



Kinarus Therapeutics Holding AG in Liquidation

Unaudited Statutory Financial Statements for the years ended 31 December 2023 and 2022

These financial statements are unaudited and may be subject to change. Reader of these financial statements shall not place undue reliance on it. Any decision should be made solely on the basis of the audited financial statements which will supersede this document in its entirety.

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Unaudited Income statement (in TCHF)

TCHF	Notes	01.01.23 - 31.12.23	01.01.22- 31.12.22
General and administrative expenses		(679)	(970)
Other expenses		(10)	(39)
Other income		9	125
Loss before financial result, taxes and impairment		(680)	(884)
Impairment of participation	4.2	(12'400)	(39'697)
Impairment of receivable from related party	4.10	(819)	-
Financial income		8	6
Financial expenses		(14)	(7)
Loss before taxes		(13'905)	(40'582)
Income tax		-	-
Loss for the period		(13'905)	(40'582)

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Kinarus Therapeutics Holding AG in Liquidation

Unaudited Balance sheet (in TCHF)

TCHF	Notes	31 December 2023	31 December 2022
ASSETS			
Cash and cash equivalents		0	1
Other current receivables due from third parties	4.1	108	118
Accrued income and prepaid expenses		3	21
Current assets		111	140
Investments	4.2	-	12'400
Non-current assets		-	12'400
Total assets		111	12'540
LIABILITIES AND EQUITY			
Trade account payables			
Due to third parties	4.3	41	26
Due to statutory auditors	4.3	15	-
Other current liabilities due to related parties	4.4	-	309
Other current liabilities due to related parties (subordinated)	4.5	133	-
Accrued expenses and deferred income	4.6	86	312
Current liabilities		275	647
Total liabilities		275	647
Share capital	4.7	13'102	11'436
Legal reserves from capital contribution	4.8	43'654	43'471
Reserves for treasury shares	4.9	1	1
Accumulated losses		(43'015)	(2'433)
Loss for the period		(13'905)	(40'582)
Total shareholders' equity		(163)	11'893
Total liabilities and shareholders' equity		111	12'540

The accompanying notes form an integral part of the unaudited statutory financial statements.

Kinarus Therapeutics Holding AG in Liquidation

Unaudited Cash flow statement (in TCHF)

TCHF	Notes	01.01.23 - 31.12.23	01.01.22 - 31.12.22
Loss for the period		(13'905)	(40'582)
Adjustments for non-monetary items:			
- Impairment participation	4.2	12'400	39'683
- Impairment receivable from related party	4.10	819	-
- Taxes		24	14
Change in working capital		141	468
Net cash used in operating activities		(521)	(417)
Proceeds from subordinated convertible shareholder loans		120	-
Proceeds from Yorkville convertible loans		400	300
Net cash provided by financing activities		520	300
Net increase/(decrease) in cash and cash equivalents		(1)	(117)
Cash and cash equivalents at beginning of the period		1	119
Cash and cash equivalents at end of the period		0	1

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Kinarus Therapeutics Holding AG in Liquidation

Unaudited Notes to the financial statements

1 General information

Kinarus Therapeutics Holding AG formerly known as Perfect Holding SA (“the Company”) was originally incorporated in Yverdon-les-Bains, Switzerland, as a company limited by shares on 8 April 1997 with the Register of Commerce of the Canton of Vaud.

On 2 June 2022, the Company completed the acquisition of Kinarus AG, Basel (“Kinarus”), resulting in a reverse takeover of the Company by the former Kinarus shareholders. The Company acquired Kinarus by way of a share for share exchange. In a first step Kinarus shareholders representing 95.3% of the Kinarus issued share capital tendered their shares in exchange for newly issued shares of the Company, and such new shares were admitted for listing and trading on the SIX Swiss Exchange as from 3 June 2022. On 17 August 2022 the Company acquired in a second step the remaining 4.7% outstanding Kinarus shares. These shares were also listed on the SIX Swiss Exchange

On 13 June 2022 the name of the Company was changed from Perfect Holding SA to Kinarus Therapeutics Holding AG and the Company moved its domicile to Basel, Switzerland.

2 Liquidity and going concern

As of 31 December 2023, the Company had generated a loss in 2023 of TCHF 13'905, Together with the loss brought forward of TCHF 43'015 the accumulated loss at 31 December 2023 is TCHF 56'920 which resulted in negative equity of TCHF 163 at 31 December 2023. The Company is overindebted also considering the subordinated shareholder loans totalling to TCHF 133. The Company's cash and cash equivalents were TCHF 0 at 31 December 2023.

