

Questions and Answers

Background of the transaction:

What is a reverse share split?

A reverse split is a measure taken by companies to reduce the number of outstanding shares in the market. Existing shares are consolidated into fewer, proportionally more valuable shares, resulting in a boost to the company's absolute (nominal) stock price. Shares are merged (opposite of a share split). In our case, Relief proposes to combine 400 existing shares into one new share.

As an existing shareholder, do I have to do anything to get the new merged shares?

No. Your custodian bank will automatically exchange the existing shares in Relief Therapeutics for new (merged) shares in Relief Therapeutics by applying the ratio of 400 to 1. This is subject to the approval of the reverse split by the shareholders of Relief Therapeutics at the Extraordinary General Meeting (EGM).

Why does Relief Therapeutics plan to perform a reverse share split?

Since Relief Therapeutics became a public company in 2016, its shares have been exchanged at a price per share below CHF 1.00, due to the large number of outstanding shares resulting from a reverse merger and capital increase transactions over the life of the company's underlying listed vehicle. Certain U.S. stock exchanges require a minimum share price of USD \$1.00 or more to apply for a listing. If approved, the reverse split will enable Relief Therapeutics to meet the necessary criteria to list on a U.S. exchange. Additionally, higher-priced stocks attract more attention from market analysts, and a favorable view from analysts is excellent marketing for the company. The stock is also more likely to pop up on the radars of institutional investors and mutual funds, many of which have policies against taking positions in a stock whose price is below a minimum value or considered a "penny stock."

U.S. listings on national regulated exchanges (Nasdaq or NYSE American) have the potential to increase the tradability of the Relief Therapeutics shares by tapping into a new investor base (e.g., U.S. institutional investors that may only invest in U.S. listed stocks) and thus enhance our overall financing possibilities.

Will an application to list Relief's shares on the Nasdaq Stock Market be filed following the reverse split?

If the reverse split is successfully completed, Relief Therapeutics intends to file an application to list its ordinary shares on a U.S. regulated stock exchange (e.g., the Nasdaq Stock Market) in lieu of its American Depositary Shares (ADSs). The listing on SIX Swiss Exchange will not be affected by this dual listing.

Technical aspects of the transaction:

Will the proposed reverse split change the market capitalization of Relief Therapeutics?

A reverse stock split has no inherent effect on the company's value, with market capitalization remaining the same after the reverse split is implemented.

How will the proposed reverse split change the total value of my shares?

The total value of the shares an investor holds will remain unchanged.

What is the proposed exchange ratio for the reverse split?

The contemplated exchange ratio is 400 existing shares into one new share.

When will the reverse split be implemented?

If the proposed reverse split is approved at Relief Therapeutics' planned EGM, the reverse split is anticipated to take place approximately one week after the EGM. The first trading day of the new shares on the SIX Swiss Exchange will be on the same date. The holder of existing shares on the day prior to the implementation of the reverse split, after the close of the Swiss stock exchange, is eligible to receive new shares. The company will communicate the final timeline in advance through an ad hoc release.

Am I required to take any steps as a shareholder to receive the new shares?

No. The existing shares in the shareholders' depositaries will be converted into the new shares automatically without any action required on the part of the shareholders.

Can I trade my Relief Therapeutics shares without interruption at any time?

Yes. During normal trading hours, Relief Therapeutics shares may be traded uninterrupted on the SIX Swiss Exchange, including before, on and after the date of the reverse split.

What can I do to avoid being rounded down for fractions?

If you hold a number of Relief Therapeutics shares not divisible by 400 and want to avoid being rounded down and receiving any cash payment as a result of the rounding down of fractions, you may consider adjusting your shareholding prior to the implementation of the reverse split accordingly upwards or downwards to ensure you are holding a number of shares divisible by 400. Please note the usual costs and expenses charged by your custodian bank may apply (e.g., order fees).

How does the nominal value of a share change?

The nominal value of the Relief Therapeutics shares increases from CHF 0.01 per share before the reverse split to CHF 4.00 per share after the reverse split, with a ratio of 400:1 existing share to new shares.

Will my voting rights in the Relief Therapeutics shares change?

Other than because of the rounding-down of fractions, if applicable, Relief Therapeutics shareholders' percentage holdings and thus the voting rights will not be affected by the reverse split.

What will a shareholder who holds a number of Relief Therapeutics shares divisible by 400 obtain?

Shareholders holding a number of existing shares exactly divisible by 400 will obtain one new share for every 400 existing shares held prior to the reverse split.

Example: Prior to the reverse split, shareholder A held 800 existing shares. After the reverse split, the existing shares are exchanged for two new shares. See the illustration below (Example A).

What compensation do shareholders holding 399 or fewer shares obtain?

Shareholders holding less than 399 existing shares will be compensated in cash equivalent to the number of shares held prior to the reverse split at a fixed share price.

Example: Prior to the reverse split, shareholder B held 399 shares in Relief Therapeutics. After the reverse split, shareholder B automatically obtains from its depositary bank a cash compensation equal to the 399 shares previously held at a fixed price per share. See the illustration below (Example B).

What will a shareholder who holds a number of shares greater than 400 but not divisible by 400 obtain?

Shareholdings greater than 400 but not divisible by 400 will be rounded down to the nearest possible number divisible by 400 and these shareholders will receive one new share in exchange for every full 400 shares previously held. For the difference between the number of shares previously held and the rounded down number of shares (fractions), the shareholders will receive a cash equivalent compensation at a fixed share price.

Example: Shareholder C held 1,999 shares before the reverse split. After the reverse split, the shareholder holds new shares and receives a cash compensation at a fixed share price equivalent to the difference between the number of shares held before the reverse split and the rounded down number, which in this case is a cash compensation equivalent to the 399 remaining existing shares. See the illustration below (Example C).

How much do I get paid as a compensation for fractions (cash compensation per share)?

Fractions will be compensated in cash at a fixed price corresponding to the three-day volume-weighted average price (VWAP) of the Relief Therapeutics prior to the implementation of the reverse split.

Will the reverse split affect all shareholders uniformly?

Yes. The reverse 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 split results in any of our shareholders receiving cash in lieu of a fractional share. These cash payments may reduce the post-reverse split number of stockholders to the extent that any stockholder would otherwise have received less than one ordinary share after the reverse stock split.

What should I do if I haven't received the new shares or the cash compensation?

The custodian banks are instructed to execute the reverse split as described herein. Please contact your custodian bank directly with any questions.

I am registered in the share register of Relief Therapeutics. Do I need to re-register my holdings after the reverse split?

Yes. For technical reasons all current registrations in the share register will be deleted. The new shares will be credited as non-registered shares. Shareholders must re-register themselves in the share register after the reverse split. In the Swiss market and within Swiss major banks the re-registration happens, depending on your agreement with your bank, mostly automatically. Nevertheless, we recommend contacting your custodian bank directly to ensure the re-registration.

What are the costs of the implementation of the reverse split for a shareholder?

The custodian banks are instructed to execute the reverse split without debiting any costs or expenses to our shareholders. Please contact your custodian bank directly with any questions.

Will a private shareholder be subject to Swiss taxes on the transaction?

We recommend all Relief Therapeutics shareholders and beneficial owners of Relief Therapeutics shares consult a tax advisor regarding any Swiss tax effects and, where applicable, foreign tax effects of the reverse stock split applicable to them.

Illustration of the Reverse Split from the Shareholder's Perspective

