations with respect to one or more corporate transactions of the type described below. We also grant equity awards in the ordinary course of business to our current and new employees, including our executive officers. Our directors and employees, including our executive officers, from time to time may acquire or dispose of our securities. We may from time to time repurchase our own outstanding securities after we have announced any decision by the Board to authorize us to do so, in accordance with applicable securities laws. In addition, we may pursue opportunities to raise additional capital through the issuance of equity or convertible debt securities. If this occurs, the percentage ownership of our stockholders could be significantly diluted, and these newly-issued securities may have rights, preferences or privileges senior to those of existing stockholders. We cannot assure you that additional financing will be available on terms favorable to Societal CDMO, or at all.

Subject to the foregoing and except as otherwise disclosed in the Exchange Offer or in our filings with the Securities and Exchange Commission (the “SEC”), we currently have no plans, proposals or negotiations that relate to or would result in:

- any extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving Societal CDMO;
- any purchase, sale or transfer of a material amount of our assets;
- any material change in our present dividend policy or our indebtedness or capitalization;
- any material change in our Board or executive management team, including any plans to change the number or term of our directors or to fill any existing vacancies on the Board or to change the material terms of any executive officer’s employment;
- any other material change in our corporate structure or business;
- our common stock not being traded on a national securities exchange;
- our common stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”);
- the suspension of our obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course of business or pursuant to existing options or other rights; or
- any change in our Second Amended and Restated Articles of Incorporation or Third Amended and Restated Bylaws, or any actions that may impede the acquisition of control of us by any person.

WE DO NOT MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU SHOULD EVALUATE CAREFULLY ALL OF THE INFORMATION IN THE EXCHANGE OFFER AND CONSULT YOUR OWN FINANCIAL AND TAX ADVISORS. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS FOR EXCHANGE.

### **Section 3. Procedures for Tendering Eligible Options.**

If you wish to tender your Eligible Options for exchange, you must properly click “Accept” and electronically sign the Election Form on the E\*TRADE portal before the Expiration Time on Friday, July 1, 2022.

Except as described in the following sentence, the Election Form must be electronically signed and submitted by the Eligible Employee who holds the Eligible Options to be tendered using the same name for such Eligible Employee as appears on the applicable stock option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Election Form.

Your Eligible Options will not be considered tendered until we receive the properly completed and signed Election Form. We must receive your properly completed and signed Election Form before the Expiration Time. If you miss this deadline or submit an Election Form that is not properly completed as of the deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the electronically signed Election Form only through the E\*TRADE portal. You are responsible for making sure that the Election Form is successfully submitted through the E\*TRADE portal.

You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled in exchange for New RSUs if we accept your Eligible Options for exchange.

To validly tender your Eligible Options pursuant to the Exchange Offer, you must remain an Eligible Employee and your employment with us must not have terminated for any reason, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability, prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them.

If you hold multiple option grants that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be able to elect to tender as few or as many of your Eligible Option grants as you wish. However, if you elect to tender an Eligible Option for exchange, you must tender the entire outstanding (i.e., unexercised) portion of that Eligible Option. If you attempt to tender a portion but not all of an outstanding Eligible Option grant, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Options that you have properly tendered for exchange.

We will determine all questions as to form of documents and the validity, eligibility, time of receipt and acceptance of any tender of Eligible Options. Neither Societal CDMO nor any other person is obligated to give notice of any defects or irregularities in tenders. No tender of Eligible Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Employee or waived by Societal CDMO. Our determination of these matters will be final and binding on all parties.

The Exchange Offer is a one-time offer, and we will strictly enforce the offer period, subject only to any extension of the Expiration Time that we may grant in our sole discretion. Subject to Rule 13e-4 under the Exchange Act, we also reserve the right to waive any of the conditions of the Exchange Offer or any defect or irregularity in any tender with respect to any particular Eligible Option or any particular Eligible Employee.

*Our Acceptance Constitutes an Agreement.*

Your tender of Eligible Options pursuant to the procedures described above constitutes your acceptance of the terms and conditions of the Exchange Offer and will be controlling, absolute and final, subject to your withdrawal rights under Section 4 (“**Withdrawal Rights**”) and our acceptance of your tendered Eligible Options in accordance with Section 5 (“**Acceptance of Eligible Options for Exchange; Grant of New RSUs**”). Our acceptance for exchange of Eligible Options that you tender pursuant to the Exchange Offer will constitute a binding agreement between Societal CDMO and you upon the terms and subject to the conditions of the Exchange Offer.

Subject to our rights to terminate and amend the Exchange Offer in accordance with Section 6 (“**Conditions of the Exchange Offer**”), and as described in Section 1 of this Offering Memorandum, on the New RSU Grant Date, we expect to accept for exchange all properly tendered Eligible Options that have not been validly withdrawn by the Expiration Time, and we expect to cancel the Eligible Options that we accept in exchange for the grant of New RSUs with the New RSU Terms. We expect the New RSU Grant Date to occur on July 1, 2022. If the Expiration Time is extended, then the New RSU Grant Date will be similarly extended.

**Section 4. Withdrawal Rights.**

If you elect to accept the Exchange Offer with respect to some or all of your Eligible Options and later change your mind, you may withdraw any tendered Eligible Options by following the procedure described in this Section 4. Just as you may not tender only part of an Eligible Option grant, you also may not withdraw your election with respect to only a portion of an Eligible Option grant. If you elect to withdraw a previously tendered Eligible Option grant, you must withdraw the entire Eligible Option, but you are not required to withdraw any other tendered Eligible Options. We will permit any Eligible Options tendered in the Exchange Offer to be withdrawn at any time during the period the Exchange Offer remains open, and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options that have not been accepted at any time after 11:59 p.m. U.S. Eastern Time on Friday, July 29, 2022. Please note that, upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time.

To validly withdraw tendered Eligible Options, you must deliver to us at [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com) a properly completed and signed Notice of Withdrawal of Election Form (“*Notice of Withdrawal*”) during a period in which you have the right to withdraw the tendered Eligible Options. Your tendered Eligible Options will not be considered withdrawn until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline for withdrawal but remain an Eligible Employee, we will exchange any previously tendered Eligible Options pursuant to the Exchange Offer and your previously submitted Election Form.

You are responsible for making sure that, if you wish to withdraw tendered Eligible Options, the Notice of Withdrawal is delivered to us as indicated above. The Notice of Withdrawal must specify the Eligible Options to be withdrawn. Except as described in the following sentence, the Notice of Withdrawal must be signed by the Eligible Employee who holds the Eligible Options to be tendered using the same name for such Eligible Employee as appears on the applicable stock option agreement and the previously submitted Election Form. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Notice of Withdrawal. We have filed a form of the Notice of Withdrawal as an exhibit to the Tender Offer Statement on Schedule TO filed by Societal CDMO with the SEC on June 1, 2022 (the “*Schedule TO*”). We will deliver a copy of the Notice of Withdrawal form to all Eligible Employees.