In 2023, even though the Company undertook several efforts to maintain financing through (i) Yorkville convertible loans of TCHF 400, (ii) subordinated bridge loans of total TCHF 120 from a group of shareholders and (iii) mainly the investment agreement of TCHF 1'500 with ChaoDian (Hangzhou) Investment Management Co., Ltd, China (“CDIM”), the Company ran out of liquidity as the funds from CDIM were not transferred to the Company and alternative financing was not provided. The Board of Directors decided on 22 September 2023 to file the Company and Kinarus for bankruptcy at the courts of the canton Basel-Stadt.

On 25 September 2023, the bankruptcy filing of the Company was communicated in an ad hoc press release. On 24 October 2023, the courts of the canton Basel-Stadt declared the Company and Kinarus AG in liquidation (“Kinarus”) bankrupt and set these companies in liquidation.

On 28 January 2024, the Company signed a transaction agreement with Curatis AG, Liestal (“Curatis”) regarding the acquisition of Curatis by the Company by way of a share exchange transaction (“Combination Transaction”). The execution of the acquisition is subject to several conditions, including the revoking of the bankruptcy by the courts of the canton Basel-Stadt, the approval of the transaction by the shareholders of both companies and the listing on the SIX Swiss Exchange of the new shares of the Company issued in exchange for the shares of Curatis on the SIX Swiss Exchange.

In the context of the Combination Transaction, it is envisaged that a financing transaction of up to TCHF 5'500 in the form of a mandatory exchangeable loan note ("Loan Note") issued by Curatis is implemented. Over the last few weeks, Curatis has already received cash commitments for a total of TCHF 4'300.

In addition, TCHF 253 have been raised by Curatis via contribution in kind. The Loan Note of the contemplated Combination Transaction will be implemented in two tranches.

Tranche I Investors that invest a total of TCHF 3'300 in cash and TCHF 253 via contribution in kind in Curatis will settle parts of the Loan Note already prior to the closing of the Combination Transaction with Curatis Shares, that are then exchanged into new Company shares at a share exchange ratio of 1:1. The remainder, if any, of the shares received under the Loan Note will be delivered 61 trading days post closing of the Combination Transaction, based on the 60 day vwap of the trading of the New Kinarus Holding Shares (post reverse share split) on the 60 trading days immediately following the Closing of the Combination Transaction the "Reference VWAP", at a) a discount of 25% to such Reference VWAP, but b) subject to a floor equal to a CHF30m pre-money valuation and a ceiling equal to a CHF48.75m pre money valuation of the Company.

Tranche II investors that have committed to invest TCHF 1'000 in cash will settle the entire Loan Note 61 trading days post the Closing of the Combination Transaction, in line with the terms & conditions outlined above.

It is intended, that the Company undertakes a reverse shares split (consolidation of shares) in the course of the envisaged Combination Transaction in the ratio of 4'480:1 as a result of which each holder of 4'480 registered shares of the Company with a nominal value of CHF 0.01 will receive one new registered share of the Company with a nominal value of CHF 44.80.

Concurrently, it is intended that the share capital is reduced by CHF 13'072'515.00, (i) by way of a reduction of the par value of the shares from CHF 44.80 each to CHF 0.10 each and (ii) to book the reduction amount on the account legal reserves from capital contribution.

Due to the Combination Transaction, in particular the contribution in kind of Curatis into the Company, it is envisaged that after the Combination Transaction the equity of the Company is positive.

The courts of the canton Basel-Stadt revoked bankruptcy of the Company on 5 February 2024.

Should the conditions set forth in the transaction agreement not be met and the Combination Transaction with the corresponding financing be cancelled, the board of directors of the Company will reconsider the Company's options and may need to submit bankruptcy of the Company again to the courts of the canton Basel-Stadt.

These elements indicate the existence of a material uncertainty that may cast significant doubts as to whether the Company can remain going concern. The board of directors is however confident that, based on the recent signing of the transaction agreement with Curatis accompanied with the additional financing, the Company will be able to meet all its obligations as they fall due for at least the next twelve months, and the financial statements have been therefore prepared on a going concern basis.

3 Summary of significant accounting policies

3.1 General aspects

These financial statements were prepared according to the provisions of the Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles are described below.

3.2 Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. Cash and cash equivalents include cash in hand. This position is readily convertible to known amounts of cash.

