

Q&A on the Reverse Share Split

On March 1 2024, the Extraordinary Shareholders Meeting (the “**EGM**”) of Kinarus Therapeutics Holding AG (“**Kinarus**”) approved the proposition of the Board of Directors to implement a reverse share split (the “**Reverse Share Split**”) in a ratio of 4,480:1. This document (the “**Q&A**”) aims to answer common questions on the Reverse Share Split.

Transaction Background

What is a reverse share split?

In a reverse share split, a certain number of shares are consolidated into new shares with a higher nominal value. The Kinarus Reverse Share Split will be implemented with a reverse share split ratio of 4,480:1, such that (i) each holder of 4,480 Kinarus shares with nominal value CHF 0.01 each (each a “**Pre-Consolidation Share**”) will receive one new Kinarus share with nominal value of CHF 44.80 (each a “**Post-Consolidation Share**”). Concurrently, a capital reduction is to be implemented whereby the nominal value of a Post-Consolidation Share of CHF 44.80 is reduced to CHF 0.10 per CURE Share via a swap of CHF 44.70 in nominal value into share premium. In line with the concurrently implemented name change, the Post-Consolidation Shares will be listed and traded (together with the new Shares to be issued in the context of the Business Combination with Curatis AG) on the SIX Swiss Exchange as registered shares of Curatis Holding AG (Ticker Symbol CURE.SW) (each a “**CURE Share**”). To the extent Kinarus or any of its subsidiaries hold treasury shares, such Pre-Consolidation Shares are also to be swapped into CURE Shares in line with the above terms and conditions.

What will be the effects of the Reverse Share Split?

The amount of the aggregated share capital of Kinarus is not affected directly by the Reverse Share Split, but by a) the prior Kinarus capital increase whereby 111 new Kinarus shares are issued in an ordinary capital increase to generate a total number of Kinarus shares that is divisible by 4,480, b) the capital reduction that is to be implemented after the Reverse Share Split whereby the nominal value per Post-Consolidation Share of CHF 44.80 is reduced to CHF 0.10 and c) the concurrent ordinary capital increase by way of which Curatis AG becomes a wholly-owned subsidiary of Kinarus (for further information, please refer to prior announcements related to the Business Combination with Curatis AG).

Why does the Board of Directors propose a Reverse Share Split?

The Reverse Share Split is to be implemented in the context of the envisaged Business Combination with Curatis AG. The Board of Directors believes that this may have an impact of the general perception of the Kinarus shares by capital market participants and thus on the trading liquidity of the CURE Shares which are listed and publicly traded on the SIX Swiss Exchange post implementation of the Reverse Share Split. As a result, the Board of Directors believes the Reverse Share Split should make the CURE Shares more attractive to a broader range of institutional, high-net-worth-individuals and retail investors, as the current share price of the Kinarus shares may affect their acceptability to invest in them (based on the widely acknowledged understanding that stocks with a share price below CHF1 or even below CHF 0.01 (so called *Penny Stocks*) are viewed with a certain degree of scepticism by investors).

What will be the effect of the Reverse Share Split on the CURE Share price?

Relative to the price of the Kinarus shares quoted on the SIX Swiss Exchange immediately prior to the effectiveness of the Reverse Share Split, we expect the price per CURE Share to increase in line with the Reverse Share Split ratio. As a result, if the Kinarus share price immediately prior to the Reverse Share Split were to be CHF 0.004, the expected share price of a CURE Share post implementation of the Reverse Share Split should be $4,480 * CHF 0.004 = CHF 17.92$.

Will the voting rights attached to my Kinarus shares be affected by the Reverse Share Split?

As a result of the Reverse Share Split, CURE Shares will, relative to the Pre-Consolidation Shares, confer the same voting rights (apart from the fact that fractions of shares are rounded down and paid out in cash).

What will an incumbent shareholder (each an “Incumbent Shareholder”) receive that holds at least 4,480 Pre-Consolidation Shares?

Any Incumbent Shareholders that holds a number of Pre-Consolidation Shares that is divisible by 4,480 will receive 1 Post-Consolidation Share for every 4,480 Pre-Consolidation Shares.

Example: If an Incumbent Shareholder holds 8,960 Kinarus shares at the Ex-Date, he will automatically receive 2 CURE Shares.

What will an Incumbent Shareholder receive that holds less than 4,480 Pre-Consolidation Shares?

It is particularly important to understand for Kinarus Shareholders that Incumbent Shareholders that currently hold less than 4,480 Kinarus shares (i.e. Pre-Consolidation Shares prior to the Reverse Share split) - in case such shareholders do not purchase additional Kinarus shares in the open market until 25 April 2024 to thus own a total amount of Kinarus Shares of at least 4,480 Pre-Consolidation Shares (so that in the Reverse Share Split, they receive at least 1 CURE Share) - such Incumbent Shareholders will receive “only” a cash consideration according to their share fraction (the “**Cash Consideration**”), as described below, equal to the market value of their Kinarus shares at the time and thus will no longer be shareholders in Kinarus.