You may not rescind any withdrawal, and any Eligible Options you withdraw will thereafter be deemed not properly tendered for purposes of the Exchange Offer unless you properly re-tender those Eligible Options before the Expiration Time by following the procedures described in Section 3 of this Offering Memorandum.

Neither we nor any other person is obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will anyone incur any liability for failing to give notice of any defects or irregularities. We will determine all questions as to the form and validity, including time of receipt, of Notices of Withdrawal. Our determinations of these matters will be final and binding.

#### **Section 5. Acceptance of Eligible Options for Exchange; Grant of New RSUs.**

Upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time, unless extended (or if we have not accepted the Eligible Option, you may also withdraw any such tendered securities at any time after 11:59 p.m. Eastern Time on Friday, July 29, 2022). On the New RSU Grant Date, we expect to cancel the Eligible Options we have accepted in exchange for the grant of the New RSUs with the New RSU Terms. If the Expiration Time is extended, then the New RSU Grant Date will be similarly extended.

Promptly after we grant the New RSUs, we will send each tendering Eligible Employee a confirmation email with respect to the Eligible Options that we have accepted for exchange. In addition, we will separately provide to each tendering Eligible Employee for acceptance via our online equity administration portal the documentation relating to the Eligible Employee’s New RSUs. We have filed a form of such confirmation email as an exhibit to the Schedule TO.

If you have tendered Eligible Options under the Exchange Offer and your employment terminates for any reason, or if you submit a notice of resignation or receive a notice of termination, before the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, you will no longer be eligible to participate in the Exchange Offer, and we will not accept your Eligible Options for exchange. In that case, you may be able to exercise your existing vested Eligible Options for a limited time after your termination date in accordance with and subject to their terms.

#### **Section 6. Conditions of the Exchange Offer.**

Notwithstanding any other provision of the Exchange Offer, we will not be required to accept any Eligible Options tendered for exchange, and we may terminate or amend the Exchange Offer, in each case subject to Rule 13e-4(f)(5) under the Exchange Act, if at any time on or after the date hereof and prior to the Expiration Time, any of the following events has occurred, or if we have determined, in our reasonable judgment, that any of the following events has occurred:

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- there shall have been threatened or instituted any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or other person, domestic or foreign, before any court, authority, agency or tribunal that (i) directly or indirectly challenges the making of the Exchange Offer or the exchange of some or all of the Eligible Options tendered for exchange, (ii) otherwise relates in any manner to the Exchange Offer, or (iii) in our reasonable judgment, could materially affect our business, condition (financial or other), assets, income, operations, prospects or stock ownership;
  - there shall have been threatened, instituted or taken, any action, or any approval, exemption or consent shall have been withheld, or any statute, rule, regulation, judgment, order or injunction shall have been proposed, sought, promulgated, enacted, entered, amended, interpreted, enforced or deemed to be applicable to the Exchange Offer or Societal CDMO, by or from any court or any regulatory or administrative authority, agency or tribunal that, in our reasonable judgment, would directly or indirectly:
    - make it illegal for us to accept some or all of the tendered Eligible Options for exchange, otherwise restrict or prohibit consummation of the Exchange Offer or otherwise relate in any manner to the Exchange Offer;
    - delay or restrict our ability, or render us unable, to accept the tendered Eligible Options for exchange; or
    - impair the contemplated benefits of the Exchange Offer to Societal CDMO;
  - there will have occurred:
    - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or automated quotation system or in the over-the-counter market;
    - the declaration of a banking moratorium or any suspension of payments with respect to banks in the United States;
    - any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might affect the extension of credit to us by banks or other lending institutions in the United States;
    - in our reasonable judgment, any extraordinary or material adverse change in United States financial markets generally, including a decline of at least 10% in either the Dow Jones Industrial Average or the Standard & Poor's 500 Index from the date of commencement of the Exchange Offer;
    - the commencement or escalation of a war or other national or international calamity directly or indirectly involving the United States, which could reasonably be expected to affect materially or adversely, or to delay materially, the completion of the Exchange Offer; or
    - any of the situations described above which existed at the time of commencement of the Exchange Offer, where such situation, in our reasonable judgment, deteriorates materially after commencement of the Exchange Offer;
  - a tender or exchange offer (other than the Exchange Offer) with respect to some or all of our capital stock, or a merger or acquisition proposal for Societal CDMO, shall have been proposed, announced or publicly disclosed or we shall have learned that:
    - any person, entity or group (where "**group**" has the meaning given within Section 13(d)(3) of the Exchange Act) has acquired more than 5% of our outstanding common stock, other than a person, entity or group that had publicly disclosed such ownership with the SEC prior to the date of commencement of the Exchange Offer;
    - any such person, entity or group that had publicly disclosed such ownership prior to such date has acquired additional common stock constituting more than 1% of our outstanding shares; or
    - any new group has been formed that beneficially owns more than 5% of our outstanding common stock that, in our judgment in any such case, and regardless of the circumstances, makes it inadvisable to proceed with the Exchange Offer or with such acceptance of Eligible Options for exchange;

- any change, development, clarification or position taken in generally accepted accounting principles that could or would require us to record for financial reporting purposes compensation expense against our earnings in connection with the Exchange Offer, other than as contemplated as of the commencement date of this Exchange Offer (as described in Section 10 of this Offering Memorandum, “*Accounting Consequences of this Exchange Offer*”);
- any changes occur in our business, financial condition, assets, income, operations, prospects or stock ownership that, in our reasonable judgment, is or may be material to Societal CDMO;
- any event or events occur that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Societal CDMO (see Section 2 of this Offering Memorandum, “*Purpose of the Exchange Offer; Additional Consideration*,” for a description of the contemplated benefits of the Exchange Offer to Societal CDMO); and
- any rules or regulations by any governmental authority, The Nasdaq Capital Market (“*Nasdaq*”), or other regulatory or administrative authority or any national securities exchange have been enacted, enforced, or deemed applicable to us that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Societal CDMO (see Section 2 of this Offering Memorandum, “*Purpose of the Exchange Offer; Additional Consideration*,” for a description of the contemplated benefits of the Exchange Offer to Societal CDMO).

The conditions to the Exchange Offer are for Societal CDMO’s benefit. We may assert them prior to the Expiration Time regardless of the circumstances giving rise to them (other than circumstances caused by our action or inaction). We may waive the conditions, in whole or in part, at any time and from time to time prior to our acceptance of your tendered Eligible Options for exchange, whether or not we waive any other condition to the Exchange Offer. Any determination we make concerning the events described in this Section 6 will be final and binding upon all persons.

### Section 7. Price Range of Our Common Stock.

The Eligible Options give Eligible Employees the right to acquire shares of our common stock. None of the Eligible Options are traded on any trading market. Our common stock trades on Nasdaq under the symbol “*SCTL*.”

The following table sets forth the high and low per share sales prices of our common stock on Nasdaq during the periods indicated.

