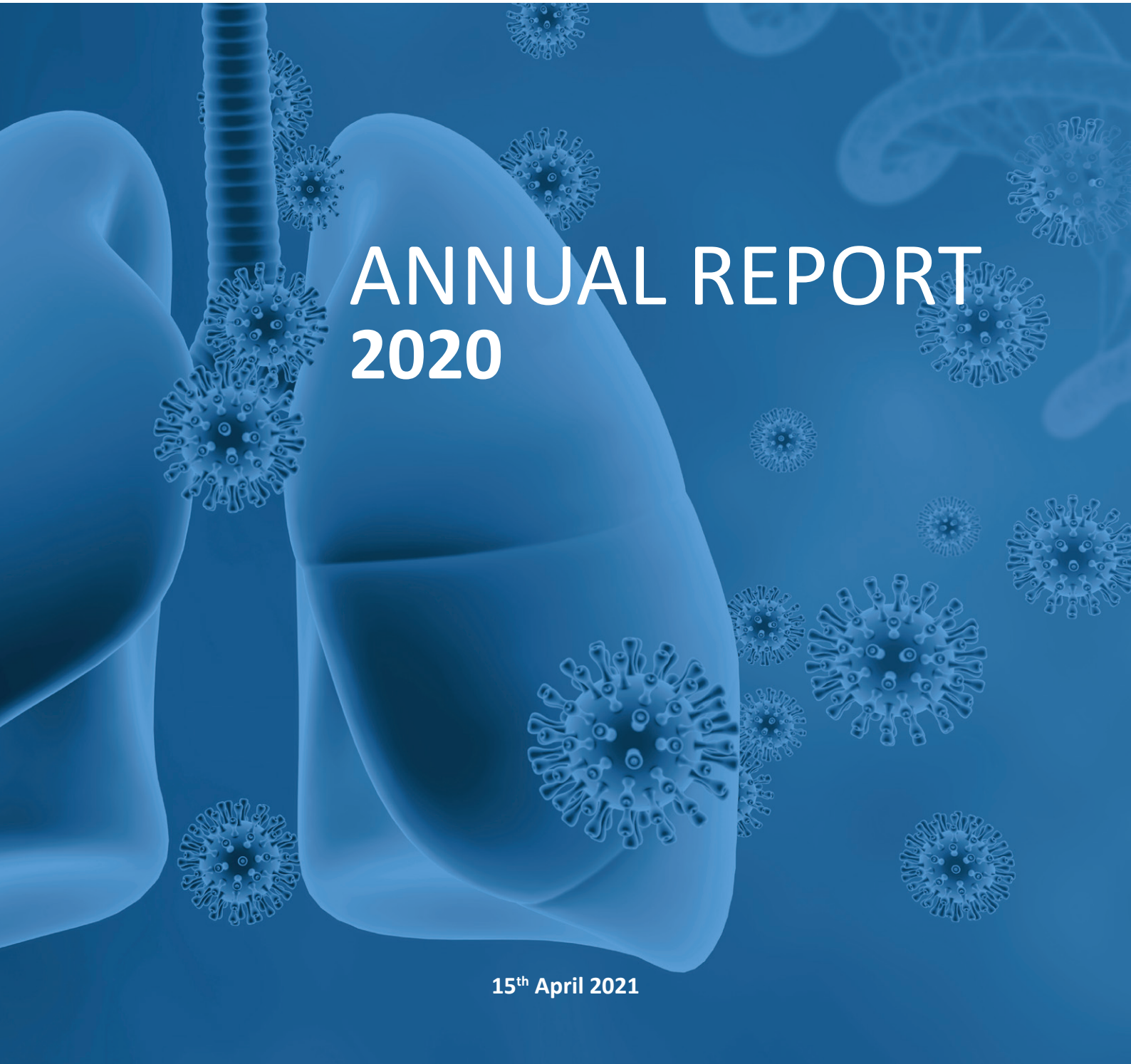
RELIEF
THERAPEUTICS



ANNUAL REPORT 2020

15th April 2021

TABLE OF CONTENTS

2020 – 2021 TO DATE HIGHLIGHTS AND KEY MILESTONES

RLF-100 (aviptadil)

RLF-100 (aviptadil), IV

In March 2020, at the beginning of the first wave of the pandemic in the U.S., Relief's partner NeuroRx submits an Investigational New Drug (IND) application with the U.S. FDA (the FDA) for a phase 2b/3 trial of RLF-100 TM for the treatment of patients with critical COVID-19 respiratory failure. Within 24 hours, the FDA issued a "Study May Proceed" letter and the first patients were subsequently treated in April 2020 at Thomas Jefferson University Hospital in Philadelphia.

In June 2020, RLF-100 is awarded Fast Track designation by the FDA for the treatment of acute lung injury (ALI) / acute respiratory distress syndrome (ARDS) associated with COVID-19.

In July 2020, the FDA grants Expanded Access Protocol (EAP) designation for treatment of respiratory failure induced by COVID-19 with RLF-100 IV. Treatment is available to patients who have exhausted standard therapies and are not eligible for the phase 2b/3 trial due to confounding medical conditions. Data from the first 21 patients in the EAP shows promising results demonstrating that some critically ill patients with COVID-19 experience substantial clinical improvement when treated with RLF-100 IV.

In March 2021 (post reporting period), NeuroRx announces top-line 60-day results. According to NeuroRx, across all patients and sites, RLF-100 IV met the primary endpoint for successful recovery from respiratory failure at days 28 and 60 and also demonstrated a meaningful benefit in survival after controlling for ventilation status and treatment site. On the basis of these findings, NeuroRx plans to apply to the FDA for Emergency Use Authorization (EUA) and subsequently plans to submit a New Drug Application with the FDA. Once Relief has received and analysed the full data set from the phase 2b/3 clinical trial, the Company will decide on the best path forward for the development of RLF-100 IV in Europe and other territories.

In March 2021 (post reporting period), NeuroRx announces that RLF-100 has been selected for inclusion in TESICO (Therapeutics for Severely Ill Inpatients with COVID-19), a phase 3 multicenter clinical trial that will include sites in the United States and multiple foreign countries, that is being sponsored by the U.S. National Institutes of Health (NIH).

RLF-100 (aviptadil), Inhaled

In May 2020, shortly after filling for an IND for the IV formulation of RLF-100, NeuroRx files an IND protocol with the FDA under the Coronavirus Treatment Acceleration Program to conduct a phase 2b/3 clinical trial assessing inhaled RLF-100 as a treatment for patients with non-acute lung injury caused by the SARS-CoV-2 virus. In August, the FDA grants IND permission to study RLF-100 for inhaled use in patients with moderate to severe COVID-19 in order to prevent progression to respiratory failure. In February 2021 (post reporting period), NeuroRx announces the initiation of a Phase 2/3 Study of Inhaled RLF-100 for Severe COVID-19.

At the beginning of 2021 (post reporting period), a clinical trial participation agreement for the inclusion of RLF-100 into the I-SPY COVID-19 clinical trial is signed between NeuroRx and Quantum Leap Healthcare Collaborative of San Francisco.

In January 2021 (post reporting period), Relief and AdVita Lifescience GmbH sign a binding term sheet for Relief to acquire all shares of AdVita. Relief will thereby gain access to all AdVita assets including further pending IP rights that may cover RLF-100 inhaled formulation specifications for the potential application of inhaled aviptadil in the treatment of lung diseases such as ARDS and Pulmonary Sarcoidosis.

ACER-001

In March 2021 (post reporting period), Relief signs a Collaboration and License Agreement for the worldwide development and commercialization of ACER-001 for the treatment of Urea Cycle Disorders (UCDs) and Maple Syrup Urine Disease (MSUD). Under the terms of the agreement, Acer receives a total of USD 15 million of cash payments. Relief will also pay Acer up to USD 20 million in U.S. development and commercial launch costs for the UCDs and MSUD indications. Acer retains development and commercialization rights in the U.S., Canada, Brazil, Turkey and Japan. The companies will split net profits from Acer's territories 60%:40% in favor of Relief. In addition, Relief has licensed the rights for the rest of the world, where Acer will receive from Relief a 15% royalty on all net revenues received in Relief's territories. Acer may also receive a total of USD 6 million in development milestone payments following the first European (EU) marketing approvals for UCDs and MSUD.

An ACER-001 pre-NDA meeting with the FDA is scheduled to occur in the second quarter of 2021.

Sonnet BioTherapeutics Inc.

In April Sonnet BioTherapeutics Inc. acquires all outstanding shares of Relief SA, a subsidiary of RELIEF THERAPEUTICS Holding AG in exchange for 757,933 shares of listed Sonnet Holdings common stock. This divestment allows Relief to focus its resources on the development of its main asset RLF-100 in respiratory indications.

Financing

Through exercising flexible financing tools, which allows the Company to finance the ongoing clinical development of RLF-100 and its pipeline expansion strategy, Relief executes a series of financings.

In July 2020, Relief enters into a binding agreement with Gem Global Yield LLC (GEM). The agreement includes the terms of redemption of the outstanding CHF 1.7 million debt position in exchange for 58'023'584 newly issued Relief's shares.

This is followed up with the successful closure of capital increases in the third quarter pursuant to drawdowns in the context of Relief's Share Subscription Facility („SSF") in place with GEM.

The financing activities result in Relief raising a total of CHF 58 million in new equity financing in 2020.

In January 2021 (post reporting period), Relief signs a second binding agreement with GEM for the implementation of a new SSF in the amount of up to CHF 50 million.

In March 2021 (post reporting period), Relief enters into a definitive agreement with a single healthcare-dedicated U.S. institutional investor to purchase 41'459'370 Relief shares in a private placement that raises approximately CHF 10 million.

As of April 15, 2021, the Company has available cash of approximately CHF 35 million.

Personnel

To match the fast pace at which the Company is developing,
Relief strengthens its management team and adds a new board member.

In September 2020, **Gilles Della Corte,** M.D. is appointed as Chief Medical Officer. Dr. Della Corte has over 40 years of professional experience, 30 of that specifically in the biopharmaceutical industry.

In October 2020, **Jack Weinstein** joins Relief as Chief Financial Officer and Treasurer. Mr. Weinstein has over 40 years of wide-ranging financial executive management as well as FDA regulatory and intellectual property strategies expertise.

In November 2020, **J. Paul Waymack,** M.D., Sc.D. is appointed as development and regulatory consultant. With an extensive track record in the pharmaceutical drug development arena, experience as a former employee with the FDA, Dr. Waymack strengthens the management team in all activities pertaining to the late-stage development of RLF-100, especially as it relates to regulatory activities.

Rounding out the management team, in December 2020, **Chris L.J.J. Stijnen** joins as Chief Commercial Officer. Coming from Bristol-Myers Squibb, where he was responsible for the marketing and commercialization of the company's portfolio in various international subsidiaries and indications, Mr. Stijnen is a highly experienced pharmaceutical executive with a successful track record.

Approved by the December 2020 EGM, **Tom Plitz** joins the Relief Board of Directors and brings more than two decades of experience in pharmaceutical R&D to the team.

In April 2021 (post reporting period), Relief appoints **J.J. Scherpbier** of Sonsbeek Pharma Consultancy B.V. as manufacturing and supply chain consultant. Mr. Scherpbier is a highly experienced pharmaceutical consultant with more than 25 years of expertise in the areas of regulatory affairs, life cycle management, pharmaceutical development and GMP.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

2020 brought with it global challenges the likes of which we have not seen in decades. With international lockdowns and restrictions impeding everyday life while distancing us from family and friends, it is our sincere hope that you and your loved ones are safe and healthy.

Understanding that when lives are at stake there is no time to waste, our talented team of scientists had a brilliant idea to repurpose our legacy compound, RLF-100TM (aviptadil), a synthetic form of a naturally occurring peptide predominantly found in the lung - Vasoactive Intestinal Peptide (VIP) - to protect the lung from injury due to COVID-19. Taking advantage of the extraordinary measures implemented in the U.S. to speed up clinical research for COVID-19 therapeutics, Relief partnered with NeuroRx, Inc., a U.S. based biotech company with strong experience in innovative novel therapeutic development. Ten weeks from concept to clinic, we began our journey to provide patients with this potentially critical component in the treatment of respiratory distress caused by COVID-19. Since July 2020, severe COVID-19 patients have been treated with intravenous RLF-100 under a U.S. FDA Emergency Use Investigational New Drug authorization and Expanded Access Protocol authorization for the treatment of respiratory failure in COVID-19.

With the goal in mind to help as many affected patients as possible, two U.S. late-stage trials were designed with intravenous and inhaled formulations of RLF-100. According to NeuroRx, top-line results from the 60-day data, in accordance with new FDA guidelines, in the intravenous trial of RLF-100 for critical COVID-19 patients with respiratory failure, showed that RLF-100 met the primary endpoint for successful recovery from respiratory failure and also demonstrated a meaningful benefit in survival after controlling for ventilation status and treatment site. On the basis of these findings, NeuroRx confirmed its plans to apply immediately to the FDA for Emergency Use Authorization (EUA) and to subsequently submit a New Drug Application with the U.S. FDA. A clinical trial of inhaled RLF-100 for the treatment of patients with moderate and severe COVID-19 with the aim of preventing progression to respiratory failure is currently underway. Based on results in the U.S., we are now considering appropriate European clinical assessment of RLF-100.

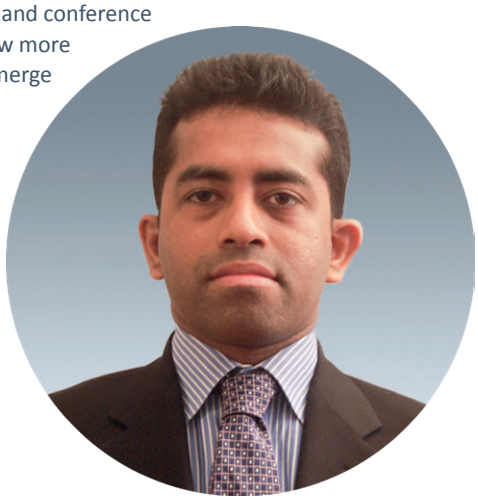
As we saw RLF-100 undergo rapid clinical development, we also saw Relief effect unprecedented corporate developments. To meet this exceptional growth, we expanded our management team and welcomed a new CFO, CCO, CMO, regulatory, manufacturing and supply chain consultants who have worked diligently with our existing team to ensure that Relief is well equipped to meet and propel this evolutionary growth stage in our Company's history. This year we thanked Dr. Yves Sagot for his exceptional contributions to the Company and bid him farewell and best wishes for his future endeavours. We also thanked Mr. Peter De Svastich and Mr. Thomaz Burckhardt for their contributions to the Company during their time as members of our Board of Directors. Ushering in a new phase of development we happily welcomed Dr. Tom Plitz as a new board member. As further development necessitates, we plan to strategically grow our management and board to add to this team of talented experts.

I am happy to report that the Company is well along to be able to finance and complete both U.S. COVID-19 trials and planned EU trials with RLF-100. Our operational runway will see Relief through 2022, without factoring in any potential product revenues and new resources needed for potential pipeline expansions. We implemented a new Share Subscription Facility of up to CHF 50 million and recently executed a PIPE with a U.S.-based life sciences investor for CHF 10

million, which will allow Relief the flexibility to provide for the next steps in development of RLF-100 beyond COVID-19, to expand and diversify Relief's pipeline and for general corporate purposes. In addition, we have the ability to make open market sales with our previously announced treasury share position.

In a strategic effort to enhance and expand our pipeline, Relief took two important steps recently. First, we signed a binding term sheet with AdVita Lifescience GmbH to acquire all shares of the company in exchange for EUR 25 million of Relief common shares, plus possible future contingent milestone payments of up to EUR 20 million. Amongst the AdVita assets that would be acquired, Relief will gain further pending intellectual property rights that may cover improved formulation of the inhaled version of RLF-100 and the potential application of inhaled RLF-100 in the treatment of acute respiratory distress syndrome and checkpoint inhibitor-induced pneumonitis. Second, we concluded a Collaboration and License Agreement with Acer Therapeutics Inc. for the worldwide development and commercialization of ACER-001, a proprietary powder formulation of sodium phenylbutyrate (NaPB) designed to be both taste-masked and immediate release for the treatment of urea cycle disorders and maple syrup urine disease. We believe that ACER-001 could help support patient therapeutic compliance by offering them a better tasting and cost-effective drug alternative that would greatly increase quality of life of patients affected by these chronic diseases. Following advanced clinical development, an ACER-001 pre-NDA teleconference meeting with the FDA is scheduled to occur in the second quarter of 2021.
In addition to these two initial steps, Relief will continue to evaluate interesting in-licensing opportunities and acquisitions to grow its pipeline.

During this difficult time Relief took necessary measures to safeguard our staff and partners by employing digital tools to ensure proper social distancing without restricting our evolving business activities. We undertook such activities as virtual investor roadshows and conference participation, hosting digital meetings with partners and shareholders. Now more than ever we remain confident that brighter days lie ahead, and we will emerge on the other side having learnt valuable lessons for the future.



We remain unwavering in our commitment to provide patients with therapeutic RELIEF from serious diseases with high unmet medical need. I would like to take the opportunity to thank our long-term shareholders for your continued support and trust in our corporate vision. At the same time, I warmly welcome new shareholders who are joining us at this exciting time in Relief's development. We look back on 2020 with a sense of pride and accomplishment and turn our gaze to 2021 where we hope to build on this success.

Sincerely,

Raghuram Selvaraju
Chairman of the Board of Directors

COMPANY PROFILE

1. Business overview

RELIEF THERAPEUTICS Holding SA („Relief", the „Company", the „Group") is a company developing drug products for therapeutic use via participation in active entities that have obtained intellectual property through their own research initiatives or via in-licensing. Development activities of the Group focus primarily on clinical-stage programs based on molecules with a history of human clinical use (well-established safety and tolerability) and either initial human activity, efficacy data (proof of concept) or a strong scientific rationale. For much of 2020, Relief concentrated its efforts on the development of new treatments for respiratory disease indications. Taking advantage of the extraordinary measures implemented in the United States to speed up clinical research for COVID-19 therapeutics, in March 2020 Relief partnered with NeuroRx Inc., a U.S. based biotech company with strong experience in innovative novel therapeutic development, to develop its lead drug candidate RLF-100TM (aviptadil) in acute respiratory deficiency due to COVID-19. A phase 2b/3 trial with RLF-100 IV in the U.S. was concluded in the first quarter of 2021, with top line results presented by NeuroRx.

The Company was formed in 2013 and listed on the SIX Swiss Exchange under the symbol RLF in June 2016, following the merger of Relief Therapeutics SA and THERAMetrics holding AG. Its headquarters and legal seat is in Geneva, Switzerland. From August 2020, the Company's shares are also quoted in the U.S. on OTCQB under the symbol RLFTF.

2. Business activities

Business activities in 2020 were focused on the development of RLF-100 (aviptadil).

Aviptadil (Vasoactive Intestinal Peptide, or VIP), the Company's lead candidate, is a synthetic form of VIP consisting of 28 amino acids which was first discovered in 1970. In the lung, VIP has shown a multimodal mechanism of action: inhibition of viral replication, deterrence of inflammatory cytokines, prevention of cell death and upregulation of surfactant production. Seventy percent of the VIP in the body is bound to a rare cell in the lung, the alveolar type 2 cell (AT2), which is critical to the transmission of oxygen to the body. Aviptadil has a 20-year history of safe use in humans including in multiple clinical trials for sarcoidosis, pulmonary fibrosis, asthma/allergy, and pulmonary hypertension.

Relief devised a swift plan of action to respond to the COVID-19 pandemic caused by the novel coronavirus known as SARS-CoV-2 by rapidly developing aviptadil for COVID-19 induced lung injury. Through its multimodal mechanism of action, aviptadil may uniquely target the pathways attacked by the SARS-CoV-2 virus by protecting vulnerable AT2 cells, preventing acute lung injury. With Relief's support, NeuroRx launched two late-stage studies of aviptadil for the treatment of respiratory deficiency due to COVID-19. The first trial evaluates the efficacy of intravenous aviptadil in critical COVID-19 patients with respiratory failure. The second trial will evaluate the efficacy of inhaled aviptadil for the treatment of moderate and severe COVID-19. In the past, both administered formulations have been shown to have a therapeutic benefit in pulmonary indications.