Investments

Investments are valued at cost less necessary depreciation and impairment expenses. See detail of impairment test 2023 and 2022 in note 4.2.

Trade account payables

Trade account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity.

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement.

4. Balance sheet and income statement items

4.1 Other current receivables

TCHF	31 December 2023	31 December 2022
Receivable from Yorkville	-	110
Other receivables	108	8
Total	108	118

At the end of 2022 the Company paid TCHF 110 in order to pay back the fourth tranche of the Yorkville convertible loan of TCHF 100 plus TCHF 10 for early redemption costs to Yorkville, but Yorkville decided to convert the TCHF 100 into Company shares after the cash transfer was made. As a result, Yorkville paid back TCHF 110 to the Company on 9 January 2023.

The TCHF 200 Yorkville commitment fee liability was converted below the nominal value at a price of CHF 0.0065 per Company's share (nominal value per share is CHF 0.01) in September 2023 into 30'769'230 Company shares. This conversion resulted in an increase of the share capital of TCHF 308 but TCHF 108 need to be paid in to have fully paid-in 30'769'230 Company shares (see note 5.8).

4.2 Investments

The following table lists the subsidiaries of the Company:

TCHF	Share Capital	31 December 2023	31 December 2022
Kinarus (100% share capital and voting rights)	TCHF 609		
Gross book value		52'097	52'097
Accumulated provision		(52'097)	(39'697)
Net book value		-	12'400
Perfect Aviation SA in Liquidation, Geneva, Switzerland (100% share capital and voting rights)	TCHF 650		
Gross book value		7'774	7'774
Accumulated provision		(7'774)	(7'774)
Net book value		-	-
Total net book value		-	12'400

In June 2022 the Company acquired 95.3% of the Kinarus shares in connection with the reverse takeover and acquired the remaining 4.7% of the Kinarus shares in August 2022. The acquisition of Kinarus was a contribution in kind for a total amount of TCHF 52'097 and represents a total of 100% of the share capital of Kinarus, with a value of CHF 8.54964 per Kinarus share. The Kinarus shareholders received 932'297'085 shares of the Company based on the exchange ratio of 153 for each Kinarus share. See note 4.6.

Perfect Aviation SA in Liquidation, Geneva is since 21 March 2023 (entry into the commercial trade register) in the liquidation process.

Impairment test December 2023

Since 24 October 2023, the subsidiary Kinarus is set in liquidation. Based on the current available information there is no indication that the liquidation will be revoked. Further the probability that the Company will receive material payments in the course of the liquidation process of Kinarus is very low. As a result, the remaining book value of the Kinarus participation of TCHF 12'400 was fully impaired at 31 December 2023 by TCHF 12'400.

Impairment test December 2022

Since completion of the reverse takeover of Kinarus by the Company on 2 June 2022 and 31 December 2022 the share price of the Company went down from CHF 0.09 (closing price at 2 June 2022) to CHF 0.0114 at 31 December 2022.

During this period, the highest share price was CHF 0.09 on 2 June 2022 and lowest share price was CHF 0.0082 on (4 November 2022).

The lack of recovery of the share price can be attributed to the Group's termination of a clinical trial of its lead drug in hospitalized COVID-19 patients in September 2022 and also due to the Group's inability to find sufficient sources of capital to initiate its planned clinical trials in Wet AMD and IPF. The board of directors has explored various strategic options since October 2022 such as licensing and trade sale discussions with potential pharma partners. Those discussions have not been successful in generating any third-party offer validating the book value of the Kinarus participation until 31 December 2022. Due to the diminished prospects of generating any meaningful revenues from the development of KIN001 and due to the Group's termination of its clinical trial in COVID-19 hospitalized patients and its inability to initiate any further development of KIN001 in wet AMD and IPF the board of directors decided that the participation in Kinarus needs to be impaired at 31 December 2022.

The board of directors has therefore deemed that the traded market value as at 31 December 2022 to be an appropriate benchmark for the book value of the Kinarus participation.

Based on the closing share price of CHF 0.0114 at 31 December 2022 and based on the outstanding shares at 31 December 2022 and considering selling costs an impairment loss of TCHF 39'697 was calculated.

See table below for details.