<u>Year Ending December 31, 2022</u>	<u>High</u>	<u>Low</u>
First Quarter	\$ 2.19	\$1.42
Second Quarter (through May 27, 2022)	\$ 1.86	\$0.71
<u>Year Ended December 31, 2021</u>	<u>High</u>	<u>Low</u>
First quarter	\$ 5.29	\$2.50
Second quarter	\$ 3.29	\$1.96
Third quarter	\$ 2.66	\$1.71
Fourth quarter	\$ 2.11	\$1.38
<u>Year Ended December 31, 2020</u>	<u>High</u>	<u>Low</u>
First quarter	\$19.21	\$6.10
Second quarter	\$ 9.19	\$4.15
Third quarter	\$ 4.95	\$2.03
Fourth quarter	\$ 4.33	\$1.49

As of May 27, 2022, we had 9 stockholders of record, and 56,632,541 shares of our common stock were issued and outstanding. Because brokers and other institutions hold many of our shares on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these record holders. On May 27, 2022, the closing price for our common stock as reported on Nasdaq was \$0.75 per share. We recommend that you obtain current market quotations for our common stock before deciding whether or not to tender your Eligible Options for exchange. The price of our common stock has been, and in the future may be, volatile and could decline. The trading price of our common stock has fluctuated in the past and is expected to continue to do so in the future as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies and that have often been unrelated or disproportionate to the operating performance of those companies.

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## **Section 8. Information Concerning Societal CDMO; Financial Information.**

### *Information Concerning Societal CDMO.*

We are a bi-coastal contract development and manufacturing organization with capabilities spanning pre-investigational new drug development to commercial manufacturing and packaging for a wide range of therapeutic dosage forms with a primary focus in the area of small molecules. With an expertise in solving complex manufacturing problems, Societal CDMO provides therapeutic development, end-to-end regulatory support, clinical and commercial manufacturing, aseptic fill/finish, lyophilization, packaging and logistics services to the global pharmaceutical market.

We are a Pennsylvania corporation. We maintain our principal executive offices at 1 E. Uwchlan Ave, Suite 112, Exton, Pennsylvania 19341. Our telephone number is (770) 534-8239. We maintain a corporate website at [www.societalcdmo.com](http://www.societalcdmo.com) as well as various product websites. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Exchange Offer.

### *Financial Information.*

This Offering Memorandum should be read in conjunction with the “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K (File No. 001-36329) for the year ended December 31, 2021, filed with the SEC on March 1, 2022 (our “**Annual Report**”), and in our Quarterly Report on Form 10-Q (File No. 001-36329) for the quarter ended March 31, 2022, filed with the SEC on May 11, 2022 (our “**Quarterly Report**”), which are incorporated herein by reference.

### *Additional Information.*

For more information about Societal CDMO, please refer to our Annual Report, our Quarterly Report and our other filings made with the SEC. We recommend that you review the materials that we have filed with the SEC before making a decision on whether or not to tender your Eligible Options. We will also provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 15 (“**Additional Information**”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review such reports.

## **Section 9. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities.**

Our executive officers and members of our Board are not eligible to participate in the Exchange Offer. Accordingly, none of these individuals are Eligible Employees, and they do not hold any Eligible Options.

Other than outstanding stock option and other equity awards granted to our directors, executive officers and other employees pursuant to our various equity incentive plans, which are described in the notes to our financial statements as set forth in our Annual Report and Quarterly Report, neither Societal CDMO nor, to our knowledge, any of our executive officers or directors, any person controlling Societal CDMO or any executive officer or director of such control person is a party to any agreement, arrangement or understanding with respect to any of our securities, including any agreement, arrangement or understanding concerning the transfer or the voting of any of our securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

During the 60-day period prior to the date of this Offering Memorandum, we have not granted any options that are Eligible Options, and no Eligible Options have been exercised. During such 60-day period, neither we, nor, to the best of our knowledge, any member of our Board or any of our executive officers, nor any of our affiliates, has engaged in any transaction involving the Eligible Options.

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#### **Section 10. Accounting Consequences of the Exchange Offer.**

We have adopted the provisions of the Financial Accounting Standard Board's *Accounting Standards Update 2014-12, Compensation—Stock Compensation (Topic 718)* ("**ASC Topic 718**") regarding accounting for share-based payments. Under ASC Topic 718, we will recognize the grant date fair value of the tendered Eligible Options plus the incremental compensation cost of the New RSUs. The incremental compensation cost will be measured as the excess, if any, of the fair value of the New RSUs over the fair value of the original Eligible Options prior to exchange. The fair value of New RSUs will be measured as of the New RSU Grant Date and the fair value of the Eligible Options surrendered will be measured as of the Expiration Time. The remaining unrecognized grant date fair value plus the incremental compensation cost will be recognized in compensation expense ratably over the vesting period of the New RSUs.

The amount of compensation cost will depend on a number of factors, including the level of participation in the Exchange Offer and the exercise price per share of Eligible Options, as applicable, exchanged in the Exchange Offer. Since these factors cannot be predicted with any certainty as of the date of this Offering Memorandum and will not be known until the Expiration Time, we cannot predict the exact amount of the charge (if any) that will result from the Exchange Offer.

#### **Section 11. Legal Matters; Regulatory Approvals.**

The Exchange Offer is required to comply with the SEC's rules and regulations, including the requirements of Schedule TO. We are not aware of any material pending or threatened legal actions or proceedings relating to the Exchange Offer. We are not aware of any margin requirements or anti-trust laws applicable to the Exchange Offer. We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acceptance of Eligible Options for exchange and grant of New RSUs as contemplated by the Exchange Offer, or of any regulatory requirements that we must comply with or approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Exchange Offer as contemplated herein. Should any such compliance or approval or other action be required, we currently contemplate that we will use commercially reasonable efforts to comply with such requirements or seek such approval or take such other action. We cannot assure you that any such compliance or approval or other action, if needed, would be achieved or obtained or would be achieved or obtained without substantial conditions or that the failure to achieve such compliance or obtain any such approval or other action would not adversely affect our business. Our obligation under the Exchange Offer to accept tendered Eligible Options for exchange and to grant New RSUs with the New RSU Terms would be subject to achieving such compliance or obtaining any such governmental approval or other action.

#### **Section 12. Material United States Tax Consequences.**

The following is a summary of the anticipated material United States federal income tax consequences of the Exchange Offer. This tax summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to apply in all respects to all categories of Eligible Employees. The tax consequences for individuals who are subject to the tax laws of a country other than the United States or of more than one country may differ from the United States federal income tax consequences summarized herein. The rules governing the tax treatment of stock options are complex. ***You should consult with your tax advisor to determine the personal tax consequences to you of rejecting or participating in the Exchange Offer.***

Based on U.S. federal income tax laws in effect on the date of this Offer Memorandum, the Exchange Offer is expected to be treated as a non-taxable exchange for U.S. federal income tax purposes, and we and Eligible Employees should recognize no income for U.S. federal income tax purposes upon the surrender of Eligible Options and grant of New RSUs.

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#### *Tax Effects of Rejecting the Offer*

In general, your rejection of the Exchange Offer will not be a taxable event for United States federal income tax purposes.

