RELIEF THERAPEUTICS

HALF-YEAR REPORT 2021

24th September 2021

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RLF-100 (aviptadil)

RLF-100 (aviptadil), IV

In March 2021, Relief's collaboration partner, NeuroRx, Inc. ("NeuroRx"), a wholly owned subsidiary of NRx Pharmaceuticals, Inc. ("NRx"), announced top-line 60-day results from its phase 2b/3 clinical trial of intravenous RLF-100 for the treatment of patients with critical COVID-19 respiratory failure. According to NRx, across all patients and sites, RLF-100™ 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. However, the clinical trial results did not demonstrate a statistically significant difference on the trial's primary endpoint without adjustment for these pre-specified covariates. These findings formed the basis for NeuroRx's Emergency Use Authorization ("EUA") application to the U.S. Food and Drug Administration ("FDA"). Once Relief has received and analyzed the full data from the phase 2b/3 clinical trial, the Company will decide on the best path forward for the development of RLF-100 in Europe and other territories.

In April 2021, NRx announced that RLF-100 had been selected for inclusion in ACTIV-3b/TESICO (Therapeutics for Severely Ill Inpatients with COVID-19), an international, phase 3, multicenter clinical trial being sponsored by the U.S. National Institutes of Health (NIH), designed to evaluate RLF-100 and remdesivir in critical COVID-19 patients as a monotherapy, and in combination against placebo.

In June 2021, NRx announced that it had submitted an EUA application to the FDA for the use of intravenous RLF-100 in the treatment of critically ill COVID-19 patients with respiratory failure. NRx has further announced it also plans to submit a New Drug Application (NDA) to the FDA.

In June 2021, NRx announced additional positive results from the RLF-100 U.S. Expanded Access Protocol ("EAP"). The EAP included 240 patients in the intensive care unit with critical COVID-19 respiratory failure requiring either invasive or non-invasive mechanical ventilation, or high flow rate oxygen by nasal cannula, who were not eligible for the phase 2b/3 clinical trial. According to NRx, these EAP data were then submitted to the FDA as open label data in support of the pending EUA application.

In July 2021 (post reporting period), NRx reported that it identified a statistically significant effect of RLF-100 in preventing the sharp rise in cytokines, commonly associated with mortality in patients with COVID-19. According to NRx, the data was collected as part of the ongoing U.S. phase 2b/3 trial and NRx submitted these findings to the FDA as a supplement to the pending EUA application.

In July 2021 (post reporting period), NRx announced it has validated a commercial formulation of RLF-100 for IV use, allowing for high volume manufacture, with an anticipated one year or greater stability (under appropriate storage conditions). NRx also reported that it had achieved a 30 to 50 fold increase in its manufactured lot size of aviptadil.

In July 2021 (post reporting period), NRx announced that the Nation of Georgia's Prime Minister and Minister of Health issued an EUA for intravenous RLF-100 for the treatment of critical COVID-19.

In August 2021 (post reporting period), NRx provided a safety update on RLF-100 from the NIH sponsored ACTIV-3b/TESICO study. According to NRX, the study's Data Safety Monitoring Board found no new safety concerns in the trial and recommended continued enrolment.

In September 2021 (post reporting period), Relief has received scientific advice from the Medicines and Healthcare Products Regulatory Agency ("MHRA") in the United Kingdom ("UK") relating to its lead investigational drug, RLF-100 (aviptadil), for the treatment of respiratory deficiency due to severe COVID-19. The guidance, which was provided in the context of a recent meeting that Relief held with the MHRA, included advice on the appropriate pathway for submission of an application for conditional marketing approval ("CMA") for the intravenous formulation of RLF-100, subject to provision of all data from the U.S. phase 2b/3 study conducted by Relief's collaboration partner, NeuroRx. Relief also held discussions with the European Medicines Agency ("EMA") pertaining to the regulatory path forward for RLF-100 in the European Union. Relief has informed EMA that it will proceed with further dialogue with the MHRA once it has compiled critical information related to the study conduct, clinical data and the drug product.

2021 TO DATE HIGHLIGHTS

RLF-100 (aviptadil), IV (continued)

In September 2021 (post reporting period), Relief reported that NeuroRx continues to refuse, despite repeated demands by Relief requesting this information, to share with Relief the full clinical trial data set, including details on the statistical analysis performed, from its recently completed phase 2b/3 trial, which data and information is required to be provided to Relief by NeuroRx under the Collaboration Agreement. To date, Relief has only received a high-level summary of the clinical study report and has not been provided with, among other information, access to the 53'909 individual case reports, the raw data from the clinical trial, or the data on the multiple statistical analyses performed. NeuroRx has refused to share with Relief any of the correspondence between NeuroRx and the FDA. Further, NeuroRx has refused to allow NeuroRx's contract partners dealing with issues relating to the development of aviptadil to share information with Relief that it requires to develop RLF-100 (aviptadil) in its territories (including the European Union and the United Kingdom). The failure of NeuroRx to provide this information is seriously impairing Relief's ability to develop and execute a clinical and regulatory strategy for RLF-100 (aviptadil) in its territories.