	31 December 2022
Kinarus Therapeutics Holding shares	1'143'603'038
Less treasury shares of the Group	(10'557'244)
Outstanding Kinarus Therapeutics shares	1'133'045'794
Closing share price Kinarus Therapeutics Holding (CHF)	0.01140
Market value outstanding shares (TCHF)	12'917
Less selling costs 4% (TCHF)	(517)
Market value outstanding shares less selling costs (TCHF)	12'400
Book value of the Kinarus AG investment before impairment (TCHF)	52'097
Impairment (TCHF)	(39'697)
Book value of the Kinarus AG investment after impairment (TCHF)	12'400

4.3 Trade account payables

TCHF	31 December 2023	31 December 2022
Related to general and administrative expenses (i)	41	26
VAT and taxes	15	-
Total	56	26

- (i) Thereof TCHF 15 account payables at 31 December 2023 to the statutory auditors for audit services in 2023.

4.4 Other current liabilities due to related parties

TCHF	31 December 2023	31 December 2022
Related party payable due to Kinarus	-	309
Total	-	309

In 2022 the subsidiary Kinarus provided cash and paid invoices on behalf of the Company totalling to TCHF 309 at 31 December 2022.

4.5 Other current liabilities due to related parties (subordinated)

TCHF	31 December 2023	31 December 2022
Convertible loans	133	-
Total	133	-

At 25 July 2023 the Company received TCHF 120 subordinated convertible loans from existing shareholders to ensure liquidity is available to the Company during the period of time required for bridging the pending transfer of funds pursuant to a TCHF 1'500 convertible loan investment from CDIM into the Company. The interest rate is 18% per annum. At 31 December 2023, interest expenses in the total amount of TCHF 13 were accrued. The holders of the subordinated convertible loans have set-off their claims totalling to TCHF 133 against a new convertible loan agreement with Curatis in January 2024 in the context of the contemplated Combination Transaction. (see note 7.6).

4.6 Accrued expenses and deferred income

TCHF	31 December 2023	31 December 2022
Commitment fee due to Yorkville (i)	-	200
Audit fees	25	70
Other accruals	61	42
Total	86	312

- (i) On 21 August 2022, the Company executed a financing agreement with Yorkville to raise up to TCHF 20'000 over three years by issuance of convertible notes. The Company had to pay Yorkville a commitment fee of TCHF 400 in cash or shares (at the option of the Company). TCHF 200 was paid in cash in August 2022 and TCHF 200 remained outstanding at 31 December 2022. In September 2023, the outstanding TCHF 200 Yorkville commitment fees were converted into Company's shares (see note 4.7).

4.7 Share capital

	Number of shares		Nominal value of share capital (in TCHF)	
	01.01.23-31.12.23	01.01.22-31.12.22	01.01.23-31.12.23	01.01.22-31.12.22
Balance at 1 January	1'143'603'038	181'018'281	11'436	1'810
Issuance of shares through acquisition of Kinarus (1. closing)		888'514'758		8'885
Issuance of shares through acquisition of Kinarus (2. closing)		43'782'327		438
Issuance of shares through conversion of convertible loans		30'287'672		303
Issuance of shares Yorkville convertible loans	32'167'257		322	
Issuance of shares GEM commitment fee	103'636'364		1'036	
Issuance of shares Yorkville commitment fees	30'769'230		308	
Balance at 31 December	1'310'175'889	1'143'603'038	13'102	11'436

At 31 December 2023, the issued share capital amounts to TCHF 13'102, consisting of 1'310'175'889 fully paid shares with a nominal value of CHF 0.01 each, whereas TCHF 108 share capital need to be paid due to the TCHF 200 Yorkville conversion below nominal value (see below).

In 2023 the share capital increased as follows:

- Between January and March 2023, the Company issued in total TCHF 400 convertible loans from Yorkville. These TCHF 400 convertible loans (plus TCHF 1 interests) were converted into Company shares between January and March 2023, resulting in an increase of the share capital of TCHF 322 and a share premium of TCHF 79. The new shares were created from conditional capital.
- The conversion of the GEM commitment fee of TCHF 1'140 in April 2023 resulted in an increase of the share capital of TCHF 1'036 and a share premium of TCHF 104. The new shares were created from conditional capital.
- The conversion of the Yorkville commitment fee of TCHF 200 in September 2023 resulted in an increase of the share capital of TCHF 308. Due to the conversion of the shares under the nominal value no share premium resulted from this conversion. The TCHF 200 Yorkville commitment fee liability was converted below nominal value at a price of CHF 0.0065 per share (nominal value per share of the Company is CHF 0.01) in September 2023 into 30'769'230 Company shares. This conversion resulted in an increase of the share capital of TCHF 308 but TCHF 108 need to be paid in to have fully paid-in 30'769'230 shares. (See note 4.1).