3. Business opportunities

The COVID-19 pandemic constitutes one of the largest healthcare disasters of our time. To our knowledge, intravenous RLF-100 is the first COVID-19 therapeutic to demonstrate advantages in both survival and recovery from critical COVID-19 in a randomized, double-blind multicenter trial. The potential of aviptadil in the treatment of COVID-19 induced respiratory distress syndrome may extend beyond the complications associated with SARS-Cov-2 virus infection and could be of potential use for the treatment of other symptoms associated with acute lung injury following sepsis or polytrauma. Relief will consider evaluating the use of aviptadil – originally positioned for pulmonary sarcoidosis, a niche market with unmet clinical needs – to address additional indications in the pulmonary disease area that require intensive care.

Relief is actively pursuing a strategy to diversify its portfolio. In January 2021 (post reporting period), Relief signed a binding term sheet with AdVita LifeScience GmbH for Relief to acquire all shares of AdVita for the purpose of expanding the scope of development for the inhaled formulation of RLF-100. In March 2021 (post reporting period), Relief and Acer Therapeutics Inc. signed a Collaboration and License Agreement for the worldwide development and commercialization of ACER-001 for the treatment of Urea Cycle Disorders and Maple Syrup Urine Disease. ACER-001 is a proprietary powder formulation of sodium phenylbutyrate (NaPB) designed to be both taste-masked and immediate release.

The Company is actively evaluating additional potential in-licensing, partnering and acquisition opportunities.

FINANCIAL REVIEW

The following review of the financial results should be read in conjunction with the consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards, and the related notes thereto included in this Annual Report.

Overview of consolidated financial results 2020

The Group reported a strong financial position with CHF 43.1 million in cash on its balance sheet as of December 31, 2020, compared to CHF 0.1 million at year-end 2019. Funding of RLF-100 clinical trials in the U.S., together with the initial setup of RLF-100TM clinical trials in Europe and administrative activities, resulted in an operating cash outflow of CHF 18.3 million in 2020. Cash inflows primarily originated from drawdowns from the Share Subscription Facility (SSF) (CHF 49.2 million) and option and warrants exercises (CHF 9.1 million).

Service expenses increased to CHF 13.7 million in 2020 compared to CHF 0.1 million in 2019, mainly related to services provided by our collaboration partner NeuroRx, Inc. and other third parties related to RLF-100 clinical trials. Personnel expenses increased to CHF 2.6 million compared to CHF 0.3 million in 2019 as additional human resources were essential to oversee clinical trial activities with RLF-100 and to strengthen Relief's organization. Other administrative expenses increased to CHF 3.0 million, compared to CHF 0.6 million in 2019, as requirements for legal, consulting and marketing services increased in conjunction with the Group's activities.

Relief recognized a one-time disposal gain of CHF 3.4 million following the divestment of its former subsidiary holding the Atexakin alpha compound.

The impairment loss recognized in 2019 on the intangible asset RLF-100 was reversed in consideration of the revised development plans. The reversal of impairment amounting to CHF 11.2 million led to an increase of the related deferred tax liability in the amount of CHF 1.6 million and corresponding income tax cost.

The net loss in 2020 was CHF 7.8 million, compared to a net loss in 2019 of CHF 7.5 million.

Financial outlook 2021

The Group will continue to pursue the development of RLF-100 with its collaboration partner NeuroRx, Inc. and support the development of ACER-001 through the collaboration and licence agreement signed in March 2021 with Acer Therapeutics. The Company is also actively exploring additional in-licensing opportunities and acquisitions to further diversify its pipeline.

In early 2021, the Company put in place a new SSF with GEM Global Yield LLC SCS in the amount of up to CHF 50 million, and in March 2021, completed a private placement of approximately CHF 10 million. The Company plans to raise additional funds during the year from a variety of sources.

Risk assessment disclosure required by Swiss Law

Capital and financial risk management is described in Note 33 of the accompanying Consolidated Financial Statements.

MANAGEMENT INTERVIEW WITH JACK WEINSTEIN, CFO AND TREASURER

Joining the Relief management team in October 2020 as Chief Financial Officer and Treasurer, Jack Weinstein has overseen the most significant season of corporate development in the Company's recent history. Bringing with him more than 40 years of wide-ranging executive and financial management as well as FDA regulatory and intellectual property strategies expertise, Jack is well-suited to shepherd Relief through the next stages in the Company's evolution and growth. Here, Jack takes the opportunity to think back on his first six months with Relief and also to look at what lies ahead.

What enticed you to join Relief in October 2020?

When I joined the Relief team, the Company was in a unique transitional stage. COVID-19 had turned the world on its head and Relief was no exception. Transitioning from a dormant company with bare bones infrastructure to an international player in the field of COVID-19 therapeutics was akin to growing into a mighty oak from a tiny acorn overnight. However unprecedented and challenging, this unique situation also provided fertile ground to grow the Company and realize its potential. This spoke to me and my professional strengths. I was impressed by how much the small team, with the support of the Board, had already achieved so quickly. In addition, I have known our Chairman for 15 years and knew that he would have not asked me to join the team if there was not a great fit and great potential. My instincts were not wrong. We have a small but highly effective team that works extremely well together and is getting a lot done.

How have you seen Relief evolve since then?

Relief is not the same company it was six weeks, let alone six months ago. Together with the team, I rolled up my sleeves and have been working at breakneck speed to not only keep pace with the rapid clinical development of our lead program, RLF-100TM, but to also grow and build the Company beyond this core asset. We continue to be excited about the potential of RLF-100, for COVID-19 and other lung injuries. However, as a responsible company, it was important to not, as the saying goes, put all of our eggs in one basket. We have taken definitive steps to diversify our late-stage pipeline as we work to grow into a mature biopharmaceutical company. To ensure we have the financial flexibility to pursue this strategy, we have taken specific measures that include putting in place a new share subscription facility for up to CHF 50 million, and also just recently completed a CHF 10 million private placement with a healthcare-dedicated U.S. institutional investor. We are also exploring a U.S. based ADR listing which will give us the opportunity to "up list" to a U.S. national exchange and thereby broaden the universe of potential healthcare-based institutional investors. We recently successfully closed our first deal to broaden the pipeline - a collaboration and license agreement with Acer Therapeutics for ACER-001. We are excited about this program, which has the opportunity to make a meaningful difference in the lives of patients with certain rare diseases.

What plans do you and the management team have for the Company in the future?

Driving everything we do is our objective of providing patients with therapeutic relief from serious diseases with high unmet medical need. Our current programs – RLF-100 and ACER-001 – are designed to do just that, and we are excited about the potential they hold in truly helping patients. In the years ahead, we plan to continue to advance these important assets, as well as seek new late-stage programs to add to our portfolio. As our pipeline grows, we will also look to grow our team, continuing to add expertise that will complement and support our current skill set. As CFO, it is my number one job to make sure we have the financial means in place to meet our lofty goals, and that critical task is always at the top of my mind. I do not expect the pace at Relief to slow anytime soon, and I am excited about meeting the challenges of growing a biopharmaceutical company that has such a bright future.

CORPORATE GOVERNANCE

The corporate governance principles of RELIEF THERAPEUTICS Holding SA ("Relief", the "Company"; together with its subsidiaries, the "Group") are outlined in the Company's Articles of Association (the "Articles"), in the organizational regulations (the "Regulations") adopted by the Board of Directors (the "Board"). The Articles can be viewed or downloaded on the Company's website (www.relieftherapeutics.com/investor-relations).

Further, the information disclosed below conforms to the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange. In order to avoid redundancies, references to other parts of this Annual Report and links to the Relief website (www.relieftherapeutics.com) that provide additional, more detailed information, are included.

1. Listed company

Company Name	RELIEF THERAPEUTICS Holding SA
Domicile	Avenue de Sécheron 15, CH-1202 Geneva
Register number	CHE-113.516.874
Listing	SIX Swiss Exchange, symbol "RLF"
ISIN	CH 0100191136
Swiss security ID	10191073
Market capitalization as of December 31, 2020	CHF 873'369'630
Share price as of December 31, 2020	CHF 0.269
Duration of the company	Unlimited

2. Group structure

On December 31, 2020, the Group consisted of RELIEF THERAPEUTICS Holding SA as the listed parent company and the following non-listed direct subsidiaries:

Name	Domicile	Share Capital	Shareholder	% Owned
Relief Therapeutics International SA	Geneva (CH)	CHF 338'364.15	RELIEF THERAPEUTICS Holding SA	100
Relief Therapeutics US, Inc.	Delaware (U.S.)	USD 10	RELIEF THERAPEUTICS Holding SA	100
Relief Therapeutics, Inc.	Delaware (U.S.)	USD 10	RELIEF THERAPEUTICS Holding SA	100

3. Significant shareholders

According to disclosure notifications filed with the Company to the SIX, the following shareholders held more than 3% of the registered share capital of the Company as of December 31, 2020.

Shareholders *Figures as of SIX publication date*	**Shares***	**Percentage of voting rights***	**Percentage of capital***
GEM Global Yield LLC SCS (beneficial owner: Christopher Brown) *SIX publication date: November 19, 2020*	1'302'000'000	51.38%	51.38%
Yves Sagot *SIX publication date: September 2, 2020*	93'571'032	4.09%	4.09%

* Number of shares and percentages correspond to the figures disclosed in the published notifications to the SIX. The derivative holdings held by such shareholders are not included.

As of December 31, 2020, the Company was not aware of any other person or group of persons directly or indirectly holding, alone, together or in concert with third parties, 3% or more of the voting rights in the Company or who has or have a sale position of more than 3% of the voting rights in the Company.

Details on changes subject to disclosure requirements during the 2020 financial year can be viewed on the SIX Swiss Exchange disclosure platform at www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html.

No cross-shareholdings existed as of December 31, 2020.

4. Capital structure

As of December 31, 2020, the issued share capital of the Company amounted to CHF 32'467'272.48, consisting of 3'246'727'248 fully paid-in shares with a nominal value of CHF 0.01. The Company has only one class of shares (common registered shares), and all issued shares are listed and traded on the SIX Swiss Exchange. The Company's share capital registered in the Commercial Register was 2'534'168'581 shares. For further information, refer to note 15 of the consolidated financial statements.

4.1 Authorized share capital

As of December 31, 2020, the Company had authorized share capital of CHF 12'500'000, consisting of 1'250'000'000 shares with a par value of CHF 0.01 each, which the Board of Directors is authorized to issue at any time until December 16, 2022.

4.2 Conditional share capital

The conditional share capital of the Company at December 31, 2020, was CHF 3'752'156.08, consisting of 375'215'608 shares with a par value of CHF 0.01 each, of which 121'874'275 to be used for stock options for members of the Board of Directors, Executive Committee, employees and consultants, as well as 253'341'333 shares to be used for the exercise of option rights granted in connection with bonds, notes or similar debt instruments issued by the Company.

As of December 31, 2020, there were no outstanding warrants issued by the Group, as all outstanding warrants granted in previous years, as well as warrants granted in 2020, were exercised during 2020.

As of December 31, 2020, and currently, the Company has one stock option plan (Equity Award Program) that was established in 2015 for its employees, Board members, and consultants whereby each option gives its holder the right to purchase one of the Company's shares at a pre-determined price. When options are exercised, the related shares are issued from the Company's conditional capital. Option grants are proposed by the Company's Nomination & Compensation Committee and approved by the Board of Directors.

As of December 31, 2020, there were 24'367'658 options outstanding, and 23'917'658 were fully exercisable as of December 31, 2020. During 2020, 68'125'725 vested stock options were exercised and 21'963'383 options were granted.

The following table reconciles the share options outstanding at the beginning and end of the year:

	2020	2019
Options outstanding at the beginning of the year	70'530'000	70'530'000
Granted	21'963'383	-
Exercised	(68'125'725)	-
Forfeited	-	-
Options outstanding at the end of the year	24'367'658	70'530'000

For further information on exercised and outstanding options, refer to note 15.3 of the consolidated financial statements.

5. Changes in the share capital

In 2020, the Company issued 1'133 million shares in connection with (i) drawdowns under the Share Subscription Facility (SSF) with Relief's major shareholder GEM (240 million), (ii) conversion of debts into equity (58 million), (iii) exercises of warrants (767 million) and (iv) exercises of stock options (68 million). Further information is disclosed in note 15.1 of the consolidated financial statements.

For changes in capital that occurred in 2019 and 2018, see the prior years' Annual Reports of the Company, which can be downloaded at www.reliefttherapeutics.com/investor-relations.

6. Limitations on transferability and nominee registrations

In principle, the Company's shares are freely transferable. There is no percentage limitation, and consequently, the Company does not grant any exception. Pursuant to the Articles, any transfer in shares, including the granting of security interests, is subject to the Swiss Federal Intermediated Securities Act. The transfer of shares by assignment further requires the notification to the Company for validation.

Every person recorded in the share register is regarded as a shareholder or beneficiary by the Company. Pursuant to the Articles, the purchaser of shares is entered in the register of shares if there is an express declaration that the purchaser is holding the shares for himself. This also applies to the acquisition of shares through the exercise of purchase, option or conversion rights. If the purchaser is not prepared to make such a declaration, the Board of Directors may refuse registration as a voting shareholder. The Board of Directors regulates the rules for the registration of persons who hold the shares in the name and for the account of a third person, so called nominees. No applications in this regard were submitted in 2020.

7. Board of Directors and its committees

The following table sets forth the name, year joined the Board, directorship term, function and committee membership(s) of each member of the Board of Directors as of December 31, 2020. A description of each member's nationality, business experience, education and activities is provided in section 7.1 below. The Board committees are specified in sections 7.4 and 7.5.

Name	First elected	Elected until	Board	Committees	
				AFC	NCC
Raghuram Selvaraju	2016	2021	Chairman		
Thomas Plitz	2020[1]	2021	Member		
Thomaz Burckhardt	2019	2021[2]	Member		
Peter de Svastich	2016	2020[3]	Member	X	X

[1] Mr. Plitz was elected at the Extraordinary General Meeting held on December 17, 2020.
[2] Mr. Burckhardt resigned with an effective date of February 8, 2021.
[3] Mr. de Svastich resigned with an effective date of December 17, 2020.

7.1 Director's education and professional background

Dr. Raghuram Selvaraju, Swiss national, born in 1978, Chairman of the Board of Directors.

Currently, Dr. Selvaraju is a Managing Director of Equity Research at H.C. Wainwright whose research focuses on the healthcare sector. He has over 15 years of experience on Wall Street and previously was a pharmaceutical researcher at Serono in Switzerland. In addition, Dr. Selvaraju has appeared numerous times on Bloomberg, CNBC, Business News Network and BTV where he discussed drug development trends, healthcare reform policy, and pharma and biotech M&A. Prior to joining H.C. Wainwright, he held senior research positions at MLV & Co., Aegis Capital, Hapoalim Securities U.S.A. and Rodman & Renshaw LLC. He became the youngest-ever recipient of the Serono Pharmaceutical Research Institute's Inventorship Award for exceptional innovation and creativity in 2003.Dr. Selvaraju earned his Ph.D. in cellular immunology and molecular neuroscience and an M.S. in molecular biology from the University of Geneva in Switzerland on the basis of his drug development research.

He holds an M.B.A. from the Cornell University accelerated one-year program for scientists and engineers. He has a B.S. in biological sciences and technical writing from Carnegie Mellon University. He currently does not hold and has not held in the past any management positions at the Company. Apart from his membership on the Board of Directors of the Company, he does not hold and has not held in the past any Board of Directors memberships.

Dr. Thomas Plitz, Swiss national, born in 1968.

Thomas Plitz is Chief Executive Officer of Chord Therapeutics SA, a privately held biopharmaceutical firm based in Geneva, Switzerland. He has more than two decades of experience in pharmaceutical R&D, most recently as Chief Scientific Officer of the rare disease company, Wilson Therapeutics. Wilson Therapeutics was acquired for USD 855 million by Alexion Pharmaceuticals in April 2018. Dr. Plitz's previous assignments include senior roles at Serono, Merck, and Shire, where he worked across multiple therapeutic areas, including neuroinflammatory, metabolic, and rare diseases. He currently does not hold and has not held in the past any management positions at the Company.

Dr. Plitz holds a Ph.D. from Technical University of Munich, Germany.

Mr. Thomaz Burckhardt, Swiss national, born in 1958.

Thomaz Burckhardt founded his own investment and transaction consulting company, specializing in asset management, capital market transactions and M&A for small and medium-sized companies. Previously, he held various positions in the areas of asset management and capital markets at leading international banks, UBS, Deutsche Bank, JP Morgan and Credit Suisse. He has experience as a supervisory board member in various medium-sized and listed companies, with a focus on the finance, media, medical technology, manufacturing and services sectors. Mr. Burckhardt provided management consulting services to the Company during 2020, for which remuneration is the "Fixed Fee" disclosed in section 2 of the Compensation Report.

Mr. Burckhardt resigned from the Board with an effective date of February 8, 2021.

Mr. Peter de Svastich, United States of America national, born in 1945.

Mr. de Svastich is a Managing General Partner of Global Emerging Markets Limited (GEM) and interfaced with GEM on behalf of Relief in matters related to fund-raising, private placement opportunities, and investor relations. He has deep expertise in commercial banking, investment banking and alternative investments areas. For four decades he built banking and financial businesses in the U.S., Brazil, Latin America and Europe. He also founded WestHem International Group, a privately held investment management and financial services company. He has formed joint ventures in banking and alternative investments with N.M. Rothschild & Sons, Banco Internacional y de Comercio Exterior, Banque Francaise de Commerce Exterieur (BFCE), and BNP. He did not hold any management positions at the Company.

Mr. de Svastich obtained an LLB/JD from The Yale Law School and a B.A. in business administration from Princeton University. He also has a Latin American Teaching Fellowship - Fellow in International Law from The Fletcher School of Law and Diplomacy at Tufts University.

Mr. de Svastich resigned from the Board with an effective date December 17, 2020.

7.2 Other activities and vested interests

Other than described above, none of the Board members holds any position in governing or supervisory bodies of any major organization, institution or foundation under private or public law, permanent management or consultancy function for major interest groups, official function or political mandate.

The number of permitted activities for Board members pursuant to art. 12 para. 1 no. 1 of the Ordinance against Excessive Compensation at Listed Joint-Stock Companies ("OaEC") is set forth in art. 26 paras. 1, 3, 4 of the Articles.

7.3 Elections and terms of office

The Articles provide for a Board of Directors consisting of at least one member. Members are appointed and discharged by shareholders' resolution. Their term of office is until the completion of the next annual shareholders' meeting unless they resign during their term. Re-election is allowed. The Chairman of the Board is also appointed by shareholders' resolution. Members are elected or re-elected individually.

There are no rules in the Articles that differ from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Company's Nomination & Compensation Committee or the independent proxy.

7.4 Internal organization

The Board of Directors is self-constituting and determines the Company's internal organization based on the Organizational Regulations. The Chairman convenes the Board as often as the Company's affairs require and presides (or in his absence another Board member specifically designated by the majority of the other members present at the meeting) over the Board meetings. Each Board member is entitled to request to the Chairman, in writing, a meeting of the Board by indicating the grounds for such a request. The Chairman decides on the agenda items and motions. Every Director is entitled to request to the Chairman, in writing, the inclusion of a specific agenda item by indicating the grounds for such a request.

To pass a valid resolution, the majority of the Board members has to attend the meeting. Meetings may also be held by telephone or video conference, to which all the Board members are invited. No quorum is required for confirmatory resolutions and adaptations of the Articles in connection with capital increases. The Board of Directors passes its resolutions by way of simple majority. The members of the Board may only vote in person, not in proxy. In the event of a tie vote, the Chairman has the deciding vote. Minutes of deliberations and resolutions are kept and signed by the Chairman and the designated Secretary.