RLF-100 (aviptadil), Inhaled

In January 2021, a clinical trial participation agreement for the inclusion of an inhaled formulation of RLF-100 into the I-SPY COVID-19 clinical trial was signed between NeuroRx and Quantum Leap Healthcare Collaborative™ ("Quantum Leap") of San Francisco. The I-SPY trial is a phase 2 adaptive platform trial aimed at improving treatment for severely and critically ill COVID-19 patients.

In January 2021, Relief and AdVita LiveScience GmbH ("AdVita") signed a binding term sheet for Relief to acquire all shares of AdVita, giving Relief access to all of AdVita's assets including further pending IP rights that strengthen RLF-100 inhaled formulation IP for its potential application in the treatment of lung diseases such as acute respiratory distress syndrome ("ARDS"), pulmonary sarcoidosis and checkpoint inhibitor-induced pneumonitis ("CIP").

In February 2021, NeuroRx has reported that it is currently conducting a phase 2/3 clinical trial evaluating the use of inhaled RLF-100 in patients with early COVID-19 disease. This clinical trial commenced in January 2021 and NRx has reported that this trial is expected to conclude by October 2021. Relief has the right to fund and participate in this trial, subject to NeuroRx's obligation to provide information sufficient for Relief to make a decision on whether or not to fund and participate this trial. To date, such information has not been provided. NRx has stated that Relief has declined to fund the expenses of this trial and that it has obtained the funding for this trial from other sources. Relief believes that this trial is part of its collaboration with NeuroRx and that until sufficient information is provided so that Relief can make the decision whether or not to fund and participate in this trial, its collaboration agreement with NeuroRx does not allow NeuroRx to bring in another source to directly fund these expenses.

In April 2021, Relief and AdVita announced the initiation of an investigator-sponsored, randomized, double-blind, placebo-controlled phase 2 trial evaluating the inhaled formulation of RLF-100 for the prevention of COVID-19-related ARDS.

In July 2021 (post reporting period), NRx and Quantum Leap announced that they had begun treating patients with inhaled RLF-100 in the I-SPY COVID-19 trial.

In July 2021 (post reporting period), Relief and AdVita closed a definitive agreement for Relief to acquire all the outstanding shares of AdVita for EUR 25 million in Relief common shares. In addition, Relief will pay milestone payments of up to EUR 20 million in cash, contingent on the achievement of milestones related to AdVita's development programs.

In August 2021 (post reporting period), Relief announced that AdVita has been granted Orphan Drug Designation ("ODD") by the FDA for inhaled RLF-100 for the treatment of pulmonary sarcoidosis. This marks the Company's third ODD, adding to existing designations for APR-OD031 for phenylketonuria ("PKU") and APR-TD011 for epidermolysis bullosa ("EB").

2021 TO DATE HIGHLIGHTS

ACER-001

In March 2021, Relief signed a Collaboration and License Agreement with Acer Therapeutics Inc. ("Acer") for the worldwide development and commercialization of ACER-001 for the treatment of Urea Cycle Disorders ("UCD") and Maple Syrup Urine Disease ("MSUD"), under which Acer received a total of USD 15 million in cash payments. Relief also committed to pay Acer up to USD 20 million in U.S. development and commercial launch costs for the UCD and MSUD indications, of which USD 10 million has been paid to date. 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 marketing approvals for UCD and MSUD.

In May 2021, Acer announced the outcome of its Type B pre-NDA meeting with the FDA for ACER-001 for the treatment of UCD. Based on the FDA's feedback, Relief and Acer noted that the proposed data package would likely be sufficient to support a Q3 2021 NDA submission under the Section 505(b)(2) regulatory pathway.

Subsequently, in August 2021 (post reporting period), Relief and Acer announced the submission of the NDA to the FDA for ACER-001 for UCD. While there can be no assurance, should the FDA approve the NDA, we believe that it could be available commercially in the United States in 2022.

APR Applied Pharma Research SA

In May 2021, Relief and the then shareholders of APR Applied Pharma Research SA ("APR") signed a binding term sheet for Relief to acquire all of the outstanding shares of APR, a privately held Swiss pharmaceutical company with over 25 years' experience in identifying, developing and commercializing known molecules engineered with drug delivery systems in niche and rare disease areas on a global basis.