As the capital increases in 2023 through the conversion of the Yorkville convertible loans (TCHF 400), the conversion of the GEM commitment fee (TCHF 1'140) and the conversion of the Yorkville commitment fees (TCHF 200) has not yet been registered at 31 December 2023 in the commercial trade register, the registered share capital in the commercial trade register amounts to TCHF 11'436, consisting of 1'143'603'038 fully paid shares.

In 2022 the share capital increased as follows:

- June 2022: Issuance of a total of 888'514'758 shares with a nominal value of CHF 0.01 at CHF 0.09 per share through contribution in kind of Kinarus shares, resulting in an increase of the share capital of TCHF 8'885 and share premium of TCHF 40'765 in connection with the 95.3% acquisition of the Kinarus shares in June 2022 in the course of the completion of the reverse takeover. The new shares were created from authorised capital.
- August 2022: Issuance of a total of 43'782'327 shares with a nominal value of CHF 0.01 at CHF 0.09 per share through contribution in kind of the residual Kinarus shares, resulting in an increase of the share capital of TCHF 438 and share premium of TCHF 2'009 in connection with the remaining 4.7% acquisition of the Kinarus shares in August 2022. The new shares were created from authorised capital.
- Q4 2022: Issuance of a total of 30'287'672 shares with a nominal value of CHF 0.01 at CHF 0.01 per share through conversion of convertible notes received from Yorkville (see note 5.8), resulting in an increase of the share capital of TCHF 303 and no share premium. The new shares were created from conditional capital.

4.8 Legal reserves from capital contribution

TCHF	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Balance at 1 January	43'471	219
Acquisition of 95.3% of Kinarus shares (see note 1)		40'765
Acquisition of 4.7% of Kinarus shares (see note 1)		2'009
Conversion of bridge loan		478
Conversion of Yorkville convertible loans (see note 4.6)	79	
Conversion of GEM commitment fee (see note 4.6)	104	
Balance at 31 December	43'654	43'471

The legal reserves from capital contribution of TCHF 43'654 is not confirmed yet by the Swiss tax authorities.

4.9 Reserves for treasury shares

TCHF	Shares	TCHF
Balance at 1 January 2022	-	-
Kinarus Therapeutics Holding AG in Liquidation shares held by Kinarus	2'158'371	1
Balance at 31 December 2022	2'158'371	1
Balance at 1 January 2023	2'158'371	1
Balance at 31 December 2023	2'158'371	1

The subsidiary Kinarus held prior to the reverse takeover 14'107 treasury shares with a value of total CHF 1'410.70 prior to the reverse takeover. At the reverse takeover, Kinarus tendered their treasury shares and received 2'158'371 Perfect Holding SA (renamed to Kinarus Therapeutics Holding AG in June 2022) shares in exchange.

The table below shows the amount of treasury shares owned by the Company at 31 December 2023 and 31 December 2022:

Number of registered shares	31 December 2023		31 December 2022	
	Acquisition cost CHF	Number of shares	Acquisition cost CHF	Number of shares
Owned by Kinarus Therapeutics Holding	-	8'398'873	-	8'398'873
Total	-	8'398'873	-	8'398'873

4.10 Impairment receivable from related party

On 10 April 2023, the Company, Kinarus, GEM and GEM Yield Bahamas Ltd. entered into an agreement whereas Kinarus assigned, and the Company assumed the rights and obligations under the GEM agreements. As a result, the Company assumed the TCHF 1'140 commitment fees towards GEM.

The subsidiary Kinarus provided TCHF 321 cash (including interests) to the Company. The net balance resulting from the assuming of the TCHF 1'140 commitment fees and the cash provided by Kinarus totalled to TCHF 819 receivable from related party at 31 December 2023.

Since 24 October 2023, Kinarus is in liquidation. Based on the current available information there is no indication that the liquidation will be revoked. Further the probability that the Company will receive material payments in the course of the liquidation process of Kinarus is very low. As a result, the receivable from Kinarus was fully impaired at 31 December 2023 by TCHF 819.

4.11 General and administrative expenses

TCHF	01.01.23 - 31.12.23	01.01.22 - 31.12.22
Professional services expenses (i)	438	380
Investor relations	35	18
Capital taxes	24	15
Emission levy	16	8
Office and other administrative expenses	166	549
Total	679	970

- (i) In 2023, TCHF 113 have been paid to the statutory audit company for audit services (In 2022: TCHF 36).

5. Other information

5.1 Full time equivalent

In 2023 and 2022, the Company had no employees.