#### *Tax Effects of Accepting the Offer*

Neither your acceptance of the Exchange Offer nor the exchange of your Eligible Options should be a taxable event for United States federal income tax purposes. You should not recognize any income, gain or loss as a result of the exchange and cancellation of your Eligible Options for New RSUs for United States federal income tax purposes.

#### *Taxation of Nonstatutory Stock Options (“NSOs”)*

Generally, an optionholder will not recognize any income, gain or loss on the granting of an NSO. Upon the exercise of an NSO, an optionholder will recognize ordinary income on each purchased share equal to the difference between the fair market value of the stock on the date of exercise and the exercise price of the NSO. Such gain will be subject to withholding for income, employment and payroll taxes, and such withholding must be satisfied as a condition to such exercise.

If and when an optionholder sells the stock purchased upon the exercise of an NSO, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of exercise, will be treated as a capital gain or loss. If the optionholder has held those shares for more than one year from the date of exercise, such gain or loss will be a long-term capital gain or loss. If the optionholder has held those shares for not more than one year from the date of exercise, such gain or loss will be a short-term capital gain or loss.

#### *Taxation of Restricted Stock Units*

Generally, an individual will not recognize any income, gain or loss on the granting of an RSU. Upon the vesting of an RSU and the issuance of the vested RSU shares, an individual will recognize ordinary income on each issued share equal to the fair market value of the shares on the date of issuance.

If and when an individual sells the stock issued upon the vesting of an RSU, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of issuance, will be treated as a capital gain or loss. If the individual has held those shares for more than one year from the date of issuance, such gain or loss will be a long-term capital gain or loss. If the individual has held those shares for not more than one year from the date of issuance, such gain or loss will be a short-term capital gain or loss.

#### *Withholding*

We will withhold all required local, state, federal, foreign and other taxes and any other amount required to be withheld by any governmental authority or law with respect to ordinary compensation income recognized with respect to the exercise of a stock option by an award holder who has been employed by us and with respect to the issuance of vested RSU shares to an award holder who has been employed by us. We will require any such Eligible Employee to make arrangements to satisfy this withholding obligation prior to the delivery or transfer of any shares of our common stock.

#### **Section 13. Extension of the Exchange Offer; Termination; Amendment.**

We may, from time to time, extend the period of time during which the Exchange Offer is open and delay accepting any Eligible Options tendered to us by disseminating notice of the extension to Eligible Employees by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by Rule 13e-4(c)(3) under the Exchange Act. If the Exchange Offer is extended, we will provide appropriate notice of the extension and the new Expiration Time no later than 9:00 a.m. Eastern Time on the next business day following the previously scheduled Expiration Time. For purposes of the Exchange Offer, a “business day” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:00 a.m. through 11:59 p.m., Eastern Time.

We also expressly reserve the right, in our reasonable judgment, prior to the Expiration Time, to terminate or amend the Exchange Offer upon the occurrence of any of the conditions specified in Section 6 (“*Conditions of the Exchange Offer*”), by disseminating notice of such termination or amendment to Eligible Employees by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by applicable law.

Subject to compliance with applicable law, we further reserve the right, in our discretion, and regardless of whether any event set forth in Section 6 (“*Conditions of the Exchange Offer*”) has occurred or we deem any such event to have occurred, to amend the Exchange Offer in any respect prior to the Expiration Time. We will promptly disseminate any notice of such amendment required pursuant to the Exchange Offer or applicable law to Eligible Employees in a manner reasonably designed to inform Eligible Employees of such change and will file such notice with the SEC as an amendment to the Schedule TO.

If we materially change the terms of the Exchange Offer or the information concerning the Exchange Offer, or if we waive a material condition of the Exchange Offer, we will extend the Exchange Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) under the Exchange Act. Under these rules, the minimum period during which a tender or Exchange Offer must remain open following material changes in the terms of or information concerning a tender or Exchange Offer, other than a change in price or a change in percentage of securities sought, will depend on the facts and circumstances, including the relative materiality of such terms or information.

In addition, we will publicly notify or otherwise inform Eligible Employees in writing if we decide to take any of the following actions and will keep the Exchange Offer open for at least 10 business days after the date of such notification:

- we increase or decrease the amount of consideration offered for the Eligible Options; or
- we increase or decrease the number of Eligible Options that may be tendered in the Exchange Offer.

#### **Section 14. Considerations; Fees and Expenses.**

Subject to the terms and conditions of this Exchange Offer, upon our acceptance of your properly tendered Eligible Options, you will be entitled to receive New RSUs calculated using an exchange ratio based on the exercise price of your tendered Eligible Options, as described in Section 1 of this Offering Memorandum. New RSUs will be unvested as of the New RSU Grant Date, as described in Section 1 of this Offering Memorandum.

If we receive and accept tenders from Eligible Employees of all Eligible Options (comprising a total of options to purchase 686,930 shares outstanding as of May 25, 2022) subject to the terms and conditions of this Exchange Offer, we will grant New RSUs covering a total of approximately 171,540 shares of common stock.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Eligible Options pursuant to the Exchange Offer. You will be responsible for any expenses that you incur in connection with your election to participate in the Exchange Offer, including mailing, internet, faxing and telephone expenses, as well as any expenses associated with any tax, legal or other advisor that you consult or retain in connection with the Exchange Offer.

#### **Section 15. Additional Information.**

With respect to the Exchange Offer, we have filed the Schedule TO, as may be amended, of which the Exchange Offer is a part. The Exchange Offer document does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. Before making a decision on whether or not to tender your Eligible Options, we highly recommend that you review the Schedule TO, as may be amended, including its exhibits, and the following materials that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022, and the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2021 from our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 1, 2022;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, filed with the SEC on May 11, 2022;

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- our Current Reports on Form 8-K filed with the SEC on January 14, 2022, January 24, 2022, March 21, 2022, May 5, 2022, and May 20, 2022; and
  - the description of our common stock contained in our Form 8-A filed with the SEC on March 4, 2014, including any amendment or report filed for the purpose of updating such description, including Exhibit 4.3 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. We also make available on or through our corporate website, free of charge, copies of these reports as soon as reasonably practicable after we electronically file or furnish them to the SEC.

We will also promptly provide without charge to each Eligible Employee to whom we deliver a copy of the Exchange Offer, upon written or oral request, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless specifically incorporated by reference into such documents). Written requests should be directed to [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com).

The information about us contained in the Exchange Offer should be read together with the information contained in the documents to which we have referred you.

#### **Section 16. Miscellaneous.**

The Exchange Offer and our SEC reports referred to above include forward-looking statements. Words such as "believes," "will," "should," "could," "expects," "anticipates," "estimates," "plans," "objectives," and other similar statements of expectation identify forward-looking statements. These forward-looking statements involve risks and uncertainties, including those described in this Offering Memorandum, our Annual Report and our Quarterly Reports, that could cause actual results to differ materially from those expressed in the forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. While we believe our plans, intentions and expectations reflected in these forward-looking statements are reasonable, these plans, intentions or expectations may not be achieved.