The Board has established the following permanent committees to further strengthen the corporate governance structure of the Company. Committee memberships are set out in the table at the beginning of section 7 of this report.

Audit and Finance Committee (AFC): The AFC advises the Board of Directors in the performance of its supervisory duties. In particular, the AFC reviews the financial reporting to shareholders and the general public as well as the relationship with the external auditors; satisfies itself that the Company's financial risk management and the Company's internal controls are of an appropriate standard; ensures that its activities are consistent and compliant with the Organizational Regulations; assesses adherence to the relevant 'best practice' corporate governance provisions, to the extent such practice has effect on the activities and the functions of the AFC; satisfies itself that the Company's overall fraud prevention procedures are of an appropriate standard and ensures that appropriate procedures to enable employees to confidentially and anonymously submit their concerns regarding accounting, internal controls or auditing matters are in place.

Nomination and Compensation Committee (NCC): The NCC advises the Board of Directors in the performance of its supervisory duties related to nomination and compensation matters. It is responsible for ensuring the best possible leadership and management of the Company and for determining compensation policies, including share-based incentive programs, for the Company's top management and Board of Directors.

7.5 Modus operandi of the Board of Directors and the Board committees

As a rule, the Board meets as often as the business requires. In 2020, the Board of Directors conducted seventeen meetings in person or by telephone conference with an average duration of thirty to sixty minutes. The NCC, composed of one member, attended all Board meetings during 2020 and, when required, prepared and issued recommendations pertaining to nomination and compensation matters. The AFC, composed of one member, attended all Board meetings during 2020 and, when required, prepared and issued recommendations pertaining to audit and finance matters.

Peter de Svastich, who resigned from the Board on December 17, 2020, was the sole member of the NCC and AFC. In accordance with the Articles, the Board of Directors filled the open positions for the remaining term of office; i.e., until the next General Meeting of Shareholders, and appointed Raghuram Selvaraju and Thomas Plitz as members of the NCC as of January 26, 2021. On the same date, the Board appointed Thomaz Burckhardt as the sole member of the AFC. Since Mr. Burckhardt's resignation, the remaining members of the Board of Directors have temporarily assumed the functions of the AFC.

Areas of responsibility

The Board is entrusted with the ultimate direction of the Company and supervision of the Executive Committee (see section 8 below). The Board's non-transferable and inalienable duties include the duty to: (i) ultimately manage the Company and issue any necessary directives; (ii) determine the organizational structure of the Company; (iii) organize the accounting system and financial controls and approve financial plans; (iv) appoint, recall and supervise the persons entrusted with the management and representation of the Company; (v) prepare the annual report and the shareholders' meeting, carrying out shareholders' meeting resolutions; (vi) notify to the court in case the Company is overindebted; and (vii) prepare the compensation report.

The Board of Directors has entrusted the execution of its defined strategies and the day-to-day management of the Company and the Group to the Executive Committee (see section 8), which is responsible for the overall management of the Group, in accordance with the Articles and pursuant to the areas of responsibility as detailed in the by-laws.

Information and control instruments with respect to the Executive Committee

The Board of Directors receives regular management reports providing updates on the status of finance, business, and development activities of the Group as required by the situation, but at least on a monthly basis. In addition, members of the Board and the Executive Committee hold strategic discussions on the current course of business and all significant issues and transactions as soon as they arise. External experts regularly participate in discussions pertaining to regulation and development activities.

Board members also have the opportunity to talk to the members of the Executive Committee to oversee the Company's business and processes. Each Board member is entitled to request and receive information on all matters of the Company and the Group and has access to all of the Group's records. As a rule, Board members do not participate in the meetings of the Executive Committee.

The Company has an insider trading policy, a code of conduct and a written set of rules approved by the Board and with which members of the Executive Committee must comply. Further, while the Company has no internal audit function, the Board receives a written report from the independent auditors on the audit results, which includes any findings with respect to internal control risks arising as a result of the audit procedures.

7.6 Compensation, shareholdings and loans

An extensive description of the compensation system and the amounts paid to members of the Board of Directors and Executive Committee is available in the Compensation Report.

8. Executive Committee

As of December 31, 2020, the Executive Committee was comprised of the Chief Medical Officer, the Chief Financial Officer and the Chief Commercial Officer. The Executive Committee, under the direction and control of the Board of Directors, conducts the operational management of the Group pursuant to the Company's organizational regulations.

During the Board of Directors and Board committee meetings, the members of the Executive Committee report whenever required. The members of the Executive Committee are appointed by the Board upon proposal by the NCC.

The Executive Committee is responsible for the implementation of the decisions made by the Board of Directors and the Board committees. It prepares the Business Plan for the Board's decisions; approves material contracts and allocates financial, personnel and other resources within the Group, as well as supervises senior management. The Executive Committee meets as often as required, together with the senior management. The meetings usually cover in particular the following topics: licensing activities related to development programs, clinical research, business development, resource allocation, competitive situations and trends in the economic environment, corporate affairs (including important contracts), public and investor relations, human resources, taxes, legal and compliance.

8.1 Members as of December 31, 2020

- Gilles Della Corte, M.D., Chief Medical Officer since September 2020
- Jack Weinstein, Chief Financial Officer since October 2020
- Chris Stijnen, Chief Commercial Officer since December 2020

Yves Sagot was Relief's Chief Scientific Officer from May 2016 to October 2020. Zoltan Czigler was hired as external Chief Financial Officer from September 2019 to March 2020. Jeremy Meinen was Chief Financial Officer ad-interim from April 2020 to September 2020 and then transitioned into his current role as VP Finance and Administration.

Gilles Della Corte, Chief Medical Officer, French national, born in 1955.

Gilles Della Corte, M.D., joined Relief in September 2020 as Chief Medical Officer. Dr. Della Corte has over 40 years of professional experience, including 30 years in the biopharmaceutical industry. He held several senior clinical research positions at Merck Serono (previously Serono), where he was responsible for the development from proof of concept to life cycle management of projects in several disease areas, including cardiology, rheumatology, oncology and endocrinology. Earlier in his career, he held positions of increasing responsibility at several clinical research organizations (CROs), pharmaceutical and start-up companies, including Rhone-Poulenc-Rorer, Servier, Solvay Pharma, as well as Phoenix Life Sciences, Larime, Omnicare Clinical Research, Therapharm, and Anergis. In 2016, Dr. Della Corte founded Dellmed Consulting, providing strategic advice and hands-on support for clinical development in various therapeutic areas, such as dermatology, oncology, allergy, and for CRO selection for companies ranging from biotech start-ups to well-established pharmaceutical companies. He is employed by the Company on a consulting basis.

Dr. Della Corte holds an M.D. from Paris-Sud University (Paris XI) and is a Board-certified cardiologist with ten years of hospital practice.

Jack Weinstein, Chief Financial Officer, United States of America national, born in 1956.

Jack Weinstein joined Relief in October 2020 as its U.S.-based Chief Financial Officer and Treasurer. As a full-time employee for the Company, he brings over 35 years of wide-ranging executive management expertise, including as a CFO, investment banker and consultant in the biopharmaceutical and life sciences industries. Mr. Weinstein has extensive experience in finance and healthcare investment banking, corporate and business development, as well as FDA regulatory and intellectual property strategies. He has successfully completed a variety of corporate finance transactions, including public and private financings, as well as merger and acquisition transactions. Before joining Relief, Mr. Weinstein served as Managing Director and Head of Healthcare Investment Banking at Avalon Net Worth, an independent New York-based boutique investment bank. Prior to Avalon, he was CFO, Treasurer and Vice President of Business Development at Catalyst Pharmaceuticals, Inc. (Nasdaq: CPRX), a biopharmaceutical company developing prescription pharmaceutical products to treat orphan diseases. He eventually took the company public through an IPO on the Nasdaq Global Market. He also was President and Founder of The Sterlington Group, Inc., a consulting firm providing strategic, business development, regulatory and "CFO" consulting services, including M&A advisory and raising equity and debt for middle-market companies. Adding to his credentials, Mr. Weinstein gained experience at several other investment banking and consulting firms. He holds an MBA from Harvard University School of Business Administration.

Chris Stijnen, Chief Commercial Officer, Netherlands national, born in 1963.

Chris Stijnen joined Relief in December 2020 as its Chief Commercial Officer. He is a highly experienced pharmaceutical executive with a successful track record in marketing, general management, access strategy and product development across a variety of indications. Prior to joining Relief, he had an impressive career with Bristol-Myers Squibb, where he was responsible for the marketing and commercialization of the company's portfolio in various international subsidiaries between 2005 and March 2020. Most recently he was VP Product & Portfolio Strategy and Interim Head Commercial Strategy and Capabilities for Bristol-Myers Squibb China in Shanghai, China. Before that, he was Head Operations & Japan liaison, Product Portfolio and Access Strategy Department for Bristol-Myers Squibb Worldwide Commercial Organization in Princeton, New Jersey, USA. Prior to this, he developed early access strategies for specialty and orphan pipeline drugs as Access Strategy Lead Immunology, Fibrosis & Genetically Defined Diseases. Mr. Stijnen accumulated further product launch and commercialization experience as General Manager and President Director at Bristol-Myers Squibb locations in Russia, Turkey and Indonesia. His career with Bristol-Myers Squibb followed a 15-year tenure with Organon, which was acquired in 2007 by Schering-Plough Corporation (now part of Merck & Co.). At Organon, he helped launch various products and set up the Organon offices in Colombia to restructure commercialization activities in Central America. He was first employed by the Company on a consulting basis and then transitioned into an employee.

A native of the Netherlands, Mr. Stijnen earned an MSc. in Business Economics from Erasmus University Rotterdam.

Yves Sagot, Chief Scientific Officer, French national, born in 1964.

Dr. Sagot received his Ph.D. in Neurobiology at the University Paul Sabatier, Toulouse, France, for his work on factors regulating axonal regeneration. He did his postdoctoral studies at the University Medical Center (CMU, University of Geneva) on motoneuron diseases. In 1999, he joined Serono International SA, to work on neurodegenerative and neuroinflammatory diseases as group leader and technological platform leader. Following Merck KGaA's takeover of Serono in 2007, Dr. Sagot's activities focused on therapeutic target validation for Alzheimer's and Parkinson's diseases through internal and external partnerships with public or private institutions. He was one of the founders of Relief Therapeutics SA, acting as managing partner and CSO. In 2014, he completed his training by a Certificate of Advance Studies in Management of Biotech, Medtech and Pharma Ventures at the Swiss Federal Institute of Technology (EPFL), Lausanne, Switzerland.

Dr. Sagot transitioned into a consulting role on October 6, 2020 and ceased to consult for Relief in early November 2020. Since then, he has had no ongoing role at Relief.

8.2 Other activities and vested interests

None of the Executive Committee members has any position in governing or supervisory bodies of any major organization, institution or foundation under private or public law, permanent management or consultancy function for major interest groups, official function or political post.

The number of permitted activities for members of the Executive Committee pursuant to art. 12 para. 1 no. 1 of the OaEC is set forth in art. 26 paras. 2-4 of the Articles.

8.3 Management contracts

The Company generally enters into employment agreements with members of the Executive Committee for an indefinite term. In 2020, the Company also entered into temporary or permanent consulting services agreements with certain members of the Executive Committee. These agreements replace standard employment terms while serving a similar purpose and providing additional flexibility to the Company in a rapidly changing landscape. Management services were provided by the respective member and the corresponding remuneration is disclosed in the Company's Compensation Report.

There are no other management contracts in place between the Group and third parties.

9. Shareholder participation and voting rights restrictions and representation

One Relief share (except for treasury shares) carries one vote at the shareholders' meeting (assuming the registration requirements of the Articles are fulfilled). There are no voting right restrictions stipulated by the Articles, no statutory group clauses and hence no rules for making exceptions. Consequently, there is neither a procedure nor a condition for their cancellation. A shareholder may be represented at any shareholders' meeting by his legal representative (who does not have to be a shareholder), the independent proxy or by another shareholder with voting rights.

Pursuant to art. 13 para. 3 of the Articles, the Board of Directors may issue the procedural rules regarding admission to the general meeting, representation and the recognition of the proxies, as well as the grant of proxies and instructions, by electronic means. As of December 31, 2020, the Board had not issued such procedural rules.

Statutory quorum

There are no provisions in the Articles on quorums differing from the applicable legal provisions.

Convocation of the general meeting of shareholders

There are no provisions in the Articles on the convocation of the shareholders' meeting differing from the applicable legal provisions.

Agenda rules

The Board of Directors decides on the agenda of the shareholders' meeting. Shareholders with voting rights representing at least 10% of the Company's share capital or representing shares in the Company of an aggregate nominal value of at least CHF 1'000'000, may, up to 45 days before the date of the meeting, demand that items be included in the agenda. Such requests must be in writing and must specify the items and the motions to be submitted.

Registrations in the share register

Shareholders entered in the share register as shareholders with voting rights on a specific qualifying day designated by the Board of Directors (record date), which is usually more than five business days before the annual shareholders' meeting, are entitled to attend the shareholders' meeting and to exercise their voting rights at such a meeting.

10. Changes of control and defense measures

The Articles contain an "opting out" clause. Therefore, a purchaser who acquires one third or more of the Company's share capital is not obliged to make a public offering to purchase the remaining shares.

No change of control clauses exists in the agreements with members of the Board of Directors, of the Executive Committee or of the management of the Company. However, a change of control clause is included in the Company's Equity Award Program 2015, allowing for immediate vesting of non-vested options at the time of a change of control.

11. Auditors

11.1 Duration of the mandate and term of office of the lead auditor

Mazars SA was re-elected as group and statutory auditor of the Company at the Annual General Meeting held on July 17, 2020. The appointment is made on an annual basis. Mazars SA has served as auditor since May 30, 2017. The auditor in charge since 2017 is Mr. Franck Paucod. The AFC ensures that the position of the lead auditor is changed at least every seven years.

11.2 Auditing fees and additional fees

The charge for professional services rendered by Mazars for the twelve-month period ended December 31, 2020, was CHF 172'000 and consisted of fees billed for the annual audit of the Company's financial statements and for audit-related services, such as reports for capital increase transactions. In 2020, Mazars SA did not earn additional fees.

Audit services are defined as the standard audit work that needs to be performed each year in order to issue an opinion on the consolidated financial statements of the Company and to issue reports on the local statutory financial statements where necessary, which also includes the audit of the existence of the Internal Control System.

11.3 Supervisory and control instruments pertaining to the audit

The Board of Directors performs its supervisory and control functions of the external auditors through the AFC. In particular, the AFC meets with the auditors during the audit process to discuss in depth the audit procedures, any findings made and proposed recommendations. The primary objective of the AFC is to support the Board of Directors in monitoring the Company's Internal Control System, accounting principles, financial reporting and auditing. The AFC meets with the auditors at least twice a year - once to discuss the scope and the results of the completed year-end audit and once to discuss the scope of the upcoming year-end audit.

12. Information policy

Relief reports to its shareholders, employees, business partners and other public stakeholders in an open, transparent and timely manner. Equal treatment of all stakeholders is the guiding principle behind its approach. In doing so, the Company is able to increase awareness and understanding of its objectives, strategy and business activities. The Board follows policies to protect the Company's interests and assets, to release material information in a timely and controlled manner, and to observe rules and regulation of SIX and Swiss law.

The most important informational tools are ad hoc and other news releases, the Annual Reports, semi-annual Interim Reports, the Swiss Official Gazette of Commerce publications and the Company's website (www.relieftherapeutics.com), as well as the shareholders' meeting.

Investors and other parties interested in subscribing to the Company's news service may do so by registering at www.relieftherapeutics.com/news-and-events.

COMPENSATION REPORT

The Compensation Report provides an overview of the compensation programs, the method of determination of compensation and the compensation awarded in 2020 to the members of the Board of Directors and of the Executive Committee of RELIEF THERAPEUTICS Holding SA.

The report is written in compliance with the provisions of the Ordinance against Excessive Compensation in Stock Listed Corporations and the standards related to information on Corporate Governance issued by the SIX Swiss Exchange.

1. Compensation Governance

1.1 Nomination and Compensation Committee

The Nomination and Compensation Committee (NCC) assists the Board of Directors in all nomination and compensation matters. As detailed in the Organizational Rules of the Company, the NCC is responsible for ensuring the best possible leadership and management talent for the company and an appropriate compensation policy. In particular, the NCC is responsible for the following activities:

- identification of suitable candidates for positions on the Board of Directors and on the Executive Committee;
- recommendation and proposal of compensation principles and programs, including share-based compensation plans;
- recommendation and proposal of the compensation for the members of the Board of Directors and Executive Committee;
- recommendation and proposal of specific compensation packages for other members of management.

The decision-making authority for compensation matters is summarized in the table below:

Levels of authority

	CEO*	NCC	Board	AGM
Compensation policy including share-based plans		proposes	approves	
Aggregate compensation of the Board of Directors		proposes	reviews	approves
Individual remuneration of the Board members		proposes	approves	
Aggregate compensation of the Executive Committee		proposes	reviews	approves
Individual compensation of the CEO		proposes	approves	
Individual compensation of Executive Committee members	Proposes*	reviews	approves	
Compensation report		proposes	approves	

*Of note, as of July 1, 2019, the authority ascribed to the former CEO was transferred to the NCC *ad interim*, until a new CEO is nominated.

The NCC consists of members of the Board of Directors who are elected individually and annually by the Annual General Meeting (AGM) for the period until the following AGM. At the AGM 2020, Mr. Peter de Svastich was re-elected as NCC member (Chairman). Following his resignation from the Board of Directors on December 17, 2020, and as provided for in the Articles of Association of the Company and in the Ordinance, the Board of Directors filled the open position for the remaining term of office by appointing Raghuram Selvaraju (Chairman) and Thomas Plitz as NCC members.

The NCC meets as often as the business requires, but at least once a year. The NCC Chairman may invite the Chairman of the Board, the CEO or other members of the Executive Committee to join the meeting in an advisory capacity. However, the executives do not take part in the meeting, or parts of meeting, during which their own compensation is discussed. The NCC Chairman reports to the Board of Directors on the activities of the committee after each meeting. The minutes of the NCC meetings are made available to all members of the Board of Directors. The NCC may retain external advisors to get support in fulfilling its duties.

1.2 Role of Shareholders: Say-on-pay Vote

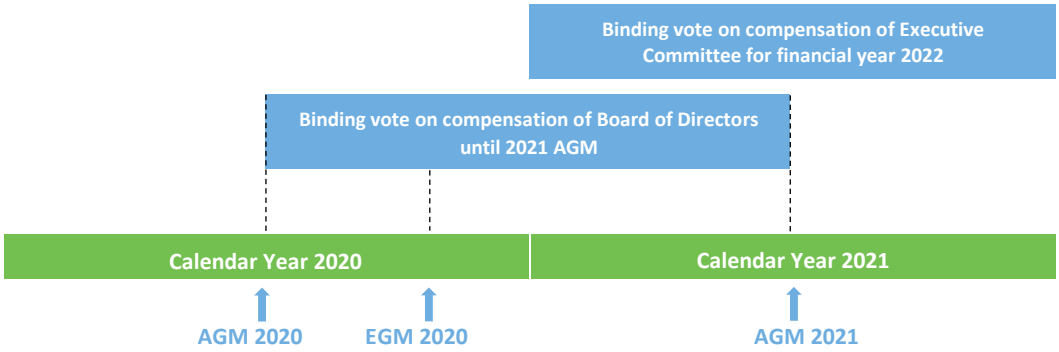
In line with the requirements of the Ordinance, the Company's Articles of Association and the Organizational Regulation include provisions on the following governance and compensation-related matters:

- principles of the duties and responsibilities of the NCC;
- number of permissible mandates in the supreme governing bodies of other legal entities;
- maximum terms of employment contracts and maximum notice period for members of the Executive Committee;
- principles of compensation applicable to the Board of Directors and Executive Committee;
- shareholders' binding vote on compensation of the Board of Directors and Executive Committee;
- additional amount for members of the Executive Committee hired after the vote on compensation by the AGM;

- loans, credit facilities and post-employment benefits for members of the Board of Directors and of the Executive Committee.