5.2 Conditional share capital

As the capital increases through the conversion of the convertible loans, GEM and Yorkville commitment fees have not yet been registered as at 31 December 2023 in the commercial trade register, at 31 December 2023, the conditional share capital amounts to TCHF 5'000, consisting of 499'674'342 shares with a nominal value of CHF 0.01 (31 December 2022: TCHF 5'000, consisting of 499'674'342 shares with a nominal value of CHF 0.01) to be used for future capital increases involving conversion and/or option rights.

5.3 Authorized share capital

At 31 December 2023, the authorized share capital amounts to TCHF 4'862, consisting of 486'179'687 shares with a nominal value of CHF 0.01 (31 December 2022: TCHF 4'862, consisting of 486'179'687 shares with a nominal value of CHF 0.01).

5.4 Loans and credits to the Board of Directors and Executive Management

At 31 December 2023, there were no loans and/or credits granted by the Company to any current or former members of the Board of Directors or Executive Management (at 31 December 2022: none).

5.5 Significant shareholders

in % of share capital	31 December 2023		31 December 2022	
Erik Penser Bank AB		7.91%		0%
Alexander Bausch		0%		10.68%
Adrian Gut		7.54%		8.64%
Concert party				
Haute Vison SA, Mauritius	3.96%		5.56%	
Grover Ventures Inc., British Virgin Islands	0.53%		0.96%	
Nicholas Grey	0.84%		0.85%	
The Fighter Collection, United Kingdom	0.58%		0.77%	
Stephen Grey	0.68%	6.58%	0.69%	8.84%
Messieurs Pictet & Cie, Switzerland		0%		5.26%
Silvia Hansel		4.14%		4.74%
Mr. and Mrs. Inderbitzin		3.41%		3.91%
Thomas Sander		< 3%		3.34%
SO Holding AG, Switzerland		< 3%		3.20%
Kinarus Therapeutics Holding AG (at 31.12.23: in Liquidation)		< 3%		< 3%

Haute Vison SA, Grover Ventures Inc, Nicholas Grey, The Fighter Collection and Stephen Grey, who are deemed to form a group based on their family and business relationships and voting, held in aggregate 86'245'122 shares which represent 6.58% of the outstanding shares at 31 December 2023 of 1'310'175'889 (31 December 2022: 8.84% of the then outstanding shares of 1'143'603'038).

Mr. Silvio Inderbitzin and his wife, Mrs. Gabriele Inderbitzin-Köhler form a related party. Together they held 44'684'874 Company shares at 31 December 2023 i.e., 3.41% of the then 1'310'175'889 outstanding shares. (31. December 2022: 3.91 % of the then outstanding shares of 1'143'603'038).

5.6 Shares and options held by the Board of Directors and the Executive Management

At 31 December 2023 and 31 December 2022, the shares held by the members of the Board of Directors and the Executive Management (including persons closely related to these members) were as follows:

Shareholdings of members of the Board of Directors as at 31 December 2023 and 2022:

in thousands	31 December 2023		31 December 2022	
	Shares	Option rights	Shares	Option rights
Mr. Hari Kumar, chairman of the BoD	1'874	-	1'874	-
Mr. Alexander Bausch, member of the BoD	-	-	122'168	-
Mr. Silvio Inderbitzin, member of the BoD	44'685	-	44'685	-
Mr. Eugene Tierney, member of the BoD	6'064	-	6'064	-
Mr. Stephen Grey, former member of the BoD (until June 2022)	n/a	-	7'840	-
Total	52'624	-	182'630	-

Mr. Hari Kumar's shareholding is held by his wife, Jacqueline Wallach, a related party.

Mr. Silvio Inderbitzin's shareholding includes shares held by his wife, Mrs. Gabriele Inderbitzin-Köhler, a related party.

Mr. Stephen Grey was the former board member of Perfect Holding SA (renamed to Kinarus Therapeutics Holding AG in June 2022) until 13 June 2022.

Shareholdings of members of the Executive Management as at 31 December 2023 and 2022:

in thousands	Shares	Option rights	Shares	Option rights
Anouck Ansermoz, CFO (until 2 June 2022)	-	-	-	-
Mr. Alexander Bausch, CEO (from 2 June 2022) (i)	-	-	122'168	-
Matthew Wright, COO (from 2 June 2022) (i)	17'309	-	16'590	-
Thierry Fumeaux (from 2 June 2022) (i)	279	-	2'279	-
Claudia Berger, CCDO (from 2 June 2022) (i)	390	-	7'190	-
Subhasis Roy, interim CFO (from 2 June 2022 until 30 June 2023)	-	-	-	-
Total	17'979	-	148'227	-

- (i) Mr. Bausch, Mr. Wright, Mr. Fumeaux and Mrs. Berger were the executive management of the subsidiary Kinarus which was set to liquidation on 24 October 2023.