In May 2021, APR initiated a pivotal clinical trial with its novel nasal spray, Sentinox™, a Class III medical device approved in Europe, in patients with mild COVID-19. The trial is not designed for registration purposes but to evaluate the efficacy and safety of the product in reducing viral load in the upper airways in recently SARS-Cov-2 infected individuals.

In June 2021, Relief signed and closed a definitive agreement to acquire all outstanding shares of APR. Under the terms of the agreement, APR's shareholders received CHF 21.5 million in cash and CHF 45 million in Relief common registered shares. The sellers are also eligible to receive additional contingent payments in the form of a combination of cash and Relief common registered shares upon achievement of pre-agreed milestones.

In September 2021 (post reporting period), APR expanded its PKU GOLIKE® product line with the launch, in Germany and Italy, of PKU GOLIKE KRUNCH, a convenient chewable tablet for the dietary management of phenylketonuria ("PKU").

Personnel

To match the fast pace at which the Company is developing, Relief has continued to strengthen its management team.

In April 2021, Relief appointed 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.

In May 2021, Relief appointed Taneli Jouhikainen, MD, MBA, to the newly created position of Chief Operating Officer, effective June 1, 2021. Dr. Jouhikainen has over 25 years of life sciences experience in pharmaceutical industry leadership, product development and commercialization roles.

In June 2021, the shareholders of Relief appointed Patrice Jean and Paolo Galfetti to the Relief Board of Directors. Mr. Galfetti has become one of Relief's key executives as Chief Executive Officer of APR and President of Relief Europe.

With the acquisition of APR in June 2021, Relief's workforce increased by more than 40 talented professionals to over 50 employees.

2021 TO DATE HIGHLIGHTS

Financials

Key profit and loss figures

During the first half-year of 2021, the operating loss amounted to CHF 14.5 million (previous period: CHF 6.8 million profit). Cash used in operating activities has ramped up from CHF 3.2 million to CHF 17.7 million. The Company recognized in 2021 a one-time gain of CHF 0.9 million following a third-party debt write-off.

The period was marked by a significant growth in operating and administrative expenses when compared to the first six months of 2020. Service expenses of CHF 8.3 million (previous period: CHF 2.9 million) were mainly driven by development activities for RLF-100 and ACER-001. Personnel expenses increased to CHF 3.4 million (previous period: CHF 0.2 million) as the conduct and oversight of development and administrative projects required additional skilled professionals. Legal and administrative services reached CHF 3.2 million (previous period: CHF 0.4 million), reflecting the Company's need of legal and professional services in relation to its business activities.

Net loss for the period was CHF 14.7 million (previous period: CHF 8.3 million profit).

Acquisition of APR

On June 28, 2021, Relief completed the acquisition of APR which led to a change in the consolidation scope of the Group and significantly transformed the structure of its balance sheet. The acquisition only had a marginal impact on the income statement of the period as transactions realized by APR prior to the acquisition date at the end of this reporting period are not reported in the Group's consolidated accounts.

Under the terms of the agreement, Relief paid to APR's shareholders CHF 21.5 million in cash and CHF 45 million in Relief shares. The sellers are also entitled to receive contingent milestone payments of up to CHF 35 million in a combination of cash and Relief shares upon completion of pre-agreed milestones.

Consolidation of APR and allocation of the purchase price paid led to the recognition of APR's intangible assets and goodwill for a cumulated fair value of CHF 94.6 million. On the liability side, the Group acquired the financial debts of APR for CHF 5.2 million and recognized provisions of CHF 15.9 million for the possible future milestone payments. Lastly, the equity reserves of the Group were strengthened by CHF 42.9 million, which corresponds to the fair value of the deferred Relief shares payment that was settled in July 2021.

Note 5 'Business combination with APR' of the interim consolidated financial statements provides further details on the acquisition and its provisional impact on the Group accounts.

2021 TO DATE HIGHLIGHTS

Financials (continued)

Acquisition of AdVita

On July 27, 2021 (post reporting period), the Group acquired all outstanding shares of AdVita which became a wholly owned subsidiary of Relief in exchange for a payment of EUR 25 million (CHF 27.4 million) payable in Relief shares and future contingent payments of EUR 20 million (CHF 21.9 million) payable in cash. The transaction is further detailed in Note 30.2 'Acquisition of AdVita' of the interim consolidated financial statements. At balance sheet level, the consolidation of AdVita and its subsidiaries will primarily result in an increase of Relief's intangible assets and a corresponding variation of its equity reserves.