Say-on-pay vote structure

At the AGM 2021, a binding vote on the compensation amount of the Board of Directors will be conducted (say-on-pay vote). In order to provide the Company and its executives with a necessary level of planning certainty to operate efficiently, a prospective voting structure has been chosen. The AGM will vote on the maximum compensation amount of the Board of Directors for the period of office until the following AGM. The maximum compensation amount of the Executive Committee for the financial year 2021 was approved by the Extraordinary General Meeting ("EGM") held on December 17, 2020.



The EGM held on December 17, 2020 approved revised compensation packages for the Board of Directors until the AGM 2021 and for the Executive Committee for the financial year 2021.

1.3 Method of Determination of Compensation

Based on the recommendation of the NCC, the Board of Directors decides upon the compensation of the Board of Directors and Executive Committee at its own discretion, which is ultimately approved by the AGM. When preparing the compensation proposals, the NCC takes the following factors into consideration:

- affordability and overall situation of the Company;
- business financial results and individual performance;
- level of compensation paid by other companies that are deemed to be comparable in terms of industry (where they compete for talent) and complexity (defined by their size and geographic scope).

The compensation of the Board of Directors and Executive Committee is reviewed annually on the basis of those factors; however, the review does not necessarily lead to any adjustment.

2. Compensation of the Board of Directors

2.1 Principles and Compensation Architecture

The compensation of the Board of Directors is determined based on discretionary economic considerations and may be delivered in cash and in the form of stock options.

The compensation in cash and in options is usually paid at the end of the period of service, shortly after the AGM. However, the Board of Directors may elect to pay one or all of its members at its own discretion any time during the period between one AGM and the following one. The compensation of the Board of Directors is subject to regular social security contributions and is not pensionable.

2.2 Compensation Awarded to the Board of Directors

This section is audited in accordance with Article 17 of the Ordinance.

The disclosure of compensation below includes all forms of compensation given by the Company in exchange for services rendered by the members of the Board of Directors.

Compensation of the Board of Directors for the 2020 calendar year, in CHF

Board of Directors	Fixed Fee 2020	Fixed Fee 2019	Options [6/7] 2020	Options 2019	Total 2020	Total 2019
Raghuram Selvaraju, Chairman [1]	0	0	418'548	0	**418'548**	**0**
Thomaz Burckhardt [2]	127'500	0	253'340	0	**380'840**	**0**
Thomas Plitz [3]	0	0	0	0	**0**	**0**
Peter de Svastich [4]	0	0	308'403	0	**308'403**	**0**
Michel Dreano [5]	0	0	0	0	**0**	**0**
Total Board of Directors	**127'500**	0	**980'291**	0	**1'107'791**	**0**

[1] Chairman of the Board since 25 May 2016, re-elected at the AGM 2020.
[2] Member of the Board of Directors since 14 June 2019; re-elected at the AGM 2020. Mr. Burckhardt resigned with effective date 8 February 2021.
[3] Newly elected member of the Board of Directors since the EGM of 17 December 2020.
[4] Member of the Board of Directors since 25 May 2016; re-elected at the AGM 2020. Mr. de Svastich resigned with effective date 17 December 2020.
[5] Member of the Board of Directors since 25 May 2016; re-elected at the AGM 2019. Also was Chief Financial Officer. Mr Dreano resigned from all his roles with effective date 30 June 2019.
[6] Reflects value of share-based payments in accordance with IFRS 2 at grant date. Such stock option values are theoretical values at grant date and do not reflect taxable income.
[7] Does not include the Company's contribution to social security (AHV) pursuant to applicable law. Based on the closing share price on 31 December 2020 for non-exercised options and on the closing share price on the date of exercise for options exercised during the period, employer contributions amount to CHF 106'560.

The figures in the table above cover the 2020 calendar year, as required by Swiss law. These differ from the period authorized by the EGM held on December 17, 2020, which runs from the AGM 2020 to the AGM 2021 ("Authorization period").

During the Authorization period, members of the Board of Directors are expected to earn a total compensation of CHF 1'161'820, primarily in the form of stock options. This is within the limit of CHF 1'500'000 approved by the EGM. As this period is not yet ended as of the publication date of this report, the figures shown in the table below include actual to date and an estimate of the compensation to be earned over the remaining period until the AGM 2021.

	Calendar year 2020		Authorization period 2021/2020		
Compensation (CHF)	**Period**	**Amount**	**Period**	**Amount**	**Approved**
Fixed Fee	January 2020 - December 2020	127'500	July 2020- June 2021	236'610	
Options	January 2020 - December 2020	980'291	July 2020- June 2021	925'210	
Total		**1'107'791**		**1'161'820**	**1'500'000**

Mr. Burckhardt received during the period from the date of publication of the 2019 Compensation Report (April 30, 2020) and the date of the AGM 2020 (July 17, 2020), cash payments of CHF 75'000 and equity incentives (options) of CHF 55'080. These amounts are included in the calendar year figures.

In 2020, no compensation was granted to former members of the Board of Directors or related parties.

3. Compensation of the Executive Committee

3.1 Principles and Compensation Architecture

The compensation principles are aligned with the Company's strategy of becoming profitable by generating new business and increasing revenue, while improving cost efficiency and restructuring business processes. The compensation principles are:

- balance between competitiveness and affordability: as far as possible within the Company's financial ability, compensation levels are competitive and aligned with market practice for similar functions in comparable companies;
- pay for performance: part of compensation is directly linked to the performance of the business and to the achievement of individual objectives;
- alignment with shareholders' interests: part of compensation is delivered in the form of stock option and thus is directly tied to the Company's long-term share performance.

The compensation of the Executive Committee consists of a fixed base salary, possibly a performance-based cash bonus, a grant of share options, and benefits.

Compensation model of Executive Committee

	VEHICLE	PURPOSE	DRIVERS	PERFORMANCE
Fixed base salary	Monthly cash	Attract & retain	Market practice	–
Performance bonus	Cash bonus	Pay for performance	Business and individual performance	Company´s profitability, individual performance
Employee Participation Program (EAP)	Share options	Align to shareholders´ interests	Level of the role	Share price
Benefits	Pension/insurance plans	Protect against risk	Market practice	–

Fixed base salary: The fixed base salary pays for the function and depends on the company's financial ability, the market value of the function and the profile of the individual in terms of qualifications and skill set.

Performance bonus: The performance bonus rewards the profitability of the business and the achievement of individual objectives over a period of one year. The target performance bonus is expressed as a percentage of fixed base salary. Generally, there is no bonus payout if the Company does not generate a profit. When the Company is profitable or at the discretion of the Board of Directors and the NCC, decision to grant a bonus may be taken. The bonus amount effectively paid out is then determined by the Board of Directors, based upon the proposal of the NCC. The performance bonus is paid in cash or options, usually in April of the following year.

Employee Participation Program: The Employee Participation Program provides an incentive for management to make significant contributions towards the long-term success of the Company and aligns their interests to those of the shareholders. The Board of Directors determines the individual allocation of stock options at its own discretion, taking into account the level of the role and economic considerations. The value of the options is calculated according to the Black Scholes valuation model.

Benefits: Members of the Executive Committee participate in the regular pension and retirement plans applicable to all employees in their country of employment. The provisions of those pension and retirement plans are in line with local regulations and prevailing market practice. Further, the members of the Executive Committee may be entitled to benefits in kind, in line with local market practice, such as a company car or other benefits.

Contractual provisions: The employment contracts of members of the Executive Committee are concluded for an indefinite period and without a notice period. They do not contain any agreement on severance payments.

3.2 Compensation Awarded to the Executive Committee

This section is audited in accordance with Article 17 of the Ordinance.

The disclosure of compensation includes all forms of compensation given by the Company in exchange for services rendered by the members of the Executive Committee. A comprehensive list of the members of the Executive Committee in 2020 is provided in the Governance Report.

In 2020, members of the Executive Committee received a total remuneration of CHF 442'316 in cash (2019: CHF 247'637) and CHF 26'016 in stock options (2019: CHF 0).

Compensation of the Executive Committee for the 2020 calendar year, in CHF

	Fixed compensation	Cash bonus	Pension benefits	Options[2]	Total 2020[3]	Total 2019
Total Executive Committee[1]	**442'316**	**-**	**-**	**26'016**	**468'332**	**247'637**

1 The highest paid member of the Executive Committee in 2020 was the Chief Medical Officer, Dr. Della Corte, who received CHF 99'357 of fixed compensation as contractor for the Company since 1 September 2020. In 2019, the highest paid member was the CEO, Mr. Hedou, who received CHF 114'925 of fixed compensation until his resignation, effective on 30 June 2019.

2 Reflects value of share-based payments at grant date using the Black Scholes model. Such values are theoretical and do not reflect taxable income.

3 Does not include the Company's mandatory contribution to social security (AHV) of CHF 5'691.

During fiscal year 2020, remuneration for the Executive Committee amounted to CHF 468'332. This was within the limit of CHF 1'200'000 approved by the AGM 2020 for this period.

In 2020, the Company issued payments of CHF 4'650 to a former member of the Executive Committee (2019: none) in exchange for consulting services. In addition, former members of the Executive Committee exercised options granted in 2017 and 2018, which resulted in an obligation for the Company to pay employer's contribution to social security estimated at CHF 635'000 as of December 31, 2020.

4. Loans to Members of the Board of Directors and Executive Committee

In 2020 and 2019, no member of the Board of Directors or Executive Committee received any loans from the Company.

Details on shareholdings of the members of the Board of Directors and Executive Committee are in Note 13 of the statutory financial statements.

MAZARS SA
Chemin de Blandonnet 2
1214 Vernier-Geneva

Phone +41 22 708 10 80
www.mazars.ch

RELIEF THERAPEUTICS Holding SA
Geneva

Statutory Auditor's Report
Remuneration report
December 31, 2020

MAZARS SA
Chemin de Blandonnet 2
1214 Vernier-Geneva

Phone +41 22 708 10 80
www.mazars.ch

Report of the Statutory Auditor to the General Meeting of RELIEF THERAPEUTICS Holding SA, Geneva

We have audited the accompanying remuneration report of RELIEF THERAPEUTICS Holding SA for the year ended December 31, 2020. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled "audited" in section 2.2 on page 24, in sections 3.2 and 4 on page 26 of the remuneration report.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock-Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended December 31, 2020 of RELIEF THERAPEUTICS Holding SA complies with Swiss law and articles 14 – 16 of the Ordinance.

MAZARS SA

Franck Paucod
Licensed Audit
Expert (Auditor in Charge)

Elisa Leu
Licensed Audit Expert

Geneva, April 15, 2021

Enclosures
- Remuneration report

RELIEF THERAPEUTICS Holding SA

Consolidated Financial Statements
for the year ended December 31, 2020

Consolidated balance sheet

in CHF thousands	Notes	December 31, 2020	December 31, 2019
ASSETS			
Intangible assets	8	30'800	19'600
Financial assets due from third parties	9	392	-
Non-current assets		**31'192**	**19'600**
Other current financial assets	11	185	-
Other current assets and other receivables	12	3'514	98
Restricted cash	10	5'093	-
Cash and cash equivalents	13	38'061	129
		46'853	**227**
Assets held for sale	14	-	36
Current assets		**46'853**	**263**
Total assets		**78'045**	**19'863**
EQUITY AND LIABILITIES			
Share capital	15	32'467	21'139
Reserves	16	69'774	20'665
Accumulated losses		(35'198)	(27'506)
Equity		**67'043**	**14'298**
Deferred tax liabilities	29	4'309	2'742
Non-current liabilities		**4'309**	**2'742**
Trade payables	17	1'432	283
Financial liabilities due to third parties	18	891	757
Financial liabilities due to related parties	19	-	982
Provisions	20	-	58
Other current payables and liabilities	21	4'370	412
		6'693	**2'492**
Liabilities directly associated with assets held for sale	14	-	331
Current liabilities		**6'693**	**2'823**
Total equity and liabilities		**78'045**	**19'863**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive loss

in CHF thousands	Notes	2020	2019
Other gains	23	273	155
Service expense	24	(13'672)	(68)
Personnel expense	25	(2'627)	(281)
Other administrative expense	26	(2'999)	(597)
Other losses	27	(1'260)	(70)
EBITDA		**(20'285)**	**(861)**
Impairment expense	8	-	(11'200)
Reversal of impairment losses on intangible assets	8	11'200	-
Depreciation and amortization expense		-	(1)
Operating result		**(9'085)**	**(12'062)**
Gain from disposal of a subsidiary	31	3'382	-
Financial income	28	155	42
Financial expense	28	(713)	(142)
Net result before taxes		**(6'261)**	**(12'162)**
Income taxes	29.1	(1'567)	4'702
Net result for the period		**(7'828)**	**(7'460)**
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit obligation	22	136	470
Total items that will not be reclassified subsequently to profit or loss		**136**	**470**
Currency translation differences	16.3	3	5
Total items that may be reclassified subsequently to profit or loss		**3**	**5**
Total other comprehensive income for the year, net of tax		**139**	**475**
Total comprehensive result for the period		**(7'689)**	**(6'985)**
EARNINGS PER SHARE			
Basic and diluted loss per share (in CHF)	32	(0.003)	(0.004)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated cash flow statement

in CHF thousands	Notes	2020	2019
Net loss for the period		(7'828)	(7'460)
Adjustments for:			
Taxes charged	29.1	1'567	(4'702)
Impairment expense	8	-	11'200
Reversal of impairment	8	(11'200)	-
Depreciation expense		-	1
Losses on financial assets at fair value through profit or loss	11	1'195	-
Gain on disposal of subsidiary	31	(3'382)	
Gain on loan forgiveness	23	(104)	-
Impairment of receivables due from third parties	9	50	-
Finance expenses	28	713	142
Finance income	28	(155)	(42)
Interest expenses paid		(143)	(3)
Income tax paid		-	(10)
Loss on disposal of intangible assets	27	-	70
Changes in pension obligations		-	39
Expenses recognised due to share-based payments	30	1'048	-
Changes in working capital:			
(Increase) in other assets and other receivables		(3'874)	(37)
Increase in trade payables		1'160	225
(Decrease) in financial liabilities due to third parties		(654)	
(Decrease)/increase in financial liabilities due to related parties		(20)	20
(Decrease)/increase in provisions		(58)	(200)
Increase in other payables and accrued liabilities		3'474	29
(Decrease) in liabilities associated with assets held for sale		(43)	-
Cash flow used in operating activities		**(18'254)**	**(728)**
Proceeds on sale of other financial assets	11	3'262	-
Payments of loans to third parties	9/36	(241)	-
Net cash out flow on disposal of subsidiary	31	(16)	-
Cash flow from investing activities		**3'005**	**-**
Proceeds from capital increase	15/16.1	58'334	-
Transaction costs in relation to capital increase	16.1	(634)	-
Proceeds from borrowings	19	500	600
Cash flow from financing activities		**58'200**	**600**
Net (decrease)/increase in cash and cash equivalents		**42'951**	**(128)**
Cash and cash equivalents at beginning of period		137	265
Effects of exchange rate changes on the balance of cash held in foreign currencies		66	-
Cash and cash equivalents at end of period		**43'154**	**137**
included in cash and cash equivalents	13	38'061	129
included in restricted cash	10	5'093	-
included in assets held for sale	14	-	8

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in CHF thousands	Notes	Share capital	Reserves	Accumulated loss	Total equity
Balance at January 1, 2019		**20'889**	**20'910**	**(20'516)**	**21'283**
Result for the period		-	-	(7'460)	(7'460)
Other comprehensive income for the period		-	5	470	475
Total comprehensive result for the period		**-**	**5**	**(6'990)**	**(6'985)**
Capital increase	15	-	-	-	-
Unregistered SSF draw downs	16.1	-	-	-	-
Unregistered SSF draw downs reclassified to share capital	16.1	250	(250)	-	-
Share-based payments	16.2/30	-	-	-	-
Balance at December 31, 2019		**21'139**	**20'665**	**(27'506)**	**14'298**
Balance at January 1, 2020		**21'139**	**20'665**	**(27'506)**	**14'298**
Result for the period		-	-	(7'828)	(7'828)
Other comprehensive income for the period		-	3	136	139
Total comprehensive result for the period		**-**	**3**	**(7'692)**	**(7'689)**
Capital increase	15	2'980	47'959	-	50'939
Exercise of warrants	15	7'667	46	-	7'713
Exercise of stock options	15/30	681	724	-	1'405
Share-based payments	16.2/30	-	1'048	-	1'048
Transaction cost in relation to capital increases		-	(634)	-	(634)
Recycling of foreign currency exchange reserve	16.3	-	(37)	-	(37)
Balance at December 31, 2020		**32'467**	**69'774**	**(35'198)**	**67'043**

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

RELIEF THERAPEUTICS Holding SA ("Relief", the "Company" or the "Group") is a Swiss stock corporation domiciled at 15 Avenue de Sécheron, 1202 Geneva, Switzerland. The Company's shares are listed on the SIX Swiss Exchange (Ticker: RLF) and quoted in the U.S. on the OTCQB (Ticker: RLFTF).

The Group is focused on the development or licensing of molecules with a history of clinical use and either initial human activity with efficacy data or a strong scientific rationale. Its most advanced program is the compound RLF-100™ (aviptadil), a synthetic human vasoactive intestinal peptide (VIP) with a multifaceted mode of action, in respiratory indications, including COVID-19 induced lung injury and pulmonary sarcoidosis, two diseases for which no transformational therapy exists. Relief is also actively pursuing opportunities to diversify its pipeline beyond RLF-100™.

On April 1, 2020, Relief divested its subsidiary Relief Therapeutics SA ("Relief SA"), the focus of which was to develop atexakin alfa, to Sonnet BioTherapeutics, Inc. ("Sonnet Holdings") through a Share Exchange Agreement ("SEA") which was executed on August 12, 2019.

These consolidated financial statements were approved for publication by the Board of Directors on April 14, 2021.

2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRS Standards and Interpretations

In the current year, the Group has applied the following new or amended Standards that became effective from January 1, 2020. The revised Standards did not have a material effect on these financial statements.

- Amendments to Conceptual Framework;
- Definition of Material – amendments to IAS 1 and IAS 8;
- Definition of a Business – amendment to IFRS 3;
- Interest Rate Benchmark Reform – amendment to IFRS 9, IAS 39 and IFRS 7; and
- COVID-19-Related Rent Concessions – amendment to IFRS 16.

2.2 IFRS Standards and Interpretations issued and not yet adopted

Certain new accounting Standards and Interpretations have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group's overall results and financial position.

3. Summary of significant accounting policies

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with Swiss law. They have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, are presented in Swiss Francs (CHF), and all values are rounded to the nearest thousand (TCHF), except when otherwise indicated.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of December 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- any contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Inter-company transactions, balances and unrealized gains/losses on transactions between Group companies are eliminated. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

3.3 Current versus non-current classification

The Group presents assets and liabilities in its statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed in a normal operating cycle, which is twelve months;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle, which is twelve months;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

If the entity that issues the shares (the legal acquirer) is identified as the acquiree for accounting purposes, the entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction to be considered a reverse acquisition. Consolidated financial statements prepared following a reverse acquisition are issued under the name of the Company but described in the notes as a continuation of the financial statements of the legal subsidiary, with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the Company. That adjustment is required to reflect the capital of the Company.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in CHF, which is the presentation currency of the Company (the "presentation currency").

Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Group companies

Assets and liabilities of Group entities using a functional currency different from the presentation currency are translated into the presentation currency using year-end rates of exchange. Income and expenses and cash flows are translated at average exchange rates. All resulting translation differences are recognized directly in other comprehensive income. On the divestment of a foreign entity, the identified cumulative currency translation difference relating to that foreign entity is recognized in profit or loss as part of the gain or loss on divestment.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Amortization of capitalized in process research & development (IPR&D) starts once the asset is available for use, which is usually the point in time at which marketing approval is granted by the relevant authority. Before that date, capitalized IPR&D that is not available for use is tested at least annually for impairment, irrespective of whether any indication of impairment exists.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

3.7 Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate for such liabilities.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.8 Financial assets

Classification

The Group has only financial assets classified within the categories, "financial assets at fair value through profit or loss (FVTPL)" and "financial assets at amortized cost." The classification at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's financial assets at amortized cost include other current assets and other receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's financial assets at fair value through profit or loss include publicly traded securities.

Recognition and measurement

Financial assets at amortized cost are measured initially at their fair value and are subsequently measured at amortized cost using the effective interest rate method and are subject to impairment.

A financial asset is derecognized when:

- the contractual rights to the cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Fair value is determined in the manner described in note 33.5.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a twelve-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within financial debts in current liabilities on the balance sheet. This definition is also used for the purposes of the cash flow statement.

3.10 Financial liabilities

The Group's financial liabilities include trade and other payables as well as borrowings.

Financial liabilities are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

3.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3.12 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair values of financial assets and liabilities at the balance sheet date are not materially different from their reported carrying values unless specifically mentioned in the notes to the consolidated financial statements.

3.13 Research and development costs

Research and development costs consist primarily of remuneration and other expenses related to research and development personnel, costs associated with preclinical testing and clinical trials of product candidates, expenses for research and development services under collaboration agreements and outsourced research and development expenses. Furthermore, the Group may acquire in-process research and development assets, either through business combinations or through purchases of specific assets. In-process research and development assets acquired either through business combinations or separate purchases are capitalized as intangible assets and reviewed for impairment at each reporting date. Once available for use, such intangible assets are amortized on a straight-line basis over the period of the expected benefit.

Internal development costs are capitalized as intangible assets only when there is an identifiable asset that can be completed and that will generate probable future economic benefits and when the cost of such an asset can be measured reliably.

3.14 Employee benefits

General

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

Pension obligations

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, including actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income ("OCI") in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, or
- the date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'personnel expense' in the consolidated statement of comprehensive income:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

3.15 Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period and is recognized in employee benefits expense.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award have been met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.16 Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Comparative figures in the financial statements for prior periods presented are not restated as a result of the change in the plan to sell.

4. Summary of critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Going concern

During the reporting period, the Group benefited from the development of its share price and completed equity financings for a net amount of CHF 58 million. As of December 31, 2020, the Group had over CHF 43 million cash in bank, which is sufficient to finance cash needs for its short-term operations, including expected future expenses for the RLF-100™ (aviptadil) clinical trials initiated in 2020. The viability of the Group is partly dependent on the success of its RLF-100™ compound. Should the outcome of the clinical trials be negative, the ability of the Group to raise money and fund its long-term operations could be adversely affected. Considering current liquidity plans, management is confident in the Group's ability to continue as a going concern and has prepared these consolidated financial statements on a going concern basis.

Valuation and impairment of intangible assets

Determining whether intangible assets are impaired requires management to estimate the recoverable value of the cash-generating unit to which the intangible assets are attributable. If the recoverable value of the cash-generating unit is lower than the carrying amount of the cash-generating unit to which the intangible assets have been allocated, impairment is recorded. Changes to the assumptions may result in impairment losses or impairment reversals in subsequent periods (note 8).

Share-based compensation

The fair values of the options at the grant date have been assessed using the Black-Scholes valuation model and spread over the vesting period. The significant inputs into the model were share price, exercise price, expected life of the options, volatility and risk-free interest rate (note 30).

Deferred income taxes

The determination of the recoverability of deferred income tax assets is based on the judgment of management. Deferred income tax assets are only recognized if it is probable that they can be used in the future. Whether or not they can be used depends on whether the tax-deductible temporary difference can be offset against future taxable profits. In order to assess the probability of their future use, management considers the scheduled reversal of deferred tax liabilities ("DTL"), projected future taxable income and tax planning strategies. Such deferred tax assets are only recorded when it becomes evident that sufficient future taxable profits are probable (note 29).

5. Impact of COVID-19

In March 2020, the World Health Organization designated a new coronavirus disease (COVID-19) as a global pandemic. In response, governments around the world have implemented various public health and social measures aimed to slow the transmission of the virus, including orders to stay at or work from home, closure of non-essential businesses, cancellation of events and limitations on domestic and international travel. These measures have had a significant impact on global markets leading to economic fallout and uncertainty.

As the Company's reliance on local or global supply chains is low, and as it does not operate any production facilities, it has a low risk of being forced to interrupt its operations due to the ongoing COVID-19 pandemic. The Company is closely monitoring the global evolution of the pandemic but does not anticipate any negative impacts on the going concern of the Company over the next twelve months.

The coronavirus pandemic significantly changed the development plan and the asset valuation of the Company's lead compound RLF-100 (aviptadil) as described in note 8 of these financial statements.

6. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Domicile	Proportion of ownership interest and voting power	
			31.12.20	31.12.19
Relief Therpeutics International SA (formerly: THERAMetrics Discovery AG)	Development of pharmaceutical products and technologies	Geneva (CH)	100%	100%
Relief Therapeutics SA	Development of pharmaceutical products and technologies	Geneva (CH)	-	100%
Relief Therapeutics US, Inc.	Administrative	Delaware (U.S.)	100%	-
Relief Therapeutics, Inc.	Administrative (inactive)	Delaware (U.S.)	100%	-

In 2020, the Group sold its subsidiary Relief Therapeutics SA to a third party. Further, immaterial, inactive subsidiaries in Switzerland, Hungary and the U.S. were liquidated, and two U.S. subsidiaries were incorporated.

There were no significant judgements to assess control as the Group has 100% of voting power.

7. Segment information

7.1 Description of segment

The Group operates in one segment, namely research, development and commercialization of biopharmaceutical products. The Board of Directors and the Executive Committee, being together the chief operating decision maker, allocate resources and assess performance of the Group at a consolidated level. The accounting policies used for segment reporting are the same as those used for the preparation of these financial statements.

7.2 Geographical information

The Group conducts its operations from Switzerland and has a partnership with NeuroRx, Inc. to conduct clinical trials in the U.S. The geographical analysis of third-party research and development expenses is as follows: Expenses allocated to the U.S. are recorded in the Swiss operating company and were incurred for RLF-100 phase 2b/3 clinical trials conducted in the U.S. Expenses allocated to Switzerland were incurred primarily for the initial setup of RLF-100 clinical trials in Europe.

TCHF	2020	2019
Switzerland	1'277	-
United States of America	12'368	-
Total	**13'645**	**-**

Other types of expense incurred by the Group in 2020 and 2019, such as personnel expenses, were related to operations conducted in or from Switzerland. All non-current assets of the Group are in Switzerland.

8. Intangible assets

TCHF	Aviptadil	Milk	Colostrum	Total
COST				
Balance at January 1, 2019	**30'800**	**2'863**	**1'575**	**35'238**
Disposal	-	(2'863)	(1'575)	**(4'438)**
Balance at December 31, 2019	**30'800**	**-**	**-**	**30'800**
Additions	-	-	-	**-**
Balance at December 31, 2020	**30'800**	**-**	**-**	**30'800**
ACCUMULATED DEPRECIATION				
Balance at 1 January 2019	**-**	**(14)**	**-**	**(14)**
Impairment loss	(11'200)	-	-	**(11'200)**
Disposal		14	-	**14**
Balance at December 31, 2019	**(11'200)**	**-**	**-**	**(11'200)**
Reversal of impairment loss	11'200	-	-	**11'200**
Balance at December 31, 2020	**-**	**-**	**-**	**-**
CARRYING AMOUNT				
at December 31, 2019	19'600	-	-	19'600
at December 31, 2020	**30'800**	**-**	**-**	**30'800**

The intangible asset of TCHF 30'800 is the medicinal product candidate RLF-100 (aviptadil) acquired in 2016 in the business combination between Relief Therapeutics SA and THERAMetrics Holding AG. The asset is constituted by IP rights and clinical knowledge obtained on the acquisition date. It is not yet available for use in the meaning of IAS 38.

In March 2020, management decided to pursue the development of RLF-100 for respiratory diseases, in particular for Acute Respiratory Distress Syndrome ("ARDS") induced by SARS-CoV-2 infection. The U.S development of RLF-100 is being conducted by the U.S.-based company, NeuroRx, Inc. ("NeuroRx"), with which Relief signed in 2020 a collaboration agreement for the development and commercialization of RLF-100. Under the terms of the collaboration agreement, NeuroRx will lead commercialization in the U.S., Canada, and Israel, while Relief will lead commercialization in Europe and the rest of the world. RLF-100 will be commercialized in the U.S. under the name ZYESAMI™. Further, the aviptadil out-licensing program that the Company foresaw in 2019 for the treatment of pulmonary Sarcoidosis was reconsidered and reverted to a direct commercialization model. In addition, initiatives to accelerate the development in this indication will support an earlier market entry date.

In consideration of the changes in its development plans, the Group revised its assumptions and tested the asset for reversal of impairment as of December 31, 2020.

8.1 Impairment test as of December 31, 2020

The impairment test was performed by determining the recoverable amount of the asset as the risk-adjusted net present value of future cashflows (value in use). The resulting valuation was valid as of December 31, 2020 and took into consideration the current plans to develop RLF-100 for the treatment of SARS-CoV-2-induced ARDS as well as pulmonary sarcoidosis and other pulmonary indications.

Impairment testing involves judgmental assumptions that may change over time. Management has adopted conservative estimates as follows.

- revenue forecasts were derived from internal market analyses and external sources of information. Amounts and timing of these forecasts were based on the expected patient populations who could benefit from RLF-100 treatment over the product life cycle, as well as on the expected development milestones for each indication. Year of obtention of market approval was based on management's best estimate given the current stage of development of each indication.
- probability of success to reach market approval was defined on a per indication basis and ranged from 16% to 60% depending on the development stage. The probabilities were based on empirical success rate analysis of phase 2 and phase 3 studies for comparable indications.
- patent protection period lasts at least until 2029 in the U.S. and 2026 in European main markets, excluding extension possibilities the Group will seek to obtain. Cash flows were projected on a period from 2021 to up to 2032. This period is greater than five years as, based on comparable market data and information, the development and commercialization of the compound will take significantly longer and management was able to access to reliable data to determine the key

assumptions. No terminal value was considered because the end of the patent protection period may lead to a significant decrease in value.

- pre-tax discount rate of 17% (December 31, 2019: 17%) used for the valuation reflects the risk profile of such program and the current development stage.

Except for the discount rate, these assumptions were defined on a per indication basis for the following indications:

- intravenous aviptadil for COVID-19-induced ARDS;
- inhaled aviptadil for COVID-19 NALI;
- intravenous aviptadil for non-COVID-19 ARDS; and
- inhaled aviptadil for pulmonary Sarcoidosis.

The impairment test resulted in a recoverable amount of TCHF 220'000. Hence, the impairment loss recognized in prior year of TCHF 11'200 was reversed in the income statement of the current reporting period. As a result, the carrying amount of the asset was revalued to TCHF 30'800, which is the amount that would have been determined had no impairment loss been recognized in prior year. This valuation differs from the one reported in the interim consolidated accounts of June 30, 2020, as changes in the development plans and market environment in the second half of 2020 led to reconsider the assumptions of the model.

Projected future tax consequences of the temporary difference between the value of the asset recognized for financial reporting purposes and such value reported for tax purposes were recorded as a deferred tax liability for 13.99% of the temporary difference. The reversal of impairment led to a deferred income tax expense of TCH 1'567 and a corresponding variation of the deferred tax liability on the balance sheet.

8.2 Sensitivity analysis in relation to the impairment test

The Group performed a sensitivity analysis considering reasonably possible changes in the assumptions used to calculate the discounted cash flows. Main assumptions tested for changes on a per indication basis were the discount rate, the time to market, the probabilities of success and the number of patients who will benefit from RLF-100. The sensitivity analysis did not reveal situations where the carrying amount of the asset would exceed its recoverable amount as of December 31, 2020.

Tables below show the impact on the asset's risk-adjusted net present value ("NPV") for a change in an assumption while holding all other assumptions constant.

Sensitivity analysis related to success probability (in TCHF)

-10%	-5%	+10%	+20%
140'000	179'000	305'000	395'000

An absolute decrease of 10% in the probability of success across all indications would result in a NPV of TCHF 140'000. Conversely, an absolute increase of 10% in the probability of success would result in a NPV of TCHF 305'000.

Sensitivity analysis related to patient population (in TCHF)

-20%	-10%	+10%	+20%
166'000	193'000	247'000	274'000

If the total population to be treated with RLF-100 was reduced by 20% compared to the management's assumption, the NPV would be TCHF 166'000.

Sensitivity analysis related to market entry date (in TCHF)

+1 year	+2 years
156'000	105'000

Should the obtention of market approval be delayed by two years for the four indications listed above, the NPV resulting from the valuation would be reduced to TCHF 105'000.

Sensitivity analysis related to discount rate (in TCHF)

10%	15%	17%	20%
330'000	246'000	220'000	187'000

A discount rate of 10% and 20% would respectively result in an NPV of TCHF 330'000 and TCHF 187'000.

8.3 Disposal of Hypoallergenic Milk and Artificial Colostrum in 2019

In April 2018, the Company signed an in-licensing agreement with a third party (Genclis) whereby Relief acquired exclusive worldwide commercial and manufacturing sub-licensable rights for the two human applications "Hypoallergenic Milk" and "Artificial Colostrum," which were protected by patents of this third party, for a total amount of TCHF 4'438. On June 26, 2019, this collaboration agreement was cancelled and the sublicense agreement with Health and Happiness group ("H&H") was terminated with the Company and established directly between H&H and Genclis. The licenses for the two assets recognized as intangibles with a carrying amount of TCHF 4'424 were returned to Genclis and derecognized. As a result, the liabilities in relation to the deferred payments of TCHF 4'354 were cancelled and also derecognized without any further consideration to be paid. The loss of TCHF 70 resulting from the difference between the carrying amount of the intangible assets and the carrying amount of the non-current financial liabilities was recognized as other losses in the 2019 statement of comprehensive income (note 27).

9. Financial assets due from third parties

The Group has provided a loan of TUSD 500 (TCHF 442) to NeuroRx, Inc. for the development of RLF-100 in COVID-19 induced ARDS, as part of the collaboration agreement. The loan carries an interest rate of 2% per annum and is due in April 2022. As of December 31, 2020, the loan was impaired by TCHF 50 in conformity with the expected credit loss principle set forth in IFRS 9.

10. Restricted cash

As of December 31, 2020, TCHF 5'093 was held in an escrow account as a security deposit under a pledge agreement signed with the Company's bank. The escrow account was set up for a commitment issued by the Company for the acquisition of clinical material expected to be produced, delivered, and paid for during the first half of 2021.

11. Other current financial assets

In April 2020, the Group received 757'933 common shares of the publicly listed company, Sonnet BioTherapeutics Holdings, Inc., as consideration for the sale of its subsidiary Relief Therapeutics SA (note 31). During 2020, the Group sold 663'960 of these shares in various tranches. The disposals as well as the revaluation of the shares as of December 31, 2020, led to a total realized and unrealized loss of TCHF 1'195 (note 27).

	Number of shares	Value in TCHF
Consideration received	757'933	4'642
Proceeds from sale of shares	(663'960)	(3'262)
Realized and unrealized valuation losses	-	(1'195)
Outstanding balance as of December 31, 2020	**93'973**	**185**

12. Other current assets and other receivables

TCHF	December 31, 2020	December 31, 2019
VAT receivable	63	87
Prepaid expenses (i)	3'442	9
Other current receivables	9	2
Total	**3'514**	**98**

(i) The increase in prepaid expenses is related to the clinical trial for RLF-100 in COVID-19-induced ARDS.

Other current assets and other receivables are neither impaired nor overdue.

13. Cash and cash equivalents

TCHF	December 31, 2020	December 31, 2019
Bank deposits	38'061	129
Total	**38'061**	**129**

14. Assets held for sale

TCHF	December 31, 2020	December 31, 2019
ASSETS HELD FOR SALE		
Related to Relief Therapeutics SA	-	36
Total assets held for sale	**-**	**36**
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Related to Relief Therapeutics SA	-	331
Total liabilities direclty associated with assets classified as held for sale	**-**	**331**

On August 12, 2019, the Company announced the execution of a binding Share Exchange Agreement ("SEA") for the divestment of its subsidiary, Relief Therapeutics SA ("Relief SA"), to Sonnet BioTherapeutics, Inc. ("Sonnet"). Pursuant to the terms of the SEA, Sonnet had to meet certain conditions, including listing on a U.S. stock exchange, before the closing could occur. On April 2, 2020, Relief announced the closing of the SEA between Sonnet, now a subsidiary of Sonnet BioTherapeutics Holdings, Inc. (formerly known as Chanticleer Holdings, Inc.) (Nasdaq: SONN) and Relief SA. The sale was finalized in 2020. For further information, refer to note 31.

The disposal group did not qualify as a discontinued operation as it was neither a separate major line of business nor geographical area of operations.

The assets held for sale and the liabilities associated with assets held for sale were reclassified from the following categories of assets and liabilities:

TCHF	December 31, 2020	December 31, 2019
Current assets		
Other current assets and other current receivables	-	28
Cash and cash equivalents	-	8
Assets classified as held for sale	**-**	**36**
Non-current liabilities		
Defined benefit obligation	-	136
Current liabilities		
Trade payables	-	55
Other current payables and liabilities	-	140
Liabilities directly associated with assets classified as held for sale	**-**	**331**
Net liabilities classified as disposal group	**-**	**295**

The above amounts represent the carrying amounts on the date of reclassification. No adjustments to fair value less cost to sell had to be made.

As of December 31, 2020, there were no assets classified as held for sale.

15. Share capital

	Number of common shares		Nominal value of share capital (TCHF)	
	2020	2019	2020	2019
Balance at beginning of year	2'113'919'272	2'088'920'472	21'139	20'889
Issuance of common shares	1'132'807'976	24'998'800	11'328	250
Balance at end of year	**3'246'727'248**	**2'113'919'272**	**32'467**	**21'139**

15.1 Issued share capital

At December 31, 2020, the total outstanding share capital consisted of 3'246'727'248 fully paid common shares with a par value of CHF 0.01, listed on the SIX. Certain conditional rights exercised during the second half of 2020, accounting for 712'558'667 shares issued from conditional capital, were recorded in the Company's Articles of Association on December 17, 2020. These Articles of Association were formally registered with the commercial register on January 19, 2021, and the amount of issued share capital of 3'246'727'248 shares was published in the Swiss Official Gazette of Commerce on January 22, 2021.

Capital increases 2020

Capital increase transactions in 2020 provided the Group with total proceeds of TCHF 60'057. Details of these transactions are as follows:

- Share Subscription Facility ("SSF") financing: The Company drew down a total of 240'000'000 shares from its SSF in place with GEM Global Yield LLC SCS ("GEM") at an average price of CHF 0.205 per share. Cumulated net proceeds of CHF 49'215'600 resulting from the drawdowns increased the nominal share capital by CHF 2'400'000 and additional paid-in reserves by CHF 46'815'600.
- Debt to Equity conversion: issuance of 58'023'584 shares at CHF 0.0297 per share through conversion of loans (note 19), resulting in an increase of nominal share capital of CHF 580'236 and additional paid-in reserves of CHF 1'143'065.
- Exercises of warrants: issuance upon exercises of warrants of 766'658'667 shares at prices between CHF 0.01 and 0.0146 per share resulting in an increase of nominal share capital of CHF 7'666'587 and additional paid-in reserves of CHF 46'000.
- Exercises of options: issuance upon exercises of stock options of 68'125'725 shares at prices between CHF 0.01 and 0.04 per share (note 30), resulting in an increase of nominal share capital of CHF 681'257 and additional paid-in reserves of CHF 724'250.