At 31 December 2023 and 31 December 2022 no member of the Board of Directors nor the Executive Management held any options of the Company.

5.7 GEM agreement

On 6 September 2021, Kinarus signed a financing agreement with GEM Global Yield LLC SCS ("GEM"), a Luxembourg-based private, alternative investment group. Under the agreement, GEM committed to provide Kinarus after completion of the reverse takeover between Kinarus and Perfect Holding on 2 June 2022 a share subscription facility of up to TCHF 57'000 for a period of 36 months following the completion of the reverse takeover. Drawdowns under the agreement are subject to certain pre-conditions and the volume of a possible drawdown depends on the liquidity of the Company shares.

In connection with this GEM agreement, Kinarus has to pay TCHF 1'140 in commitment fee in shares or cash (at the option of Kinarus), which was accrued in the balance sheet as at 31 December 2022, and issue 5-year warrants of the Company equal to 4.9% of the fully diluted outstanding share capital of the Company as of 2 June 2022 at an exercise price of CHF 0.071 per warrant.

On 10 April 2023 the Company, Kinarus, GEM and GEM Yield Bahamas Ltd. entered into an agreement whereas Kinarus assigned and the Company assumed the rights and obligations under the GEM agreements. As a result, the Company assumed the TCHF 1'140 commitment fees towards GEM.

The commitment fee of TCHF 1'140 and the issuance of warrants due to GEM were executed in April 2023. The Company issued 103'636'364 shares for the full settlement of the commitment fee of TCHF 1'140 (see note 4.7) and issued on 11 April 2023 54'405'351 5-year warrants to GEM at an exercise price of CHF 0.071 per warrant (see note 6.2).

On 25 January 2024 a confirmation and waiver letter was signed between the Company and GEM acknowledging the envisaged Combination Transaction (see note 2). Further, the Company and GEM as parties to the warrant contract were released from all claims, rights, demands and liabilities, obligations and actions arising out of the warrant agreement (or other contractual obligations). This implies that in case the planned reverse share split of the Company shares is implemented, the exercise price and number of these warrants shall be proportionally increased in line with the reverse share split ratio.

5.8 Yorkville agreement

On 21 August 2022, the Company executed a financing agreement with Yorkville Advisors Global LP respectively their fund YA II PN, LTD (together “Yorkville”) to raise up to TCHF 20'000 over three years by issuance of convertible notes. The unsecured convertible notes each have a term of 6 months and are convertible into the Company's shares during the term by the holder of the convertible notes. The conversion price shall be determined as the lower of (i) 120% the volume-weighted 10-day trading price of the Company's shares prior to Company's decision to issue the convertible notes, or (ii) 92% of the lowest daily volume-weighted 10-day trading price of the Company's shares prior to conversion. Interest is paid at an annual rate of 4% during the term of the notes. The Company issued until 31 December 2023 27'362'914 (31 December 2022: 8'928'571) 3-year warrants to acquire the Company's common shares linked to the nominal value of the convertible notes at an exercise price of all outstanding warrants of CHF 0.01.

In September 2023 the TCHF 200 outstanding commitment fee was converted into 30'769'230 Company shares (see note 4.7).

On 24 January 2024, the financing agreement dated 21 August 2022 was mutually terminated with immediate effect except the warrants issued under several conversions of convertible loans totalling to 27'362'914 (see note 6.2) remain in full force and can be converted into Company shares. This implies that in case the planned reverse shares split of the Company shares is implemented, the exercise price and number of these warrants shall be proportionally increased in line with the reverse share split ratio.

5.9 ChaoDian (Hangzhou) Investment Management agreement

The Company signed on 8 May 2023 a subordinated convertible loan agreement for a TCHF 1'500 investment by ChaoDian (Hangzhou) Investment Management Co., Ltd., an investment company based in Hangzhou City, China (“CDIM”). Under the terms of the loan agreement, CDIM granted a subordinated loan in the amount of TCHF 1'500 to the Company for a fixed term of three years without any interest. During the term of the agreement, the outstanding loan amount can be converted at any time into Company shares with a nominal value of CHF 0.01 at a fixed conversion price of CHF 0.01 per Company share.

