Media Release
Ad hoc Announcement pursuant to Art. 53 LR

Kinarus Therapeutics Reports H1 2022 Financial Results and Provides Corporate Update

- **Interim data from Phase 2 KINETIC clinical trial of KIN001 to treat hospitalized COVID-19 patients expected in Q3 2022**
- **First patient dosed with in Phase 2 KINFAST clinical trial with ambulatory COVID-19 mild-patients**
- **Signed a CHF 20 million financing with Yorkville Advisors**
- **Fully financed until Q1 2023**

Basel, Switzerland, August 31, 2022 – Kinarus Therapeutics Holding AG (SIX: KNRS), a clinical-stage biopharmaceutical company developing novel therapeutics to treat viral, respiratory and ophthalmic diseases, today reported results for the six months ended June 30, 2022, and provided a corporate update.

Dr. Alexander Bausch, CEO of Kinarus Therapeutics Holding AG, commented: "We believe we are well positioned to execute on multiple value-creating milestones. As a first of many, our experienced team is working to deliver in Q3 2022 interim results from our KINFAST Phase 2 clinical trial with hospitalized COVID-19 patients".

"We continue to explore various financing options to support initiation of our Phase 2 clinical trials in wet AMD and IPF before the end of 2022," Dr. Bausch continued, "We recently signed a financing deal with Yorkville Advisors, which would allow Kinarus to draw down funds opportunistically to finance our clinical development programs and further strengthen our balance sheet."

Earlier this month Kinarus held and published on its website a webinar on KIN001's potential to treat COVID-19 (https://ir.kinarus.com/reports-presentations/#presentations).

H1 2022 and Subsequent Highlights

- Completed a Reverse Takeover ("RTO") transaction between Perfect Holding SA and Kinarus AG and the combined company, Kinarus Therapeutics' shares resumed trading on SIX Swiss Exchange ("SIX") from 3 June 2022. Through listing on SIX, Kinarus Therapeutics' shareholders were able to find some liquidity and the Group would be able to access additional sources of funding to finance its clinical development programs.
- Received a recommendation from Data and Safety Monitoring Board ("DSMB"), following its interim safety review, to continue with the KINETIC Phase 2 clinical trial in hospitalized COVID-19 patients.
- Was issued US Patent No. 11285155 covering the pharmaceutical composition of KIN001 and its use in certain types of cancers, conferring protection until at least 2037.
- Signed a TCHF 20'000 financing agreement with Yorkville Advisors to draw down funds by issuing convertible notes over the next 36 months.
- Dosed the first patient in KINFAST Phase 2 clinical trial with ambulatory COVID-19 patients. An interim readout from the trial is expected in H1 2023.

Analysis of Financial Statements for the Six Months Ended June 30, 2022

- **Cash Position:** The Company had a cash balance of TCHF 4'583. This compares to a cash balance of TCHF 124 as of December 31, 2021. The Company's cash balance provides enough capital resources to progress through Q1 2023 without consideration of any financing proceeds or grant payments.
- **R&D Expenditures:** Our research and development expenses totalled TCHF 236 for the six months ended June 30, 2022. The expenses were attributable to our ongoing KINETIC Phase 2 clinical trial in hospitalized COVID-19 patients, the preparation of KINFAST Phase 2 clinical trial with ambulatory COVID-19 patients, production of drug products for the clinical studies, engagement of a clinical research organization to conduct the clinical trials, pre-clinical studies for the follow-on indications in our pipeline as well as expenses related to new IP filing and maintenance of existing IP.

- **G&A Expenditures:** For the six months ended June 30, 2022, G&A increased by TCHF 173 to TCHF 416. This increase is mostly related to one-off costs of TCHF 295 associated with RTO transaction expenses, hiring of additional consultants, insurance costs related to D&O insurance coverage for members of board and management, payment of board fees and costs related to increased public and investor relations activities.

- **Financial Income:** The Company recognized TCHF 131 in financial income related to the partial waiver of a bridge loan facility by a related party linked to one of the Group's shareholders, a decrease of TCHF 149 compared to the prior period.

- **Loss for the Period:** The Company reported a net loss after taxes of TCHF 822 for the six months ended June 30, 2022, compared with a net profit of TCHF 33 for the comparable period in 2021.

Interim consolidated income statement (in TCHF)

TCHF	Notes	01.01.22 - 30.06.22	01.01.21 - 30.06.21
External research and development expenses		(236)	-
Payroll expenses	6	(107)	-
General and administrative expenses	7	(416)	(243)
Loss before financial result, taxes and depreciation and amortization		**(759)**	**(243)**
Amortization of intangible assets	12	(217)	-
Financial income	8	131	280
Financial expenses	8	(6)	(4)
Exchange differences	8	1	-
(Loss)/profit before taxes		**(850)**	**33**
Income tax income/(expenses)		28	-
(Loss)/profit for the period		**(822)**	**33**
(Loss)/profit attributable to:			
Owners of the parent company		(795)	33
Minority interests		(27)	-
		(822)	**33**
(Loss)/profit per share			
Basic and diluted (loss)/profit per share (in CHF)	9	(0.0026)	0.0002

Interim consolidated balance sheet (in TCHF)

TCHF	Notes	30 June 2022	31 December 2021
ASSETS			
Cash and cash equivalents		4'583	124
Other current assets	10	174	12
Current assets		**4'757**	**136**
Property, plant and equipment	11	9	-
Intangible assets	12	51'880	-
Non-current assets		**51'889**	**-**
Total assets		**56'646**	**136**
LIABILITIES AND EQUITY			
Trade account payables	13	342	86
Current provisions	17.5	1'140	-
Other current liabilities	14	869	21
Current liabilities		**2'351**	**107**
Non-current borrowings	15	3'478	429
Non-current prepayments	16	4'400	-
Deferred tax liabilities		6'510	-
Non-current liabilities		**14'388**	**429**
Total liabilities		**16'739**	**536**
Share capital	17.1	10'695	1'810
Share premium		30'475	220
Treasury shares	17.2	(1)	-
Accumulated losses		(3'225)	(2'430)
Total equity attributable to owners of the parent company		**37'944**	**(400)**
Minority interests		1'963	-
Total equity		**39'907**	**(400)**
Total liabilities and equity		**56'646**	**136**

Kinarus Therapeutics Holding AG (www.kinarus.com) was founded in 2017 by experienced pharmaceutical executives in Basel, Switzerland. The Kinarus team utilizes its knowledge and drug development competencies to in-license and develop mid-stage clinical assets in which they have identified an increased probability of clinical and regulatory success and a rapid path to market. Kinarus possesses the exclusive worldwide license to pamapimod, covering all indications, and has patented KIN001, its novel mechanism in combination with pioglitazone.

Contacts

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