WE ENCOURAGE YOU TO REVIEW THE RISK FACTORS CONTAINED IN OUR ANNUAL REPORT AND QUARTERLY REPORTS BEFORE YOU DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS PURSUANT TO THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED DOCUMENTS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

## FORM OF ANNOUNCEMENT TO ELIGIBLE EMPLOYEES

**Subject:** Societal CDMO, Inc. Offer to Exchange Eligible Options for New Restricted Stock Units  
**To:** All Eligible Employees  
**Date:** June 1, 2022

We are pleased to announce that Societal CDMO, Inc. ("*Societal CDMO*," "*we*," "*us*" or "*our*") is commencing an Offer to Exchange Eligible Options for New Restricted Stock Units (the "*Exchange Offer*") today, Wednesday, June 1, 2022. You are receiving this email because you are eligible to participate and exchange certain outstanding stock options for restricted stock unit awards. The terms of the Exchange Offer are described in detail in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the "*Offer Documents*"), that has been filed with the U.S. Securities and Exchange Commission and can be accessed at [ir.societalcdmo.com](http://ir.societalcdmo.com) or through the SEC website at [www.sec.gov](http://www.sec.gov).

In addition to this announcement, within the My Accounts section of the E\*TRADE portal, there is an Election Form listing your "*Eligible Options*," which includes all outstanding stock options granted to you either (i) under our 2018 Amended and Restated Equity Incentive Plan, as amended, or (ii) as an inducement grant under Nasdaq listing rule 5635(c)(4), in each case with an exercise price equal to or greater than \$2.67 per share. Please notify us immediately if you find any discrepancy or have any questions regarding the Eligible Options listed in your Election Form.

If you participate in the Exchange Offer, we will cancel your tendered Eligible Options and grant you one or more "*New RSUs*" with modified terms, as described in the Offer Documents. The terms of your New RSUs, including the vesting schedule, will be different than your Eligible Options, and in exchange for your receipt of such New RSUs, all corresponding Eligible Options will be irrevocably cancelled.

All documents regarding the Exchange Offer should be available to you in the My Accounts section of the E\*TRADE portal after you successfully log in to your E\*TRADE account.

All documents, communications and questions regarding the Exchange Offer should be delivered to and received from our designated email account [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com).

All questions regarding the Exchange Offer should be delivered to [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com). Please carefully read *all* of the Offer Documents before making any decisions regarding this Exchange Offer. To participate in the Exchange Offer, please accept the New RSU award in the E\*TRADE portal. If you later decide to withdraw your election, please deliver your completed and signed Notice of Withdrawal, which can be found in the My Accounts section of the E\*TRADE portal, to [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com).

The Exchange Offer will expire at **5:00 p.m., Eastern Time, on Friday, July 1, 2022** (the "*Expiration Time*"). We may extend this expiration date and time in our discretion, in which case references to the "Expiration Time" shall refer to any such extended date and time. If you would like to tender Eligible Options under the Exchange Offer, Societal CDMO must **receive** your properly completed and signed Election Form by the Expiration Time. Similarly, if you would like to withdraw a prior election, Societal CDMO must **receive** your Notice of Withdrawal by the Expiration Time.

Participation in the Exchange Offer is entirely your decision and at your discretion, and you should make the decision about whether to participate based on your personal circumstances. Societal CDMO recommends that you consult your tax and financial advisors to address questions regarding your decision.

**This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I and accompanying documents, which you may access on our website at [ir.societalcdmo.com](http://ir.societalcdmo.com) or through the SEC website at [www.sec.gov](http://www.sec.gov). Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.**

**SOCIETAL CDMO, INC.  
1 E. UWCHLAN AVE, SUITE 112  
EXTON, PENNSYLVANIA 19341**

**OPTION EXCHANGE – ELECTION FORM**

THIS OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., EASTERN TIME,  
ON FRIDAY, JULY 1, 2022, UNLESS EXTENDED

**Before completing and signing this Election Form, we encourage you to read the documents that make up this tender offer** including (1) the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022, filed with the U.S. Securities and Exchange Commission and separately delivered to you by email from Societal CDMO, Inc. (“*Societal CDMO*”), describing the terms of the Exchange Offer (the “*Offer Documents*”); (2) the email from Societal CDMO on June 1, 2022 announcing the commencement of the Exchange Offer; and (3) this Election Form, including the Agreement to the Terms of Election and Instructions to Election Form attached below. The Exchange Offer is subject to the terms set forth in the Offer Documents, as they may be amended. The Exchange Offer expires at 5:00 p.m., Eastern Time, on Friday, July 1, 2022, unless extended. All capitalized terms used in this Election Form but not defined herein shall have the meanings given in the Offer Documents.

**PLEASE CAREFULLY REVIEW AND FOLLOW THE INSTRUCTIONS BELOW AND ATTACHED TO THIS FORM.**

If you wish to participate in the Exchange Offer with respect to an Eligible Option, please click on the “Accept” button next to the New RSU award in order to tender such Eligible Option in exchange for the grant of New RSU(s) under the terms of the Exchange Offer. Each Eligible Option you elect to tender for exchange must be tendered in whole. If you do not click on the “Accept” button next to the New RSU award with respect to an Eligible Option, such Eligible Option will remain outstanding subject to its original terms, and no New RSUs will be granted to you in exchange for such Eligible Option.

If you make no election, or do not return this Election Form before the Expiration Time, you will retain your Eligible Options subject to their original terms, and no New RSUs will be granted to you.

No action is required if you wish to reject the Exchange Offer and retain all of your Eligible Options.

See the Instructions to Election Form attached to this Election Form for additional information.

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**Employee Name:** [Participant Name]

<b>Eligible Option Grant Number</b>	XXXX
<b>Eligible Option Grant Date</b>	XXXX
<b>Eligible Option Grant Type</b>	XXXX
<b>Eligible Option Exercise Price</b>	XXXX
<b>Eligible Shares</b>	XXXX
<b>New RSU Exchange Ratio</b>	XX to 1
<b>New RSUs</b>	XXXX

\* RSUs will vest and become exercisable in two equal annual installments following the New RSU Grant Date, subject to the Eligible Employee's continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.

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**YOUR ELECTRONIC SIGNATURE AND SUBMISSION OF THIS ELECTION FORM INDICATES THAT YOU AGREE TO ALL TERMS OF THE EXCHANGE OFFER AS SET FORTH IN THE OFFER DOCUMENTS, AS WELL AS THE AGREEMENT TO THE TERMS OF THE ELECTION ATTACHED HERETO.**

Please note that you may change your election by submitting a new properly completed and signed Election Form via email (by PDF or similar imaged document file) to: **optionexchange@societalcldmo.com** prior to the expiration time, which is 5:00 p.m., Eastern Time, on Friday, July 1, 2022, unless extended. The last valid election submitted to Societal CDMO prior to the expiration of the Exchange Offer shall be effective and supersede any prior Election Forms you submit.