The Company sent an ultimate reminder dated 17 January 2024 regarding the subordinated convertible loan agreement to CDIM terminating the subordinated loan agreement if the payment of TCHF 1'150 is not done until 20 January 2024. The payment was neither done until 24 January 2024 nor thereafter.

6. Commitments and contingent liabilities

6.1 VAT Group

From the VAT point of view (art. 22 LTVA), the Company and Perfect Aviation SA are considered as one and sole company. In case of insolvency of one of the companies, the other companies are jointly responsible for the VAT liabilities (art. 32e LTVA). The VAT Group was terminated on 30 September 2023 in connection with the liquidation of Perfect Aviation SA in Liquidation (see note 4.2).

6.2 Outstanding warrants

	31 December 2023		31 December 2022	
	Number of warrants	Exercise price per warrant (CHF)	Number of warrants	Exercise price per warrant (CHF)
GEM warrants (i)	54'405'351	0.071	-	-
Yorkville warrants (ii)	27'362'914	0.01	8'928'571	0.0336
Total	81'768'265		8'928'571	

(i) The Company issued in April 2023 54'405'351 5-year warrants to GEM for Company shares at an exercise price of CHF 0.071 per warrant (see note 4.7).

(ii) Related to the Yorkville agreement the Company issued until 31 December 2023 27'362'914 3-year warrants to Yorkville at an exercise price of CHF 0.01 per warrant (see note 4.7).

In case the planned reverse share split of the Company shares is implemented, the exercise price and number of the GEM and Yorkville warrants shall be proportionally increased in line with the reverse share split ratio.

6.3 Other contingent liabilities

Ventac Partners Ltd ("Ventac"), an advisory firm, will receive, until the expiry of the GEM agreement on 3 June 2026 and expiry of the 54'405'351 warrants on 11 April 2028, 7% fees on any amount drawdown from the GEM facility and proceeds of the exercise of warrants (see note 5.7).

At 31 December 2023 and 31 December 2022, there were no other contingent liabilities.

7. Subsequent events

7.1 GEM agreement

On 25 January 2024, a confirmation and waiver letter was signed between the Company and GEM (see note 5.7).

7.2 Yorkville agreement

On 24 January 2024, the financing agreement dated 21 August 2022 was mutually terminated (see note 5.8).

7.3 ChaoDian (Hangzhou) Investment Management agreement

On 17 January 2024, the Company sent an ultimate reminder to CDIM regarding terminating the subordinated convertible loan agreement (see note 5.9).

7.4 Transaction agreement with Curatis

On 28 January 2024, the Company signed a transaction agreement with Curatis regarding the acquisition of Curatis by the Company by way of a share exchange transaction (“Combination Transaction”). The execution of the acquisition is subject to several conditions, including the revoking of the bankruptcy by the courts of the canton Basel-Stadt, the approval of the transaction by the shareholders of both companies and the listing on the SIX Swiss Exchange of the new shares of the Company issued in exchange for the shares of Curatis on the SIX Swiss Exchange.

7.5 Revocation of bankruptcy

The liquidation of the Company was revoked on 5 February 2024 by the courts of the canton Basel-Stadt.

7.6 Subordinated convertible loans from shareholders

Subject to the closing of the contemplated Combination Transaction, Curatis assumed the debt of the subordinated convertible loans totalling to TCHF 133 (see note 4.5) by way of issuing new Curatis shares in the context of the Combination Transaction to the loan providers.

7.7 Extraordinary general meeting of the Company

An extraordinary general meeting is scheduled for 1 March 2024 of the Company. The main agenda items are as follows:

- Ordinary capital increase for the reverse share split
- Reverse share split
- Ordinary capital reduction
- Ordinary capital increase and amendment to the articles of association
- Capital band and amendment to the articles of association
- Conditional capital and amendment to the articles of association
- New name and amendment to the articles of association
- New domicile and amendment to the articles of association
- New corporate purpose and amendment to the articles of association
- Election of new members of the board of directors and election of the chairman of the board of directors
- Election of new members of the compensation committee
- Election of the statutory auditors

There were no other relevant events after the reporting date.

Appropriation of accumulated losses

Proposal of the Board of Directors for the appropriation of loss carried forward as of 31 December 2023:

TCHF	Proposed by the Board of Directors
Accumulated loss beginning of the year	43'015
Net loss for the year	13'905
Balance to be carried forward	56'920