As an Incumbent Shareholder, do I have to do anything to receive the new CURE Shares?

No. Your Kinarus shares will be automatically converted by your bank into CURE Shares on 26 April 2024 (provided you hold equal to or more than 4,480 Pre-Consolidation Shares) in line with the 4,480:1 reverse share split ratio and fractions will be automatically paid out.

When will the Reverse Share Split be effected?

The Reverse Share Split will be effected on Friday, 26 April 2024, and Settlement of the cash fractions will occur on Tuesday, 30 April 2024.

Technical Questions

Can I trade my Kinarus shares at any time without interruption?

Yes. During the trading hours of SIX Swiss Exchange, you will be able to trade your Kinarus / CURE Shares without interruption. This applies before, on and after the Ex-Date of the Reverse Share Split transaction, being 26 April, 2024.

What are Fractions and how will they be compensated?

The Reverse Share Split will result in fractions if Kinarus shareholders hold an amount of Kinarus Shares that is not divisible by 4,480 or a multiple thereof. Only whole CURE Shares will be allotted to Incumbent Shareholders. Fractional shares will be rounded down to the next integral number of CURE Shares. Incumbent Shareholders entitled to fractions of Kinarus Shares will be compensated as follows:

All fractional entitlements of CURE Shares will be rounded down, and each Incumbent Shareholder will receive the respective number of CURE Shares. For the fractional entitlement, Incumbent Shareholders will receive the Cash Consideration. The Cash Consideration will be equal to the volume weighted average share price of the trading of the Kinarus Shares on the SIX Swiss Exchange for the period Tuesday, 23 April 2024 – Thursday, 25 April 2024.

As an Incumbent Shareholder, do I have to do to anything to receive a Cash Consideration?

No. The Cash Consideration will be paid automatically by Kinarus or one of its subsidiaries to entitled Incumbent Shareholders on the settlement date (being Tuesday, 30 April 2024)

How will the cash necessary to compensate fractions be financed?

The Cash Consideration will be financed by excess cash held by Kinarus and/or through the sale on behalf of the entitled Incumbent Shareholders into the open market of aggregated fractions. The Cash Consideration will be equal to the volume weighted average share price of the trading of the Kinarus Shares on the SIX Swiss Exchange for the period Tuesday, 23 April 2024 – Thursday, 25 April 2024.

How can I avoid being rounded down for fractions?

If you hold a number of Kinarus Shares not divisible by 4,480 and want to avoid being rounded down and receiving any Cash Consideration as a result of rounding down of fractions, you may wish to consider adjusting your shareholding prior to the effectiveness of the Reverse Share Split accordingly upwards or downwards to ensure you are holding a total number of Kinarus Shares that is divisible by 4,480. Please note that usual costs, taxes and expenses by your custodian bank may apply.

I am currently registered with my Kinarus shares in the Kinarus share register. Will I have to re-register my CURE Shares after the Reverse Share Split?

Yes. For technical reasons, all previous entries in the share register will be deleted. The new CURE Shares will be credited as non-registered shares. Shareholders must re-register their CURE Shares with AREG, the share register of Kinarus Therapeutics Holding AG (after implementation of the Business Combination: Curatis Holding AG) after the Reverse Share Split. In the Swiss market and at the major Swiss custodian banks, re-registration generally occurs automatically, depending on the agreement with your custodian bank. However, we recommend that you contact your custodian bank directly to ensure re-registration of the CURE Shares will be implemented, if desired.

Will the Reverse Share Split affect all shareholders uniformly?

Yes. The Reverse Share Split affects all shareholders uniformly and does not alter any shareholder's percentage ownership interests or proportionate voting power, except to the extent that the Reverse Share Split results in any of the shareholders receiving cash in lieu of a Post-Consolidation Share, i.e, the Cash Consideration. These cash payments may reduce the post-Reverse Share Split number of shareholders of Kinarus by the number of shareholders who had less than 4,480 Pre-Consolidation Shares and were paid out for their holding without receiving Post-Consolidation Shares.

What should I do if I have not received my CURE Shares and/or my Cash Consideration by 30 April, 2024 (end of day)?

The custodian banks have been instructed to carry out the Reverse Share Split as described herein. Please contact your custodian bank directly in case you have any queries.

Will I incur any costs as a result of the Reverse Share Split?

The custodian bank are instructed to carry out the Reverse Share Split without charging any costs or expenses to Incumbent Shareholders. Please contact your custodian bank directly if you have any queries. Please note that if you effect any transactions in Pre- or Post-Consolidation Shares, the usual costs, taxes and expenses would apply to such transactions.

What are the tax consequences for Incumbent Shareholders?

The Swiss Federal stamp duty, if any, imposed on the Reverse Share Split, will be borne by Kinarus. Generally, we recommend that Kinarus shareholders and beneficial owners of Kinarus shares consult a tax advisor regarding any tax aspects related to their shareholdings.

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