## AGREEMENT TO THE TERMS OF ELECTION

To: Societal CDMO, Inc. (“*Societal CDMO*”)  
1 E. Uwchlan Ave, Suite 112  
Exton, Pennsylvania 19341

Email: optionexchange@societalcdmo.com

### By electronically accepting this Election Form, I acknowledge and agree that:

1. I have received from Societal CDMO the Offer to Exchange Eligible Options for New Restricted Stock Units, including the Summary Term Sheet – Questions and Answers, dated June 1, 2022 (collectively, the “*Offer Documents*”), and upon making an election herein, I agree to all of the terms and conditions of the Offer Documents.
2. I tender to Societal CDMO for exchange the Eligible Options specified on this Election Form and understand that, upon acceptance by Societal CDMO, this Election Form will constitute a binding agreement between Societal CDMO and me. I have checked the box(es) corresponding to the Eligible Options that I elect to tender for exchange. I understand that any election that I make to tender an option for exchange that does not qualify as an Eligible Option will not be accepted, and such options will remain outstanding subject to their original terms following the expiration of the Exchange Offer.
3. If I validly tender an Eligible Option for exchange and such Eligible Option is accepted by Societal CDMO, such Eligible Option will automatically be cancelled by Societal CDMO in exchange for the grant of one or more New RSUs with the applicable New RSU terms described in the Offer Documents, including, without limitation:
  - Each New RSU will not have an exercise or purchase price.
  - Each New RSU will represent the right to receive one share of Societal CDMO common stock for each New RSU that vests in the future.
  - The number of New RSUs will be determined using an exchange ratio that takes into account the fair value of my tendered Eligible Option.

Each New RSU will be granted under the 2018 Plan.

- Each New RSU will vest and become exercisable in two equal annual installments following the New RSU Grant Date, subject to the Eligible Employee’s continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.
4. To remain eligible to tender Eligible Options for exchange pursuant to the Exchange Offer, I must remain an Eligible Employee on and prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them. I understand that if my employment with Societal CDMO ceases on or prior to the date on which the surrendered Eligible Options are canceled and the New RSUs are granted to replace them, Societal CDMO will not accept my Eligible Options for exchange and I or my estate or beneficiaries, as the case may be, will retain my Eligible Options subject to their original terms and conditions. If I cease providing services to Societal CDMO for any reason before the shares underlying my New RSUs vest, I will forfeit any unvested portion of my New RSUs, subject to the terms of the 2018 Plan.
  5. Neither the ability to participate in the Exchange Offer nor actual participation in the Exchange Offer will be construed as a right to continued employment or service with Societal CDMO.
  6. This election is entirely voluntary, and I am aware that I may change or withdraw my decision to tender my Eligible Options at any time until the Expiration Time, as described in the Instructions to Election Form. **I understand that this decision to tender my Eligible Options will be irrevocable as of 5:00 p.m., Eastern Time, on Friday, July 1, 2022 unless the Exchange Offer is extended.** Participation in the Exchange Offer is entirely my decision and should be made based on my personal circumstances. Societal CDMO has not authorized any person to make any recommendation on its behalf as to whether or not I should participate in the Exchange Offer.
  7. I may receive certain future confirmation letters or other communications from Societal CDMO in connection with the Exchange Offer, including a communication confirming that Societal CDMO has received this Election Form and whether Societal CDMO ultimately accepts or rejects this Election Form.

## INSTRUCTIONS TO ELECTION FORM

- 1. DEFINED TERMS.** All capitalized terms used in this Election Form but not defined herein have the meanings given in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022, filed with the U.S. Securities and Exchange Commission and separately delivered to you by email from Societal CDMO. The use of “*Societal CDMO*,” “*we*,” “*us*” and “*our*” in this Election Form refers to Societal CDMO, Inc.
- 2. EXPIRATION TIME.** The Exchange Offer and any rights to tender or to withdraw a tender of Eligible Options expire at **5:00 p.m., Eastern Time, on Friday, July 1, 2022**, unless the Exchange Offer is extended (and unless we have accepted the Eligible Options, you may also withdraw any such tendered securities at any time after 11:59 p.m. Eastern Time on Friday, July 29, 2022).
- 3. DELIVERY OF ELECTION FORM.** If you intend to tender Eligible Options under the Exchange Offer, an electronically signed copy of this Election Form must be **received** by Societal CDMO before **5:00 p.m., Eastern Time, on Friday, July 1, 2022** (or such later date as may apply if the Exchange Offer is extended) by the following means:

Your Election Form will be effective only **upon receipt** by us. **You are responsible for making sure that the Election Form is successfully submitted through the E\*TRADE portal.**

You are not required to tender any of your Eligible Options for exchange. If you choose to tender one or more of your Eligible Options for exchange, please check the box on your Election Form corresponding to each Eligible Option that you wish to tender for exchange. You do not need to return your stock option agreements relating to any tendered Eligible Options, as they will be automatically cancelled if we accept your Eligible Options for exchange and grant you New RSUs.

- 4. WITHDRAWAL OF ELECTION.** Tenders of Eligible Options made under the Exchange Offer may be withdrawn at any time before **5:00 p.m., Eastern Time, on Friday, July 1, 2022**, unless we extend the expiration date, in which case withdrawals must be received before such later expiration date and time (and unless we have accepted the Eligible Options, you may also withdraw any such tendered options after 11:59 p.m. Eastern Time on Friday, July 29, 2022).

To withdraw tendered Eligible Options, you must deliver a properly completed and signed Notice of Withdrawal via email (by PDF or similar imaged document file) to: [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com)

Withdrawals may not be rescinded unless the withdrawn Eligible Options are properly re-tendered before the Expiration Time by following the procedures described in Instruction 3 above.

- 5. SIGNATURES.** Please sign and date this Election Form. Except as described in the following sentence, this Election Form must be signed by the Eligible Employee who holds the Eligible Options to be tendered using the same name for such Eligible Employee as appears on the applicable stock option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on this Election Form.
- 6. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES** Any questions or requests for assistance regarding the Exchange Offer (including requests for additional or hard copies of the Offer Documents or this Election Form) should be directed via email to [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com).

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7. **IRREGULARITIES.** We will determine all questions as to the number of shares subject to Eligible Options tendered and the validity, form, eligibility (including time of receipt) and acceptance of any tender of Eligible Option for exchange. Our determination of these matters will be final and binding on all parties. We may reject any or all tenders of Eligible Options for exchange that we determine are not in appropriate form or that we determine are unlawful to accept. We may waive any defect or irregularity in any tender with respect to any particular Eligible Option or any particular Eligible Employee before the Expiration Time. No Eligible Option will be accepted for exchange until the Eligible Employee exchanging the Eligible Option has cured all defects or irregularities to our satisfaction, or they have been waived by us, prior to the Expiration Time. Neither we nor any other person is obligated to give notice of any defects or irregularities involved in the exchange of any Eligible Options.
  8. **ALTERNATIVE, CONDITIONAL OR CONTINGENT OFFERS.** We will not accept any alternative, conditional or contingent tenders.
  9. **IMPORTANT U.S. TAX INFORMATION.** You should refer to Section 12 of the Offering Memorandum included in the Offer Documents, which contains important U.S. tax information. We encourage you to consult with your own financial and tax advisors if you have questions about your financial or tax situation.