Capital increases 2019

The issuance of shares in 2018 pursuant to a drawdown from the SSF, which was not yet reflected in the Articles of Association nor registered with the commercial register as of December 31, 2018, was registered in May 2019. The registration resulted in a reclassification from share premium reserve to nominal share capital.

15.2 Authorized share capital

As of December 31, 2020, the Company had authorized share capital of TCHF 12'500, consisting of 1'250'000'000 shares with a par value of CHF 0.01 each, which the Board of Directors is authorized to issue at any time until December 16, 2022 (2019: TCHF 10'567 and 1'056'959'600 shares).

15.3 Conditional share capital

The conditional share capital of the Company at December 31, 2020, was TCHF 3'752, consisting of 375'215'608 shares (2019: 1'056'959'622) with a par value of CHF 0.01 each, of which 121'874'275 (2019: 190'000'000) to be used for stock options for members of the Board of Directors, Executive Committee, employees and consultants, as well as 253'341'333 shares (2019: 866'959'622) to be used for the exercise of option rights granted in connection with bonds, notes or similar debt instruments issued by the Company.

As of December 31, 2020, there were no outstanding warrants issued by the Group (2019: 590'000'000). In 2020, the Company issued 10'000'000 new warrants to GEM as compensation for the loan granted on March 24, 2020. Further, the Company issued 166'658'667 warrants in May 2020 in connection with a commitment made to GEM in August 2018 as compensation for its financial support. These committed warrants were erroneously not disclosed in the previous financial reports. The warrants gave the right to the warrant holder to buy an equal number of shares of the Company. During the reporting period, all 766'658'667 warrants were exercised.

15.4 Significant shareholders

The following shareholders held more than 3% of the common shares of the Company according to disclosure notifications filed with the Company to the SIX, or according to the share register, as applicable:

	December 31, 2020		December 31, 2019	
	Number of shares	%	Number of shares	%
GEM Global Yield LLC SCS	1'374'200'521	42.3%	566'154'033	26.8%
Yves Sagot	--	< 3%	175'698'685	8.2%
Django Trading Sarl	--	< 3%	118'000'000	5.6%
Michel Dreano	--	< 3%	138'963'099	6.6%

The ownership percentages in the table above are based on (i) the number of shares held by such shareholder, excluding any options and (ii) the total number of shares outstanding as of December 31 (2020: 3'246'727'248 shares; 2019: 2'113'919'272).

16. Reserves

TCHF	December 31, 2020	December 31, 2019
Share premium (note 16.1)	68'546	20'451
Share-based payment reserve (note 16.2)	1'228	180
Foreign currency translation reserve (note 16.3)	-	34
Total	**69'774**	**20'665**

16.1 Share premium

TCHF	2020	2019
Balance at beginning of year	20'451	20'701
Additional paid-in capital in capital increase	48'729	-
Transaction cost in relation to capital increases	(634)	-
SSF drawdown reclassified to issued share capital	-	(250)
Balance at end of year	**68'546**	**20'451**

16.2 Share-based payment reserve

TCHF	2020	2019
Balance at beginning of year	180	180
Share-based payments granted and vested (note 30)	1'048	-
Balance at end of year	**1'228**	**180**

16.3 Foreign currency translation reserve

TCHF	2020	2019
Balance at beginning of year	34	29
Exchange differences arising on translating foreign operations	3	5
Recycled to profit or loss upon liquidation of the subsidiaries	(37)	-
Balance at end of year	**-**	**34**

The exchange differences related to the two former subsidiaries in the U.S. and in Hungary, which were liquidated, were recycled through profit or loss.

17. Trade payables

TCHF	December 31, 2020	December 31, 2019
Related to development expenses	994	110
Related to accounting, legal and consulting expenses	300	159
Related to other expenses	138	14
Total	**1'432**	**283**

Trade payables mainly increased as a result of increased development activities related to clinical trials for RLF-100 in COVID-19-induced ARDS.

18. Financial liabilities due to third parties

At December 31, 2020, financial liabilities were due to Relief SA, the former subsidiary of the Group that was sold in 2020. The current account is interest free and does not have a fixed repayment date.

At December 31, 2019, financial liabilities were due to another former subsidiary of the Group. Until repayment, the unpaid balance had accrued interest at a rate of 8% per annum. In 2020, settlement of this debt was agreed with the counterparty for a total amount of TEUR 600 (TCHF 648). The residual amount of TCHF 104, net of foreign currency translation impact, was recognized in 2020 profit or loss as other gain (note 23).

19. Financial liabilities due to related parties

On July 15, 2020, the loans that were granted by GEM in 2019 and 2020 and corresponding accrued interests were redeemed in exchange for 58'023'584 newly issued shares of the Company (refer to note 15.1 for further details). A reconciliation of the financial liabilities due to GEM and redeemed in 2020 is detailed as follows:

TCHF	
Loan bearing interest of 4% above the base rate of Barclays Bank PLC	300
Secured promissory note bearing interest of 5% above the USD Libor	300
Promissory note bearing an interest of 4% above Barclays Bank PLC	300
Other payables	20
Accrued interest on loan and promissory notes	62
Balance at December 31, 2019	**982**
Loan bearing fixed interest of 1%	500
Loan bearing fixed interest of 2% (note 36)	241
Accrued interest on loans and promissory notes	26
Foreign exchange translation gain	(6)
Balance at July 15, 2020	**1'743**
Reimbursement of other payables	(20)
Redemption of the outstanding debt position in newly issued shares (note 15)	(1'723)
Balance at December 31, 2020	-

As of December 31, 2020, there was no financial liability due to a related party.

20. Provisions

TCHF	Litigations	Total
At January 1, 2020	58	**58**
Arising during the year	-	-
Use	(58)	**(58)**
At December 31, 2020	-	**-**

Provisions for litigation cases recognized as of December 31, 2019 were dissolved in 2020 as the litigation cases were settled. There are no residual provisions.

21. Other current payables and liabilities

TCHF	December 31, 2020	December 31, 2019
Payable to social security institutions (i)	816	-
Accrued expenses (ii)	2'634	271
Tax liabilities (iii)	433	75
Prepayments received	-	38
Other current liabilities	487	28
Total	**4'370**	**412**

(i) Primarily including social security applicable to exercises of stock options and due upon exercise.

(ii) Accrued expenses mainly relate to professional service fees and research and development expenses.

(iii) Tax liabilities are stamp duty and capital tax due to Swiss tax authorities in relation to the Company's taxable equity and capital increase transactions.

22. Defined benefit obligations

Until April 1, 2020, the Group participated in a Swiss pension plan which qualified as defined benefit plan under the requirements of IAS 19. Employees whose pension plan met the definition criteria of a defined benefit plan were all employees of the former Swiss-based subsidiary, Relief SA, which was reclassified as held for sale as of December 31, 2019 and subsequently sold in 2020. The residual net defined benefit obligation, included in the disposal group, was derecognized through other comprehensive income in 2020 (TCHF 136).

Remaining employees of the Group as of December 31, 2020, had defined contribution plans. As a result, the Group did not recognize service cost in 2020 or a defined benefit obligation as of December 31, 2020.

As of December 31, 2019, the pension plan was classified under IAS 19 as a defined benefit plan. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Information and table below are presented for comparative purpose.

Amounts recognized in profit or loss in respect of these defined benefit plans were as follows:

TCHF	2020	2019
Current service cost	-	56
Past service cost	-	(11)
Net interest expense	-	4
Administration cost excl. cost for managing plan assets	-	2
Expense recognised in profit or loss	**-**	**51**

Amounts recognized in other comprehensive income in respect of these defined benefit plans were as follows:

TCHF	2020	2019
Remeasurement (gain)/loss on defined benefit obligation		
due to changes in demographic assumptions	-	-
due to changes in financial assumptions	-	64
due to changes in experience adjustments	-	(539)
Return on plan assets excl. interest income	-	5
Derecognition of defined benefit obligation (note 14)	(136)	
(Income) recognised in other comprehensive income	**(136)**	**(470)**

The amount included in the consolidated statement of financial position arising from the Group's obligation for its defined benefit plans, excluding the obligation allocated to the disposal group (note 14), was as follows:

TCHF	December 31, 2020	December 31, 2019
Present value of funded defined benefit obligation	-	-
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**-**	**-**

Movements in the present value of the defined benefit obligation were as follows:

TCHF	2020	2019
Opening defined benefit obligation	-	2'200
Current service cost	-	56
Past service cost	-	(11)
Interest expense on defined benefit obligation	-	17
Contributions from plan participants	-	12
Benefits (paid)/deposited	-	(1'292)
Remeasurement (gain)/loss due to changes in demographic assumptions	-	-
Remeasurement (gain)/loss due to changes in financial assumptions	-	64
Remeasurement (gain)/loss due to changes in experience adjustments	-	(539)
Reclassified as disposal group (note 11)	-	(507)
Closing defined benefit obligation	**-**	**-**

Movements in the present value of the plan assets in the current period were as follows:

TCHF	2020	2019
Opening fair value of plan assets	-	1'633
Interest income on plan assets	-	13
Return on plan assets excluding interest income	-	(5)
Contributions from the employer	-	12
Contributions from plan participants	-	12
Benefits (paid)/deposited	-	(1'292)
Administration cost	-	(2)
Reclassified as disposal group	-	(371)
Closing fair value of plan assets	**-**	**-**

Principal assumptions used for the purposes of the actuarial valuations were as follows:

TCHF	2020	2019
Discount rates	n.a.	0.15%
Expected rates of salary increase	n.a.	1.50%

23. Other gains

TCHF	2020	2019
Gain from settlement of financial liabilities due to a third party (note 18)	104	-
Gain from write-off of liabilities due to former subsidiaries (i)	146	-
Gain from release of provisions due to settlement of litigation cases	-	155
Various others	23	-
Total other gains	**273**	**155**

(i) In 2020, old, inactive subsidiaries in Switzerland, the U.S. and Hungary were liquidated. Upon liquidation and deregistration, any remaining liabilities recorded in the former subsidiaries were derecognized, resulting in a gain of TCHF 146.

24. Service expense

TCHF	2020	2019
Third-party research and development expense (i)	13'645	-
License expense	22	38
Consulting service expense	-	18
Other expense for services	5	12
Total service expense	**13'672**	**68**

(i) In 2020, third-party research and development expense mainly related to services provided by Relief's collaboration partner NeuroRx, Inc. and other third parties in relation to clinical trials for RLF-100 in SARS-CoV-2-induced ARDS (refer to note 7 for further details).

25. Personnel expense

TCHF	2020	2019
Salaries including social security expense	76	270
Independent contractors fees	761	11
Share-based payment expense	1'048	-
Social security expense in relation to share-based payments	742	-
Total personnel expense	**2'627**	**281**

The average number of employees during 2020 (in full-time positions) was less than ten. Operating activities of the Group increased significantly during 2020 as required for the oversight of the clinical trials with RLF-100. As a result, the Group increased the number of personnel, most of whom were contracted on a consulting basis. A few contractors were transitioned into employment in late 2020 and early 2021. Grants of stock options to employees, contractors, and members of the Board of Directors (note 30) further increased personnel expenses.

26. Other administrative expense

TCHF	2020	2019
Legal and listing (i)	1'915	152
Marketing (i)	417	-
Accounting and audit	349	288
Consulting	93	56
Office and IT	22	44
Other operating expense	42	26
Capital tax	161	31
Total other administrative expense	**2'999**	**597**

(i) Legal, listing and marketing expenses increased in conjunction with the activity of the Company, the growth of its shareholder base, and the oversight of clinical trials for RLF-100.

27. Other losses

TCHF	2020	2019
Losses on financial assets at fair value through profit or loss (note 11)	1'195	-
Impairment losses on loans to third parties (note 9)	50	-
Losses from cancellation of collaboration agreement with Genclis	-	70
Various others	15	-
Total other losses	**1'260**	**70**

28. Financial income / (expense)

TCHF	2020	2019
Interest income	7	-
Foreign currency exchange gains	148	42
Total finance income	**155**	**42**
Interest expense	(100)	(134)
Bank charges	(69)	(4)
Foreign currency exchange losses	(544)	(4)
Total finance expense	**(713)**	**(142)**

29. Income taxes

29.1 Income tax recognized in profit or loss

TCHF	2020	2019
CURRENT TAX		
Current tax expense for the current year	-	10
Adjustments in relation to the current tax of prior years	-	-
	-	**10**
DEFERRED TAX		
Deferred tax (income)/expense recognized in the current year	1'567	(1'570)
Adjustment to deferred tax attributable to changes in income tax rate	-	(3'142)
	1'567	**(4'712)**
Total income tax expense/(income) recognized in the current year	**1'567**	**(4'702)**

The following table provides a reconciliation between the income tax expense recognized for the year and the tax calculated by applying the applicable tax rates on the net result before income taxes.

TCHF	2020	2019
Loss before tax	(6'261)	(12'162)
Income tax expense calculated at 13.99% (2019: 24.20%)	(876)	(2'943)
Unrecognized deferred tax assets during the year	4'920	3'013
Previously unrecognized tax losses used	(163)	(393)
Effect of deferred tax balances due to change in income tax rate	-	(3'142)
Decrease of DTL due to impairment of intangible asset	-	(1'568)
Effect of net (income)/expenses that are not added/(deductible) in determining taxable profit	(2'314)	331
Total income tax expense/(income) recognized in the current year	**1'567**	**(4'702)**

The weighted average applicable tax rate of the Group is 13.99% (2019: 24.20%) which is equal to the tax rate of the Company.

The applicable tax rate was lowered due to the revised tax law enacted in the Canton of Geneva, effective from January 1, 2020, and reducing the applicable income tax rate from 24.20% to 13.99%.

29.2 Income tax recognized in other comprehensive income

Due to the ongoing loss situation of the group entities, no deferred tax assets were recognized in relation to the items recognized through other comprehensive income.

29.3 Deferred tax balance

2020 TCHF	Opening balance	Recognized in profit or loss	Closing balance
Total deferred tax assets	-	-	-
Intangible assets	2'742	1'567	**4'309**
Total deferred tax liabilities	**2'742**	**1'567**	**4'309**

2019 TCHF	Opening balance	Recognized in profit or loss	Closing balance
Total deferred tax assets	-	-	-
Intangible assets	7'454	(4'712)	**2'742**
Total deferred tax liabilities	**7'454**	**(4'712)**	**2'742**

The increase in deferred tax liabilities is due to the reversal of impairment loss on intangible assets (note 8). The remaining deferred tax liability will be reversed when the related intangible asset (RLF-100) is amortized or impaired.

29.4 Unrecognized deferred tax assets

In accordance with IAS 12, the Company did not capitalize any deferred tax asset from the carryforward of unused tax losses since the criteria for recognition (i.e., existence of evidence of probable future taxable profits or reversal of deferred tax liabilities within the next seven years) were not met. The gross value of unused tax losses which have not been capitalized as deferred tax asset will expire as follows:

TCHF	2020	2019
Within one year	17'954	16'836
Later than one year and not later than five years	50'497	68'295
More than five years	56'036	42'714
Total tax losses carried forward	**124'487**	**127'845**

30. Share-based payments

In 2012 and 2015, the Company implemented Equity Award Programs ("EAP") to grant stock options to members of the Board of Directors, selected employees and service providers. As of December 31, 2020, 121'874'275 shares were available for the EAP under conditional share capital (note 15.3). Each option gives the right to purchase at par value one ordinary share of the Company. Stock options granted are subject to certain vesting conditions based on service period defined on an individual basis at grant date.

In 2020, various members of the Board of Directors, employees and consultants of the Group received a total of 21'963'383 options as part of their compensation for their services. Additionally, a total of 68'125'725 of vested stock options were exercised during 2020. In 2019, no stock options were granted or exercised.

The following table reconciles the stock options outstanding at the beginning and end of the year:

	2020	2019
At beginning of the year	**70'530'000**	**70'530'000**
Granted	21'963'383	-
Exercised[1]	(68'125'725)	-
At end of the year	**24'367'658**	**70'530'000**

[1] The weighted average share price at the dates of exercise was CHF 0.17.

Share options outstanding at the end of the year 2020 and 2019 have the following expiry dates:

	December 31, 2020	December 31, 2019
EXPIRY DATE		
March 2020	-	280'000
August 2020	-	15'000'000
June 2021	-	500'000
July 2021	-	12'500'000
September 2021	1'650'000	2'250'000
December 2021	5'204'461	-
August 2022	10'000'000	40'000'000
October 2023	100'000	-
October 2024	100'000	-
January 2025	250'000	-
August 2026	7'063'197	-
	24'367'658	**70'530'000**
Weighted average remaining contractual life in months	32	24

Of the 24'367'658 share options at year end, 23'917'658 were totally exercisable as of December 31, 2020. The exercise prices ranged from CHF 0.01 to CHF 0.495.

The fair values of the options at the grant date have been assessed using the Black Scholes valuation model and recognized over their vesting period. For options that vested upon grant, the fair value of the options was recognized at grant date. The weighted average fair value of options granted in 2020 was CHF 0.053 per option. Significant inputs into the model were share price at grant date between CHF 0.026 and CHF 0.495, exercise price between CHF 0.01 and 0.495, volatility of the Company between 144% and 246% and average risk-free interest rates between -0.65% and -0.82%.

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

In 2020, TCHF 1'048 (2019: none) was recorded in personnel expense with a corresponding credit to equity (share-based payment reserve).

31. Disposal of subsidiary

31.1 Description of transaction

On April 1, 2020, the Group concluded the SEA in relation to the sale of Relief SA between Sonnet Holdings and the Company. Consequently, Sonnet Holdings acquired all outstanding shares of Relief SA, which became a wholly owned subsidiary of Sonnet Holdings. In exchange, Sonnet Holdings paid to the Company shares of its common stock that converted into 757'933 shares of listed Sonnet Holdings common stock.

Based on contractual agreements, and due to the change of control of Relief SA, the Group agreed to pay various claims to third parties for a total of TCHF 485.

31.2 Consideration received

	TCHF
Consideration received in shares of Sonnet Holdings	4'642
Total consideration received	**4'642**

At the closing of the transaction date, the share price of Sonnet Holdings was CHF 6.1243 (USD 6.3150) per share. Hence, the fair value of the 757'933 Sonnet Holdings shares received was TCHF 4'642.

31.3 Analysis of assets and liabilities over which control was lost

	TCHF
Current assets	
Financial assets due from shareholder	896
Financial assets due to related parties	1
Other current assets and other receivables	29
Cash and cash equivalents	16
Current liabilities	
Trade payables	(51)
Financial liabilities due to related parties	(14)
Tax liabilities	(10)
Other current payables and liabilities	(92)
Net assets disposed of	**775**

31.4 Gain on disposal of subsidiary

	TCHF
Fair value of consideration received	4'642
Net assets disposed of	(775)
Liabilities due to third parties	(485)
Gain on disposal	**3'382**

31.5 Net cash outflow on disposal of subsidiary

As consideration received was in shares of Sonnet Holdings and therefore non-cash, the transaction led to a net cash outflow of TCHF 16, the cash position of the disposed subsidiary.

31.6 Contribution of the disposed subsidiary to the consolidated loss statement

Relief SA remained a component of the Group until April 2, 2020, and transactions incurred by the former subsidiary up to this date are recognized in the consolidated statement of comprehensive loss of these financial statements. Income and expenses directly attributable to this entity in the reporting periods 2020 and 2019 are presented below:

TCHF	2020	2019
Service expense	(8)	(39)
Personnel expense	(3)	(60)
Other administrative expense	(54)	(154)
Other gains	2	19
Income tax	-	(10)
Loss contribution of the disposed subsidiary	**(63)**	**(244)**

Other administrative expense in 2020 and 2019 were primarily related to legal, audit and accounting expenses.

32. Earnings per share

	2020	2019
Loss for the year attributable to the equity holders of the Parent Company (in TCHF)	(7'828)	(7'460)
Weighted average number of shares for the purposes of EPS	2'413'222'815	2'103'851'262
Basic and diluted loss per share (in CHF)	**(0.003)**	**(0.004)**

In 2020 and 2019, there was no reconciling item between the result for the period and the result attributable to the equity holders.