**INSTRUCTIONS TO NOTICE OF WITHDRAWAL OF ELECTION FORM**

If you previously elected to accept the offer by Societal CDMO, Inc. ("**Societal CDMO**") to exchange some or all of your outstanding Eligible Options for New Restricted Stock Units, subject to the terms and conditions of the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the "**Exchange Offer**"), and you would like to change your election and withdraw the tender of any of your Eligible Options for exchange, **you must complete and sign this Notice of Withdrawal of Election Form (this "Notice of Withdrawal") and return it to Societal CDMO before 5:00 p.m., Eastern Time, on Friday, July 1, 2022.** Once you have completed and signed this Notice of Withdrawal, please return it to Societal CDMO by the following means:

***Return via email (by PDF or similar imaged document file) to: [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com)***

Your tendered Eligible Options will not be considered withdrawn from the Exchange Offer until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline to submit the Notice of Withdrawal but remain an Eligible Employee, any previously tendered Eligible Options will be cancelled pursuant to the Exchange Offer in exchange for the grant of New RSUs. You must sign the Notice of Withdrawal using the same name that appears on the Election Form you previously submitted. If your signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity for you, the signer's full title and proper evidence of the authority of that person to act in that capacity must be identified on this Notice of Withdrawal.

You should receive a confirmation of receipt within three (3) business days after submitting your Notice of Withdrawal. If you have not received a confirmation of receipt before less than three (3) business days before Friday, July 1, 2022, please contact us promptly via email at [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com) to confirm that we received your Notice of Withdrawal.

***DO NOT COMPLETE AND RETURN THIS NOTICE OF WITHDRAWAL UNLESS YOU WISH TO WITHDRAW A PREVIOUS TENDER OF ELIGIBLE OPTIONS FOR EXCHANGE PURSUANT TO THE EXCHANGE OFFER.***

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**SOCIETAL CDMO, INC.**  
**1 E. UWCHLAN AVE, SUITE 112**  
**EXTON, PENNSYLVANIA 19341**

**NOTICE OF WITHDRAWAL OF ELECTION FORM**

**Return via email (by PDF or similar imaged document file) to: [optionexchange@societalcdo.com](mailto:optionexchange@societalcdo.com)**

I previously received from Societal CDMO the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022, and the Election Form. I signed and returned the Election Form, in which I elected to tender some or all of my Eligible Options in exchange for New RSUs. By submitting this Notice of Withdrawal of Election Form (this "*Notice of Withdrawal*"), I am revoking that election and hereby withdraw from the Exchange Offer with respect to the Eligible Option listed below:

<b>Eligible Option Grant Number</b>	XXXX
<b>Eligible Option Grant Date</b>	XXXX
<b>Eligible Option Grant Type</b>	XXXX
<b>Eligible Option Exercise Price</b>	\$X.XX
<b>Eligible Shares</b>	XXXX
<b>New RSU Exchange Ratio</b>	XX to 1
<b>New RSUs</b>	XXXX

\* RSUs will vest and become exercisable in two equal annual installments following the New RSU Grant Date, subject to the Eligible Employee's continuous service with Societal CDMO and other relevant terms and conditions of the 2018 Plan.

I understand that, by signing this Notice of Withdrawal and delivering it to Societal CDMO, I withdraw my acceptance of the Exchange Offer with respect to the Eligible Option listed above. By rejecting the Exchange Offer with respect to the Eligible Option listed above, I understand that such Eligible Option will not be cancelled in exchange for the grant of New RSUs, and I will retain the Eligible Option subject to their existing exercise price, term, vesting schedule and other terms and conditions. I agree that Societal CDMO has made no representations or warranties to me regarding my rejection of the Exchange Offer. The withdrawal of the Eligible Option listed above is at my sole and exclusive discretion. I agree that Societal CDMO will not be liable for any costs, taxes, losses or damages I may incur as a result of my decision to withdraw the Eligible Option listed above.

By signing below, I hereby revoke my prior election to tender the Eligible Option listed above.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**FORM OF EMAIL  
CONFIRMING RECEIPT OF ELECTION FORM**

**From: Societal CDMO, Inc.**

**Re: Confirmation of Receipt of Election Form**

This message confirms that Societal CDMO, Inc. ("*Societal CDMO*") has received your Election Form. This confirmation should not, however, be construed to imply that the Election Form you submitted has been properly completed or signed or that we have accepted any of your Eligible Options for exchange.

If your Election Form has been properly completed and signed, and all eligibility requirements are met, we expect to accept the Eligible Options you have elected to exchange and to grant you New RSUs promptly following the Expiration Time, subject to the terms and conditions of the Exchange Offer. If you have included in your Election Form an election to tender options for exchange that do not qualify as Eligible Options, such options will not be accepted by Societal CDMO and will remain outstanding subject to their original terms following the expiration of the Exchange Offer. If you do not deliver a signed Notice of Withdrawal before the Expiration Time, and we accept your tendered Eligible Options for exchange, we will provide you with a confirmation letter promptly following the Expiration Time confirming that your Eligible Options have been accepted for exchange. In addition, we will separately provide you with a notice of grant of restricted stock unit award and a restricted stock unit award agreement for your New RSUs for acceptance via the Company's online equity plan portal.

Your Election Form may be changed or withdrawn by subsequently delivering a new, properly completed and signed Election Form or Notice of Withdrawal at any time before **5:00 p.m., Eastern Time, on Friday, July 1, 2022**, unless the Exchange Offer is extended.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Exchange Offer, Election Form, Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to [optionexchange@societalcdmo.com](mailto:optionexchange@societalcdmo.com).

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022.

**FORM OF EMAIL  
CONFIRMING RECEIPT OF NOTICE OF WITHDRAWAL OF ELECTION FORM**

**From: Societal CDMO, Inc.**

**Re: Confirmation of Receipt of Notice of Withdrawal of Election Form**

This message confirms that Societal CDMO, Inc. ("*Societal CDMO*") has received your Notice of Withdrawal of Election Form ("*Notice of Withdrawal*"). This confirmation should not, however, be construed to imply that the Notice of Withdrawal or any other documents that you have submitted have been properly completed.

If your Notice of Withdrawal is properly completed and signed and timely received by us, you will have revoked your prior election to exchange your Eligible Options as set forth in your previously submitted Election Form. With respect to the Eligible Options listed on your Notice of Withdrawal, we will neither cancel nor exchange such awards for New RSUs, and you will retain your Eligible Options subject to their original terms, exercise price and vesting schedule. Unless you deliver a new, properly completed and signed Election Form before **5:00 p.m., Eastern Time, on Friday, July 1, 2022**, or a later date if extended, the Eligible Options listed on your Notice of Withdrawal will remain outstanding following the expiration of the Exchange Offer.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Exchange Offer, Election Form or any other documents relating to the Exchange Offer) by email to [optionexchange@societalcdo.com](mailto:optionexchange@societalcdo.com).

Capitalized terms used but not otherwise defined in this email shall have the meaning set forth in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022.

**FORM OF REMINDER EMAIL TO ELIGIBLE EMPLOYEES  
REGARDING THE EXPIRATION OF THE EXCHANGE OFFER**

**From:** Societal CDMO, Inc.

**Re:** REMINDER – Offer to Exchange Eligible Options for New Restricted Stock Units

This email serves as a reminder that we are nearing the expiration of the Exchange Offer described in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the “*Offer Documents*”). The Exchange Offer and your withdrawal rights will expire at **5:00 p.m., Eastern Time, on Friday, July 1, 2022**, unless extended. You must submit your Election Forms and/or Notices of Withdrawal by the Expiration Time. We cannot accept late submissions.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offer Documents, Election Form, Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to [optionexchange@societalcdm.com](mailto:optionexchange@societalcdm.com).

**This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I and accompanying documents, which you may access on our website at [ir.societalcdm.com](http://ir.societalcdm.com) or through the SEC website at [www.sec.gov](http://www.sec.gov). Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.**

**FORM OF EMAIL TO ELIGIBLE EMPLOYEES  
CONFIRMING ACCEPTANCE OF ELIGIBLE OPTIONS**

**From:** Societal CDMO, Inc.

**Re:** Confirmation of Acceptance of Eligible Options

Thank you for your submission of the Election Form pursuant to the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the "***Offer Documents***"). With this letter, we confirm that Societal CDMO, Inc. ("***Societal CDMO***") has accepted the Eligible Options listed on your Election Form for exchange in the Exchange Offer. Subject to the terms and conditions of the Exchange Offer, as described in the Offer Documents, your Eligible Options will be cancelled and New RSUs will be granted to you. Your New RSUs will appear shortly in Societal CDMO's online equity administration portal, and your restricted stock unit agreement(s) will be available for electronic acceptance. If you have included in your Election Form an election to tender any options for exchange that do not qualify as Eligible Options, such options will not be accepted by Societal CDMO and will remain outstanding subject to their original terms following the expiration of the Exchange Offer. If you have any questions please contact us by email at [\*\*optionexchange@societalcldmo.com\*\*](mailto:optionexchange@societalcldmo.com). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Offer Documents.

**FORM OF EMAIL NOTICE  
REGARDING REJECTION OF OPTIONS FOR EXCHANGE**

**From: Societal CDMO, Inc.**

**Re: Notice of Rejection of Options for Exchange**

Thank you for your submission of the Election Form pursuant to the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the "*Exchange Offer*"). With this letter, we are notifying you that Societal CDMO, Inc. ("*Societal CDMO*") has rejected for exchange the options listed on your Election Form. Accordingly, your options will remain outstanding and subject to their original terms. For additional information regarding the rejection of your options for exchange, please contact us by email at [optionexchange@societalcdo.com](mailto:optionexchange@societalcdo.com).

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Exchange Offer.

**FORM OF EXPIRATION NOTICE EMAIL**

**From: Societal CDMO, Inc.**

**Re: Expiration of the Exchange Offer**

The Exchange Offer described in the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the *Offer Documents*"), has expired, and no additional Election Forms or Notices of Withdrawal may be submitted. If you are an Eligible Employee and have delivered a properly completed and signed Election Form to tender your Eligible Options before the Expiration Time, and did not subsequently deliver a Notice of Withdrawal, you will receive a separate email confirming our acceptance of your tendered Eligible Options. Any Eligible Options you did not tender for exchange will remain outstanding and subject to their original terms. If you have any questions regarding the stock options you hold, please contact us by email at [optionexchange@societalcdo.com](mailto:optionexchange@societalcdo.com).

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.

From Address: [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com)

Subject: Welcome Email

Dear [Eligible Employee]:

Societal CDMO, Inc.'s Offer to Exchange Eligible Options for New Restricted Stock Units (the "*Exchange Offer*") has begun. You can access information about the Exchange Offer using the E\*TRADE portal by logging into your E\*TRADE account with the following link [etrade.com](http://etrade.com). If you forgot your user ID and/or password, please click "Forgot User ID or Password?".

All of the documents related to the Offer to Exchange can be found in the E\*TRADE portal. Once you have successfully logged on to the portal, all of the relevant information about the exchange and making an election can be found in the Grant Acceptance section under Plan Elections in the My Account section of the E\*TRADE portal.

If you wish to participate in the Exchange Offer with respect to an Eligible option, please click on the "Accept" button next to the New RSU award. No action is required if you wish to reject the Exchange Offer and retain all of your Eligible Options.

Please contact [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com) with questions.

**FORM OF EMAIL NOTICE  
REGARDING INVALID SUBMISSION OF ELECTION FORM**

**From: Societal CDMO, Inc.**

**Re: Notice of Invalid Submission of Election Form**

Thank you for your submission of the Election Form pursuant to the Offer to Exchange Eligible Options for New Restricted Stock Units, dated June 1, 2022 (the “*Exchange Offer*”). With this letter, we are notifying you that Societal CDMO, Inc. (“*Societal CDMO*”) has rejected your Election Form due to an invalid submission of the Election Form. Please resubmit the Election Form as soon as possible and in any case prior to 5:00 p.m., Eastern Time, on Friday, July 1, 2022 (the “*Expiration Time*”). Otherwise, your options will remain outstanding and subject to their original terms. For additional information regarding the rejection of your options for exchange, please contact us by email at [optionexchange@societalcldmo.com](mailto:optionexchange@societalcldmo.com).

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Exchange Offer.

**Calculation of Filing Fee Tables**

**Schedule TO**  
(Form Type)

**Societal CDMO, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Transaction Valuation

	<u>Transaction Value</u>	<u>Fee Rate</u>	<u>Amount of Filing Fee</u>
Fees to Be Paid	\$ 125,214 <sup>(1)</sup>	0.0000927	\$ 11.61 <sup>(2)</sup>
Fees Previously Paid			
<b>Total Transaction Valuation</b>	<b>\$ 125,214<sup>(1)</sup></b>		
Total Fees Due for Filing			\$ 11.61
Total Fees Previously Paid			\$ —
Total Fee Offsets			\$ —
<b>Net Fee Due</b>			<b>\$ 11.61</b>

(1) Estimated solely for purposes of calculating the amount of the filing fee. The calculation of the Transaction Valuation assumes that all stock options to purchase shares of the issuer's common stock that may be eligible for exchange in the offer will be tendered pursuant to this offer. This calculation assumes stock options to purchase an aggregate of 686,930 shares of the issuer's common stock, having an aggregate value of \$125,214 as of May 25, 2022, calculated based on a Black-Scholes option pricing model, will be exchanged or cancelled pursuant to this offer.

(2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$92.70 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.00927% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.