Basic and diluted loss per share was calculated by dividing the net loss attributable to the shareholders by the weighted average shares outstanding during the period. In 2020 and 2019, the number of shares outstanding varied as a result of different transactions on the share capital structure of the Company (note 15).

In 2020 and 2019, the warrants and the options granted as part of the EAP (note 30) were not considered in the calculation of the diluted loss per share as their effects were anti-dilutive.

Should the one-time disposal gain of TCHF 3'382 (note 31) be excluded from the 2020 result, the basic and diluted loss per share would amount to CHF 0.005.

33. Financial instruments

33.1 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to fund development and marketing activities in order to provide returns for shareholders and benefits for other stakeholders. The funds raised in various private financing rounds and public placements executed since the listing of the Company on the Swiss Stock Exchange in 2009, as well as the development of its share price during 2020, have provided the Group with sufficient funding to ensure its ability to continue as going concern and to pursue successful development activities.

From time to time, and in order to maintain or adjust its capital structure, the Group may issue new shares or debt instruments.

33.2. Categories of financial instruments

December 31, 2020 TCHF	Financial assets at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
Financial assets	185	-	-	**185**
Third party loan	-	392	-	**392**
Other current assets and receivables	-	72	-	**72**
Cash and cash equivalents	-	43'154	-	**43'154**
Total financial assets	**185**	**43'618**	**-**	**43'803**
Trade payables		-	1'432	**1'432**
Financial liabilities due to third parties		-	891	**891**
Other current payables and liabilities		-	4'370	**4'370**
Total financial liabilities		**-**	**6'693**	**6'693**

December 31, 2019 TCHF	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
Other current assets and receivables	2	-	**2**
Cash and cash equivalents	129	-	**129**
Total financial assets	**131**	**-**	**131**
Trade payables	-	283	**283**
Financial liabilities due to third parties	-	757	**757**
Financial liabilities due to related parties	-	982	**982**
Other current payables and liabilities	-	373	**373**
Total financial liabilities	**-**	**2'395**	**2'395**

The carrying amounts of financial assets and financial liabilities at amortized cost recognized in the consolidated financial statements approximate their fair values.

33.3 Reconciliation of liabilities arising from financing activities

			Non-cash changes					
2020 TCHF	Opening balance	Financing cash flows	Gain on settlement	Debt-Equity swap	Disposal of subsidiary	Accrued interest	FX	Closing balance
Financial liabilities due to third parties (note 18)	757	(648)	(104)	-	892	-	(6)	**891**
Financial liabilities due to related parties (note 19)	982	723	-	(1'723)	-	26	(8)	-
Total	**1'739**	**75**	**(104)**	**(1'723)**	**892**	**26**	**(14)**	**891**

			Non-cash changes			
2019 TCHF	Opening balance	Financing cash flows	Derecognized (note 7)	Accrued interest	FX	Closing balance
Non-currrent financial liabilities	4'312	-	(4'354)	42	-	-
Financial liabilities due to third parties (note 18)	725	-		58	(26)	**757**
Financial liabilities due to related parties (note 19)	328	620	-	34	-	**982**
Total	**5'365**	**620**	**(4'354)**	**134**	**(26)**	**1'739**

33.4 Financial risk management

The Group is exposed to various financial risks such as credit risk, liquidity risk and market risk (including interest rate and currency risk). The following sections provide an overview of the extent of the individual risks and the goals, principles and processes employed to handle these risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As the Group remains in pre-revenue stage, it does not have credit risk from customers. Financial assets mainly consist of cash for which the counterparty risk is minimized by deposits at well-known banks in Switzerland with an A rating as per Standard & Poor's so that any expected credit loss is considered immaterial.

The carrying amounts of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and cash equivalents to meet the financial obligations of the Group. Management monitors the Group's net liquidity position through rolling forecasts of projected cash flows.

As of December 31, 2020, the Group had approximately CHF 43 million of cash in bank. This amount is sufficient to meet all of the Group's short-term liquidity requirements, including those in connection with operations and future expenses for the RLF-100 clinical trials initiated in 2020. Maintaining adequate cash reserves for the longer term is dependent on the Group's ability to raise funds or generate profits; therefore, medium- and long-term liquidity risk is significant.

All financial liabilities were due within the next 3 months except for the financial liability of TCHF 891 due to a third party (note 18) for which there was no fixed repayment date.

Interest rate risk

The Group has no interest-bearing assets or liabilities, with the exception of short-term cash deposits and a fixed-interest third-party loan. Cash deposits held in Swiss francs and Euros are subject to negative interest rates above certain thresholds defined by bank counterparties. The Group deems interest rate risk as low on its performance and its equity.

Currency risk

The Group is exposed to foreign currency risk primarily through short-term cash deposits held in foreign currencies intended to fund operational expenditures in such currencies. To a lesser extent, the Group is also exposed to foreign currency risk through third-party loans, other financial assets and trade payables, held or due in foreign currencies. The Group monitors its exposure by periodically assessing future spending needs in foreign currencies.

In light of the Group's foreign currency positions and assuming that all other variables remain unchanged, any change in the foreign exchange rates of USD/CHF and EUR/CHF resulting from a 5% increase/decrease in these foreign currencies against CHF would have an impact of TCHF 652/(652) on the Group's result for 2020. In 2019, the currency risk was immaterial.

Based on the above sensitivity analysis and due to the fact that the cash balances in foreign currencies are held for the settlement of expected invoices in these currencies, they are naturally hedged. The foreign currency risk is therefore limited to the estimated uncertainties.

During the years ended December 31, 2020 and 2019, the Group did not enter into any forward currency transactions. No derivative currency contracts were outstanding as of December 31, 2020 and 2019.

33.5 Fair value measurement

As of December 31, 2020, the Group held financial assets at fair value through profit or loss (note 11) in the amount of TCHF 185 (2019: none). These financial assets are quoted on the Nasdaq, and fair value is determined with reference to the market price as of December 31, 2020 in accordance with IFRS 9. They are considered level 1 financial instruments.

For all other financial assets and liabilities, their carrying amount at amortized cost approximates fair value.

34. Related party transactions

34.1 Related party transactions

As of December 31, 2020, related parties included members of the Board of Directors and Executive Committee. The following transactions were carried out with related parties:

Key management compensation, in TCHF	2020	2019
Fees, salaries and other short-term employee benefits	570	230
Post-employment benefits	-	51
Share-based compensation	1'006	-
Total compensation for key management	**1'576**	**281**

There were no other related party transactions in the financial periods 2020 and 2019.

The disclosures required by the Swiss Code of Obligations on Board and Executive committee compensation are shown in the compensation report.

34.3 Related party balances

Balances and transactions between the Group and its current subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

As of December 31, 2020, there were no related party balances. The liabilities due to the shareholder GEM were the only related party balance as of December 31, 2019 and were converted into equity in 2020. For further details, refer to note 19.

35. Leases

Leases mainly relate to leased office spaces. The rental agreements can be cancelled within three months and are therefore considered short-term leases. Total lease expenses in 2020 were TCHF 15 (2019: TCHF 28).

As of December 31, 2020, there were non-cancellable lease commitments for short-term leases of TCHF 8 (December 31, 2019: TCHF 8).

36. Non-cash transactions

In 2020, the Group did not enter into any significant non-cash investing or financing activities which are not reflected in the consolidated statement of cash flow, except for the following transactions:

- In August 2020, conversion of GEM's loans into equity (notes 15 and 19).
- In April 2020, the payment of the loan of TUSD 250 provided by GEM to Relief (note 19) was directly wired to NeuroRx, Inc. as payment of 50% of the loan granted by Relief to NeuroRx, Inc. (note 9). Relief wired an additional TUSD 250 to NeuroRx, Inc. Relief, therefore, recorded a receivable from NeuroRx, Inc. of TUSD 500 (TCHF 482) and a liability due to GEM of TUSD 250 (TCHF 241).

In 2019, the cancellation of the collaboration agreement with Genclis was the only non-cash transaction.

37. Contingent liabilities

37.1 Litigation

As of December 31, 2020, neither the Company nor any of its subsidiaries are party to any legal, administrative or arbitration proceedings, the outcome of which, if adverse to the Group, could be material to its business, financial condition and results of operation as a whole.

37.2 Sale of certain old subsidiaries of RELIEF THERAPEUTICS Holding SA (CRO Sale)

The contract for the sale of the Company's major CRO (contract research organization) subsidiaries, dated June 15, 2016, contains representations and warranties, as well as clauses for working capital true-ups, which could result in claims being made against the Group. The buyer raised a working capital true-up claim in 2016 relating to various items, whereas the Company made a counter claim. No further development occurred since 2017.

The Group did not record a provision on this matter, as it determined the likelihood of an adverse effect on future cash outflow to be low.

38. Events after the reporting period

38.1 New SSF with GEM

On January 20, 2021, the Company signed a binding agreement with the Company's main shareholder GEM for the implementation of a new SSF in the amount of up to CHF 50 million.

Under the terms of the SSF, the Company has the right to periodically, during a timeframe of up to three years, issue and sell shares to GEM. Under the facility, GEM undertakes to subscribe to or acquire ordinary registered shares of the Company upon the Company's exercise of a drawdown notice. In accordance with the customary terms of the SSF agreement, the Company controls the timing and maximum amount of any drawdown and retains the right, not the obligation, to draw down on the full commitment amount. Future subscription prices under the SSF will correspond to 90% of the average of the closing bid prices on the SIX Swiss Exchange during the reference period, which corresponds to fifteen trading days following Relief's drawdown notice.

The Company committed to pay GEM a commitment fee of CHF 1'250'000, payable upon proceeds from the first drawdown or on January 20, 2022.

38.2 Term sheet to acquire all shares of AdVita Lifescience GmbH

On January 20, 2021, the Company and AdVita Lifescience GmbH ("AdVita"), a Germany-based, privately held pharmaceutical company developing effective products and strategies to improve the treatment and diagnosis of rare lung diseases, announced the signing of a binding term sheet for the Company to acquire all shares of AdVita in exchange for EUR 25 million of the common shares of the Company, plus possible future contingent milestone payments of up to EUR 20 million. The closing of the transaction is subject to customary closing conditions as well as legal and securities regulatory approvals and is expected to occur in the second quarter of 2021.

Under the terms of the agreement, Relief has advanced a EUR 2 million convertible secured loan to AdVita in two equal installments to fund the advancement of AdVita's clinical development program of inhaled aviptadil for various pulmonary diseases.

38.3 Collaboration and license agreement with Acer Therapeutics, Inc.

On January 25, 2021, the Company and Acer Therapeutics Inc. ("Acer"), announced the signing of an option agreement providing exclusivity for the right to negotiate a potential collaboration and license agreement ("CLA") for worldwide development and commercialization for ACER-001.

Under the terms of the option agreement, Acer received from the Company a USD 1 million non-refundable payment in return for exclusivity until June 30, 2021 to negotiate and enter into a definitive collaboration and license agreement between Acer and the Company for the development of ACER-001. Further, in connection with entering into the option agreement, the Company made a USD 4 million secured loan to Acer.

On March 22, 2021, both companies announced the execution of the CLA. Acer since received a USD 10 million cash payment (originally USD 14 million, offset by repayment of the USD 4 million outstanding balance of the prior loan, plus interest, from Relief to Acer). Relief will also pay Acer up to USD 20 million in U.S. development and commercial launch costs of the molecule for the treatment of the Urea Cycle Disorders ("UCD") and Maple Syrup Urine Disease ("MUSD") indications. Acer will retain development and commercialization rights in the U.S., Canada, Brazil, Turkey and Japan. The companies will split net profits from Acer's territories 60%:40% in favor of Relief. In addition, Relief has licensed the rights for the rest of the world, where Acer will receive from Relief a 15% royalty on all revenues received in Relief's territories. Acer may also receive a total of USD 6 million in development milestone payments following the first European (EU) marketing approvals for UCDs and MSUD.

38.4 Issuance of treasury shares and private placement

In March 2021, the Company increased its registered share capital from 3'246'727'248 to 3'371'727'248 shares through the issuance of 125'000'000 shares out of authorized capital at an issue price of CHF 0.01. The shares were fully subscribed for by Relief Therapeutics International SA. 41'459'370 of these shares were subsequently sold to a healthcare-dedicated U.S. institutional investor at a price of CHF 0.2412 per share for a total gross amount of CHF 10 million, before deducting the transaction costs.

38.5 Topline results of U.S. phase 2b/3 trial evaluating IV RLF-100

In March 2021, Relief's partner NeuroRx reported topline results (28-day and 60-day) from the U.S. phase 2b/3 trial evaluating IV RLF-100 for the treatment of patients with critical COVID-19 with respiratory failure. According to NeuroRx, RLF-100 met the primary endpoint for successful recovery from respiratory failure at days 28 (P=.014) and 60 (P=.013) and demonstrated a meaningful benefit in survival (P= <.001) after controlling for ventilation status and treatment site.

Other than the events mentioned above, there have been no significant subsequent events since December 31, 2020.

mazars

RELIEF THERAPEUTICS Holding SA
Geneva

Statutory auditor's report
Consolidated financial statements as of
December 31, 2020

---

mazars

Report of the statutory auditor to the General Meeting of RELIEF THERAPEUTICS Holding SA, Geneva

Report on the audit of the Consolidated Financial Statements

Audit opinion

We have audited the consolidated financial statements of RELIEF THERAPEUTICS Holding SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2020 and the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020 (pages 29–62), and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *"Auditor's Responsibility for the Audit of the Consolidated Financial Statements"* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern. We draw your attention to note 4 to the consolidated financial statements, paragraph "Going Concern", which states that the viability of the Group is partly dependent upon on the success of its RLF-100 (aviptadil) compound. This, along with other matters as described in note 4, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters (based on the circular 1/2015 of the Federal Audit Oversight Authority)

- Assessment of potential impairment of the intangible asset
- Disposal of the subsidiary Relief Therapeutics SA

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of potential impairment of the intangible asset

Areas of focus

The assessment of potential impairment of the intangible asset at December 31, 2020 (refer to note 4 – Summary of critical accounting judgements and key sources of estimation uncertainty and note 8 – Intangible assets).

At December 31, 2020, the only intangible asset was RLF-100 (aviptadil) compound, whose carrying value is TCHF 30'800 (TCHF 19'600 at December 31, 2019). Indeed, the carrying value was increased up to TCHF 30'800 as a result of the reversal of prior year impairment following to Management impairment review. We focused on their impairment review because the assumptions used to support the intangible asset value involve significant judgment on both, the probability of success of the development, plus the achievement of regulatory approval across indications, and the probability of success of the resulting product launches and market size.

Our audit response

We evaluated and challenged management's assumptions both individually and collectively.

We obtained the Group's carrying value calculation and assessed the key assumptions. Management has followed a documented process for drawing up future cash flow forecasts, which is subject to oversight and considerations by the Board of Directors.

With the support of our valuation specialists we considered third party sources to challenge management's main assumptions, assessed the risk of impairment and concur with the reversal of prior year impairment.

We discussed and challenged management's assumptions. We compared management's assumptions with the ones used in prior year. We also verified the mathematical accuracy of the future cash flows derived from Management's internally developed model.

As a result of our procedures we consider the valuation appropriate, we found that the assessment made by management was based upon reasonable assumptions, consistently applied.

For further information on Intangible assets, refer to the following:

- Note 8, « Intangible assets »

Disposal of the subsidiary Relief Therapeutics SA

Areas of focus	Our audit response
During the year, the Group sold its subsidiary named Relief Therapeutics SA to Sonnet Holdings “Sonnet”. In exchange, Sonnet paid to the Group shares of its common stock that converted into 757’933 shares of listed Sonnet Holdings common stock. We focused on this area given the unusual nature and the materiality of this transaction.	As part of our audit procedures, we reviewed the Share Exchange Agreement signed between the Group and Sonnet. We reviewed the technical accounting memo prepared by Management and ensured that the disposal was correctly accounted for. We verified that 757’933 shares of Sonnet were actually received by the Group. We ensured that this transaction was adequately disclosed on the notes to the consolidated financial statements.

For further information on the disposal of the subsidiary Relief Therapeutics SA, refer to the following:

- Note 31, « Disposal of subsidiary »

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of RELIEF THERAPEUTICS Holding SA and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

MAZARS SA

Franck Paucod
Licensed Audit Expert
(Auditor in Charge)

Elisa Leu
Licensed Audit Expert

Geneva, April 15, 2021

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and notes)

RELIEF THERAPEUTICS Holding SA

Statutory Financial Statements
for the year ended December 31, 2020

BALANCE SHEET

as of December 31, 2020, and December 31, 2019

in CHF	Note	2020	2019
ASSETS			
Cash and cash equivalents		31'560'622	124'294
Restricted cash	3	5'093'285	-
Other current receivables - third parties		60'352	85'864
Prepaid expenses		17'763	3'449
Financial assets		185'239	-
Current assets		**36'917'261**	**213'607**
Investments in subsidiaries	4	18	3'670'000
Other non-current receivables - subsidiaries	5	6'717'559	-
Other non-current receivables - third parties	6	391'972	-
Non-current assets		**7'109'549**	**3'670'000**
Total assets		**44'026'810**	**3'883'607**
LIABILITIES & SHAREHOLDERS' EQUITY			
Other current liabilities - third parties	7	2'598'742	149'723
Other current liabilities - related parties	8	-	2'119'102
Borrowings	9	-	756'859
Accrued expenses	10	878'760	345'741
Provisions	25	-	10'000
Current liabilities		**3'477'502**	**3'381'425**
Total liabilities		**3'477'502**	**3'381'425**
Share capital		32'467'272	21'139'193
General reserves		166'017'471	117'288'557
thereof capital contribution reserves		*166'000'966*	*117'272'052*
thereof other general reserves		*16'505*	*16'505*
Accumulated losses		(157'935'435)	(137'925'568)
loss carried forward		*(137'925'568)*	*(101'580'285)*
result of the period		*(20'009'867)*	*(36'345'283)*
Total shareholders' equity	11	**40'549'308**	**502'182**
Total liabilities and shareholders' equity		**44'026'810**	**3'883'607**

INCOME STATEMENT

for the years ended December 31, 2020, and December 31, 2019

in CHF	Note	2020	2019
Other income	14	1'432'099	-
Personnel expenses	15	(1'186'365)	(221'579)
Professional fees	16	(2'486'459)	(327'475)
Other administrative expenses	17	(820'877)	48'856
EBITDA		**(3'061'602)**	**(500'198)**
Impairment of loans	18	(15'521'154)	(356'241)
Impairment of investments	19	-	(35'147'000)
Operating result		**(18'582'756)**	**(36'003'439)**
Financial income	20	6'714	-
Financial expense	21	(1'359'800)	(134'811)
Net exchange differences		(409'987)	32'003
Extraordinary income	22	335'962	130'680
Extraordinary expenses	23	-	(369'715)
Net loss before taxes		**(20'009'867)**	**(36'345'283)**
Income tax expense		-	-
Net loss for the period		**(20'009'867)**	**(36'345'283)**

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in CHF)

1. General information

RELIEF THERAPEUTICS Holding SA ("Relief", the "Company" or the "Group") is a Swiss stock corporation domiciled at 15 Avenue de Sécheron, 1202 Geneva, Switzerland. The Company's shares are listed on the SIX Swiss Exchange (Ticker: RLF) and quoted in the U.S. on the OTCQB (Ticker: RLFTF).

The Company has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS). In accordance with the Swiss Code of Obligation (art. 961d para. 1), the Company decided to forgo presenting additional information on audit fees in the notes as well as a cash flow statement.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

These financial statements are prepared in accordance with the provisions of Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting principles applied are described below.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates. The financial statements have been prepared on a going concern basis.

Certain amounts in the comparative period of the income statement have been reclassified to conform with the current period presentation. These reclassifications have not changed the net result or the income statement aggregates.

Investments in subsidiaries

Investments in subsidiaries are recorded at their acquisition costs less adjustments for impairment of value. The acquisition cost includes charges and expenses in connection with the acquisition. The Company evaluates its investments in subsidiaries for impairment at least annually and when it identifies indicators that the carrying amount of such assets exceeds the fair value.

Intangible assets

Licenses and other intangible assets are capitalized as intangible assets when it is probable that future economic benefits will be generated. Such assets are in general amortized on a straight-line basis over their useful lives. The estimated useful life of the intangible assets is regularly reviewed and, if necessary, the future amortization charge is accelerated. As a general rule, amortization starts at the beginning of the asset's commercialization and lasts for the entire period during which it generates revenues.

Loans to subsidiaries

Loans to subsidiaries are carried at original nominal value less adjustments for impairment of value. A provision for impairment is recorded when there is objective evidence that the Company will not be able to collect the amount due.

Cash

Cash balances, denominated in Swiss francs, US Dollars and Euros, are freely available cash deposited in bank accounts.

Other assets and liabilities

Unless otherwise stated, all other assets and liabilities are stated at their nominal values.

Net exchange difference

Monetary items denominated in foreign currencies are converted at year-end exchange rates. Realized exchange gains and losses, as well as all unrealized exchange losses arising thereof, as well as those from business transactions, are recorded as net exchange differences.

2.2 Going concern

During the reporting period, the Company benefited from the development of its share price and raised equity capital for a net amount of CHF 58 million. As of December 31, 2020, the Company and its subsidiaries had over CHF 43 million cash on hand, which is sufficient to finance cash needs for their short-term operations, including expected future expenses for the aviptadil clinical trials initiated in 2020. The viability of the Company is partly dependent on the success of its RLF-100™ (aviptadil) compound. Should the outcome of the clinical trials be negative, the ability of the Company to raise capital and fund its long-term operations could be adversely affected. Considering current liquidity plans, Relief's management team is confident in the Company's ability to continue as a going concern and has prepared these statutory financial statements on a going concern basis.

2.3 Impact of COVID-19

In March 2020, the World Health Organization designated a new coronavirus disease (COVID-19) as a global pandemic. In response, governments around the world have implemented various public health and social measures aimed to slow the transmission of the virus, including orders to stay at or work from home, closure of non-essential businesses, cancellation of events and limitations on domestic and international travel. These measures have had a significant impact on global markets leading to economic fallout and uncertainty.

As the Company's reliance on local or global supply chains is low, and as it does not operate any production facilities, it has a low risk of being forced to interrupt its operations due to the ongoing COVID-19 pandemic. The Company is closely monitoring the global evolution of the pandemic but does not anticipate any negative impacts on the going concern of the Company over the next twelve months.

The coronavirus pandemic did not have a significant impact on the key judgements and estimates used for the preparation of those financial statements for the year-ended December 31, 2020.

3. Restricted cash

As of December 31, 2020, TCHF 5'093 was held in an escrow account as a security deposit under a pledge agreement signed with the Company's bank. The escrow account was set up for a commitment issued by the Company for the acquisition of clinical material expected to be produced, delivered, and paid for during the first half of 2021.

4. Investments in subsidiaries

RELIEF THERAPEUTICS Holding SA as a holding company for the group, which includes itself and its wholly owned subsidiaries, owns:

Company	Domicile	Share capital	Shareholder	% owned
Relief Therapeutics International SA [1]	Geneva (CH)	CHF 338'364	RELIEF THERAPEUTICS Holding SA	100%
Relief Therapeutics US, Inc.	Delaware (U.S.)	USD 10	RELIEF THERAPEUTICS Holding SA	100%
Relief Therapeutics, Inc. [2]	Delaware (U.S.)	USD 10	RELIEF THERAPEUTICS Holding SA	100%

[1] previously named THERAMetrics Discovery AG.
[2] registered in 2020 and remained inactive as of the date of publication of this report.

As of December 31, 2020, and 2019, respectively, the Company recognized its investments as follows:

	2020	2019
Investments in subsidiaries	338'382	49'339'963
Provision for investments	(338'364)	(45'669'963)
	18	**3'670'000**

Impairment of investment

As of December 31, 2020, the net amount of CHF 18 represented the share capital of the two U.S. subsidiaries. Other investment is the investment in Relief Therapeutics International SA, which is fully impaired. In accordance with the principle

of prudence, partial or total reversal of this impairment may be recognized in the future if the Company expects with reasonable certainty a positive recoverable amount through profit generation or sale of the subsidiary.

As of December 31, 2019, the net amount of TCHF 3'670 represented the carrying value of the investment in Relief Therapeutics SA. This subsidiary was divested in 2020. Detailed information on the transaction is available in the Company's 2019 Annual Report (in particular, notes 1, 2.2, 26.1 to the 2019 standalone financial statements).

5. Loans to subsidiaries

December 31, 2020

Company	Domicile	Loans	Depreciation	Total
Relief Therapeutics International SA	Geneva (CH)	44'236'785	(37'519'225)	6'717'559

The loan granted to Relief Therapeutics International SA does not bear interest and does not have a fixed term. In 2020, RELIEF THERAPEUTICS Holding SA increased the loan from CHF 22'015'171 to CHF 44'236'785 through cash advances to fund the research and development operations of its subsidiary. The gross value of the loan was impaired to match the carrying amount of the subsidiary's net assets at closing date. The loan is subordinated in the amount of CHF 38'000'000.

December 31, 2019

Company	Domicile	Loans	Depreciation	Total
Relief Therapeutics International SA	Geneva (CH)	22'015'171	(22'015'171)	-
THERAMetrics Switzerland GmbH	Zurich (CH)	1'314'042	(1'314'042)	-
THERAMetrics Inc.	Wayne, PA (US)	78'561	(78'561)	-
Pierrel Research Hungary Kft	Budapest (H)	16'677	(16'677)	-
		23'449'451	**(23'449'451)**	**-**

6. Other non-current receivables – third parties

As of December 31, 2020, the Company had provided a loan to NeuroRx, Inc., of USD 500'000 (CHF 441'972). The loan bears interest at a rate of 2% per annum, is due in April 2022 and is impaired to account for the expected credit loss at maturity (CHF 50'000).

7. Other current liabilities – third parties

	2020	2019
Payable to a former subsidiary of the Group	890'192	-
Payable due to third parties in relation to the sale of a subsdiary	484'640	-
Social security	814'564	-
Accounting, legal and professional service providers	409'337	135'629
Other	9	14'094
Total	**2'598'742**	**149'723**

8. Liabilities due to related parties

As of December 31, 2020, no amount was due to a related party.

As of December 31, 2019, liabilities due to related parties consisted of TCHF 982 due to the Company's main shareholder GEM, TCHF 1'009 due to Relief Therapeutics SA and TCHF 128 due to THERAMetrics Switzerland GmbH. During 2020, the payable due to GEM was converted into equity; the payable to Relief Therapeutics SA was reclassified as a third-party liability and the payable due to THERAMetrics Switzerland GmbH was written off following de-registration of the subsidiary.

9. Financial liabilities to third parties

As of December 31, 2019, the nominal value and accrued interest of a loan due to a former subsidiary of the Group was recorded for a total amount of TCHF 757. In 2020, the loan was entirely settled for an amount of TCHF 648. The difference, net of foreign exchange difference, was recognized as extraordinary income in the 2020 income statement.

10. Accrued expenses

	2020	2019
Accounting, legal and professional service providers	270'205	92'000
Therametrics historical accrual	175'211	176'094
Stamp tax	250'802	47'033
Capital tax	182'542	28'114
Various	-	2'500
Total	**878'760**	**345'741**

11. Shareholders' equity

	Share capital	General reserves	Accumulated losses	Total shareholders' equity
Equity at January 1, 2019	**20'889'205**	**117'538'545**	**(101'580'284)**	**36'847'466**
Unregistered SSF drawdowns	249'988	(249'988)		-
Net result for the period			(36'345'283)	(36'345'283)
Equity at December 31, 2019	**21'139'193**	**117'288'557**	**(137'925'567)**	**502'182**
Exercise of warrants	7'666'587	46'000		7'712'587
Exercise of stock options	681'256	724'249		1'405'505
Share Subscription Facility drawdowns	2'400'000	46'815'600		49'215'600
Debt to equity conversion	580'236	1'143'065		1'723'301
Net result for the period			(20'009'867)	(20'009'867)
Equity at December 31, 2020	**32'467'272**	**166'017'471**	**(157'935'435)**	**40'549'308**

Issued share capital

As of December 31, 2020, the total outstanding share capital consisted of 3'246'727'248 fully paid common shares with a par value of CHF 0.01 each, listed on the SIX Swiss Exchange. Certain conditional rights exercised during the second half of 2020, accounting for 712'558'667 shares issued from conditional capital, were recorded in the Company's Articles of Association on December 17, 2020. These Articles of Association were formally registered with the commercial register on January 19, 2021, and the amount of issued share capital of 3'246'727'248 shares was published in the Swiss Official Gazette of Commerce on January 22, 2021.

Authorized share capital

As of December 31, 2020, the Company had authorized share capital of CHF 12'500'000.00, consisting of 1'250'000'000 shares (2019: 1'056'726'052 shares) with a par value of CHF 0.01 each, which the Board of Directors is authorized to issue at any time until December 16, 2022 in accordance with the Company's Articles of Association.

Conditional share capital

The conditional share capital of the Company as of December 31, 2020, was CHF 3'752'156.08, consisting of 375'215'608 shares (2019: 1'056'959'622) with a par value of CHF 0.01 each, of which 121'874'275 (2019: 190'000'000) to be used for stock options for members of the Board of Directors, Executive Committee, employees and consultants, as well as 253'341'333 shares (2019: 866'959'622) to be used for the exercise of option rights granted in connection with bonds, notes

or similar debt instruments issued by the Company. The Company has a stock option plan for its employees, Board members and consultants ("2015 Equity Award Plan"), whereby each option gives its holder the right to purchase one of the Company's common shares at a pre-determined price. When options are exercised, the related shares are issued from the Company's conditional capital.

Outstanding options and warrants

As of December 31, 2020, the Company had 24'367'658 options outstanding that were granted in connection with the current share option plan: 23'917'658 options were exercisable, and 450'000 options vest over a remaining period of approximately 3 to 4 years. During 2020, 21'963'383 options were granted, 68'125'725 options were exercised and no options were cancelled or expired.

As of December 31, 2019, the Company had 70'530'000 options outstanding that were granted in connection with the current share option plan. All options were exercisable. During 2019, no options were granted, exercised, cancelled or expired.

As of December 31, 2019, the Company had 590'000'000 warrants outstanding. During 2020, the Company issued 176'658'667 additional warrants and all 766'658'667 warrants were exercised. As of December 31, 2020, there were no outstanding warrants.

Reserves from capital contributions

The Swiss Federal Tax Administration has not yet confirmed the amount of reserves from capital contributions in the sense of art. 20 para. 3 of the Federal Act on Direct Federal Taxation.

12. Significant shareholders

The following shareholders held 3% or more of the common shares of the Company according to disclosure notifications filed with the Company to the SIX, or according to the share register, as applicable:

	December 31, 2020		December 31, 2019	
	Number of shares	%	Number of shares	%
GEM Global Yield LLC SCS	1'374'200'521	42.3%	566'154'033	26.8%
Yves Sagot	--	< 3%	175'698'685	8.2%
Django Trading Sarl	--	< 3%	118'000'000	5.6%
Michel Dreano	--	< 3%	138'963'099	6.6%

The ownership percentages in the table above were based on (i) the number of shares held by such shareholder, excluding any options and other derivatives (if any), and (ii) the total number of shares outstanding as of December 31, 2020 of 3'246'727'248 (2019: 2'113'919'272).

13. Shares owned by and options granted to the Board of Directors and the Executive Committee

The following table discloses the number of shares and options held by the members of the Board of Directors and the Executive Committee as of December 31, 2020 and 2019, respectively.

	December 31, 2020	December 31, 2019
Shares held by members of the Board of Directors	**Number of shares**	**Number of shares**
Thomaz Burckhardt, member of the BoD[1]	10'845'725	-
Shares held by the Executive Committee		
Yves Sagot, CSO[2]	79'751'533	175'698'685
Options held by members of the Board of Directors	**Number of options**	**Number of options**
Raghuram Selvaraju, Chairman of the BoD	7'063'197	-
Peter de Svastich, member of the BoD[3]	5'204'461	-
Options held by the Executive Committee		
Jack Weinstein, CFO	100'000	-
Chris Stijnen, CCO	250'000	-
Yves Sagot, CSO[2]	10'000'000	10'000'000

[1] Mr Burckhardt was a member of the Board of Directors until his resignation on February 8, 2021.
[2] Mr Sagot was a member of the Executive Committee until his transition into a consulting role on October 6, 2020. He ceased to consult for Relief in early November 2020.
[3] Mr de Svastich was a member of the Board of Directors until his resignation on December 18, 2020.

14. Other income

	2020	2019
Intragroup services	944'739	-
Gain on divestment proceeds	487'360	-
	1'432'099	**-**

For the year ended December 31, 2020, the Company invoiced its subsidiaries TCHF 945 for management and administrative expenses incurred in relation to the operations of its subsidiaries, mainly legal fees. The Company also recognized a gain of TCHF 487 from the sale of its former subsidiary, Relief Therapeutics SA, and as a result of divestment expenses being lower than anticipated.

15. Personnel expenses

For the year ended December 31, 2020, personnel expenses were primarily social security contributions applicable to actual and future exercises of stock options (TCHF 742). The remainder (TCHF 444) was related to expenses directly incurred by the Company or recharged by subsidiaries for employees and consultants performing services in the name of the Company. In 2019, personnel expenses of TCHF 222 were related to payroll recharges from the former subsidiary Relief Therapeutics SA.

Compensation for the members of the Board of Directors and the Executive Committee is disclosed in the Compensation Report.

16. Professional fees

	2020	2019
Accounting, legal and consulting expenses	1'875'227	275'984
Listing, share register, PR/IR expenses	611'232	51'491
	2'486'459	**327'475**

For the year ended December 31, 2020, professional fees amounted to CHF 2'486'459. The increase was mainly due to (i) legal and consulting fees incurred in connection with the RLF-100 phase 2b/3 clinical trials and related transactional matters (ii) the growth in the number of the Company's shareholders, communication requirements and related compliance matters.

17. Other administrative and service expenses

	2020	2019
Office expenses	15'518	17'999
Travel expenses	-	8'219
IT & communication expenses	12'314	11'089
Provision (reversal) for litigation	-	(136'000)
Stamp tax	604'795	22'000
Capital tax	154'428	14'600
Other	33'823	13'237
	820'877	**(48'856)**

18. Impairment of loans

	2020	2019[1]
Impairment of loan to Relief Therapeutics SA	-	346'851
Impairment of loan to Relief Therapeutics International SA	15'471'154	21'849
Impairment of loan to a third party	50'000	-
Reversal of impairment THERAMetrics Switzerland	-	(12'459)
	15'521'154	**356'241**

[1] Comparative figures include expenses resulting from the write-off in 2019 of intercompany loans and reflect the portion (CHF 118'700) of the written-off loans that has not been impaired in the previous reporting periods.

19. Impairment of investments

For the year ended December 31, 2020, no investment into subsidiaries was further impaired. For the year ended December 31, 2019, the investment in Relief Therapeutics SA was impaired by TCHF 35'147, based on the expected net proceeds of its divestment.

20. Financial income

	2020	2019
Interest income from a loan to a third party	6'714	-
	6'714	**-**

21. Financial expense

	2020	2019
Realized and unrealized losses on financial assets	1'194'751	-
Interest on liabilities due to third parties	4'055	99'977
Interest on liabilities due to related parties	25'753	34'058
Negative interest on bank accounts	67'848	-
Bank fees and other	67'393	777
	1'359'800	**134'811**

22. Extraordinary income

	2020
Write-off of a liability due to a former subsidiary of the Company	127'856
Reimbursement from a vendor for services settled through stock options	104'057
Favorable settlement agreement of a loan due to a former subsidiary of the Company	104'049
	335'962

	2019
Genclis, gain from termination of agreement	122'186
Various	8'494
	130'680

23. Extraordinary expenses

	2020	2019
Expenses recharged from a subsidiary of the Company	-	363'640
Various	-	6'075
	-	**369'715**

24. Full-time equivalents

The average number of employees during 2020 (in full-time equivalents) was less than 10.

25. Contingent liabilities

25.1 Litigation

As of December 31, 2020, the Company was not party to any legal, administrative or arbitration proceedings, the outcome of which, if adverse to the Company, may be material to its business, financial condition and results of operation taken as a whole.

25.2 Sale of certain old subsidiaries of RELIEF THERAPEUTICS Holding SA

The contract for the sale of the Company's major CRO (contract research organization) subsidiaries, dated June 15, 2016, contains representations and warranties, as well as clauses for working capital true-ups, which could result in claims being made against the Company. The buyer raised a working capital true-up claim in 2016 relating to various items, whereas the Company made a counter claim. No further development occurred since 2017.

The Company did not record a provision on this matter, as it determined the likelihood of an adverse effect on future cash outflow to be low.

26. Significant events after the balance sheet date

Please refer to Note 38 *Events after the reporting period* of the Consolidated Financial Statements.

These statutory financial statements were approved for issuance by the Board of Directors on April 14, 2021. No other material events occurred between the balance sheet date and the date on which these financial statements were approved by the Board of Directors that would require adjustment to the financial statements or disclosure under this heading.

mazars

RELIEF THERAPEUTICS Holding SA
Geneva

Report on the audit of
The financial statements as of
December 31, 2020

Mazars SA
Chemin de Blandonnet 2
CH-1214 Vernier-Genève

Tel: +41 22 708 10 80
www.mazars.ch

Report of the statutory auditor to the General Meeting of RELIEF THERAPEUTICS Holding SA, Geneva

Report on the audit of the Financial Statements

Audit opinion

We have audited the financial statements of RELIEF THERAPEUTICS Holding SA, which comprise the balance sheet as at December 31, 2020 and the income statement and notes for the year then ended.

In our opinion the accompanying financial statements (pages 69–79) as at December 31, 2020 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. We draw your attention to note 2 to the financial statements, paragraph 2 "Going Concern", which states the viability of the Company is partly dependent upon on the success of its RLF-100 (aviptadil) compound. This, along with other matters as described in note 2.2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. If it is not possible for the Company to continue as a going concern, the financial statements will need to be prepared on the basis of liquidation values. This would lead to a substantiated concern that the Company's liabilities exceed its assets within the meaning of article 725 para. 2 CO, requiring compliance with the corresponding legal provisions. Our opinion is not qualified in respect of this matter.

Key Audit Matters (based on the circular 1/2015 of the Federal Audit Oversight Authority)

- Disposal of the subsidiary Relief Therapeutics SA

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Disposal of the subsidiary Relief Therapeutics SA

Areas of focus	Our audit response
During the year, the Company sold its subsidiary named Relief Therapeutics SA to Sonnet Holdings “Sonnet”. In exchange, Sonnet paid to the Group shares of its common stock that converted into 757’933 shares of listed Sonnet Holdings common stock. We focused on this area given the unusual nature and the materiality of this transaction.	As part of our audit procedures, we reviewed the Share Exchange Agreement signed between the Company and Sonnet. We reviewed the technical accounting memo prepared by Management and ensured that the disposal was correctly accounted for. We verified that 757’933 shares of Sonnet were actually received by the Company. We ensured that this transaction was adequately disclosed on the notes to the financial statements.

For further information on the disposal of the subsidiary Relief Therapeutics SA, refer to the following:

- Note 4, « Investments in subsidiaries »

Board of Directors' responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

We draw attention to the fact that half of the share capital and the legal reserves is no longer covered (article 725 para. 1 CO).

Further, we highlight the fact that the ordinary general annual meeting was not held within 6 months of the end of the financial year (article 699 para. 2 CO).

MAZARS SA

Franck Paucod
Licensed Audit Expert
(Auditor in Charge)

Elisa Leu
Licensed Audit Expert

Geneva, April 15, 2021

Enclosure:

- Financial statements (balance sheet, income statement and notes)