Equity transactions

In January 2021, Relief obtained from its main shareholder, GEM Global Yield LLC, an agreement for a new CHF 50 million Share Subscription Facility valid until January 2024; to date, no funds have been drawn down.

In March 2021 and July 2021 (post reporting period), Relief, respectively, raised CHF 10 and CHF 15 million in gross proceeds through two placements of its common shares.

The Company initiated in 2021 its Direct Share Placement ("DSP") program in order to diversify its funding sources and raise capital in a cost-efficient and flexible manner. Under such program, the Company is able to issue shares out of its authorized capital to constitute and monetize its treasury shares reserve. From January 1 to June 30, 2021, CHF 19.8 million has been raised through treasury sales.

In July 2021 (post reporting period), Relief issued out of its authorized capital an additional 1 billion shares, of which 342'527'847 shares were immediately transferred to APR's and AdVita's sellers. The remaining shares were held in treasury for future financing transactions, including through our DSP program, acquisitions, general corporate purposes, and the settlement of possible future contingent milestone payments to the APR sellers.

During the first half of the year, Relief raised a total of CHF 29.9 million. Total shareholders' equity increased from CHF 67 million as of December 31, 2020, to CHF 124.3 million as of June 30, 2021. As of September 24, 2021, the Group had a strong financial position with available cash of approximately CHF 40 million.

2021 TO DATE HIGHLIGHTS

Report on Disputes with NeuroRx relating to the Collaboration Agreement for the development of RLF-100 for the treatment of COVID-19

On September 18, 2020, Relief entered into a collaboration agreement with NeuroRx for the development of RLF-100 ("Collaboration Agreement") for the treatment of COVID-19. Numerous disputes have now arisen between Relief and NeuroRx relating to the interpretation of the Collaboration Agreement. Among other issues in dispute, based on currently available information, are the following:

- In its public filings, NRx has accused Relief of misleading them and Relief's public shareholders about the stability of the formulation of aviptadil that Relief brought to the parties' collaboration. They have also reported that in their view, the formulation of aviptadil they are evaluating is not part of the collaboration. Relief has reported that there is no truth to these allegations, and that NeuroRx was expressly tasked with developing a stable formulation of aviptadil under the Collaboration Agreement. Further, Relief has also reported that in its view, the version of aviptadil that was and is being used by NeuroRx in its clinical trials is the drug formulation covered by the Collaboration Agreement.
- NRx has reported that Relief has not paid certain amounts due to NeuroRx relating to the collaboration, and in its most recent public filing, NRx stated that the amount due was approximately USD 10 million. The amount reported by NRx has grown exponentially in NRx's most recent filings with the SEC, and Relief has previously reported that it has not received invoices documenting amounts anywhere close to the amounts that NeuroRx claims are allegedly due. Further, Relief believes that it has already met all of its financial obligations under the Collaboration Agreement and, as expressly provided for under the Collaboration Agreement, Relief has demanded that it be allowed to perform a forensic audit on NeuroRx's books and records to determine the accuracy of the financial information provided to Relief (which NeuroRx has, to date, refused to allow).
- Relief believes that, since it has already satisfied all of its obligations under the Collaboration Agreement, all revenue/profit splits set forth in the Collaboration Agreement remain in full force and effect. NRx has taken an inconsistent position on this issue in its public filings.
- NRx has reported that Relief has "declined" to fund certain expenses relating to the development of the formulation of aviptadil and NeuroRx's clinical trial evaluating inhaled aviptadil for the treatment of patients with moderate to severe COVID-19. In fact, for some months, Relief has repeatedly requested information that is reasonably necessary to make a decision on whether or not to fund these expenses (which NeuroRx has, to date, refused to provide). Until sufficient information is provided so that Relief can make the decision whether or not to fund these expenses, the Collaboration Agreement does not allow NeuroRx to bring in another source to directly fund these expenses.
- NeuroRx continues to refuse, despite repeated demands by Relief requesting this information, to share with Relief the full clinical trial data set, including details on the statistical analysis performed, from its recently completed phase 2b/3 trial, which data and information is required to be provided to Relief by NeuroRx under the Collaboration Agreement. To date, Relief has only received a high-level summary of the clinical study report and has not been provided with, among other information, access to the 53'909 individual case reports, the raw data from the clinical trial, or the data on the multiple statistical analyses performed. NeuroRx has likewise refused to share with Relief any of the correspondence between NeuroRx and the FDA. Further, NeuroRx has refused to allow NeuroRx's contract partners dealing with issues relating to the development of aviptadil to share information with Relief that it requires to develop RLF-100™ (aviptadil) in its territories (including the European Union and the United Kingdom). The failure of NeuroRx to provide this information is seriously impairing Relief's ability to develop and execute a clinical and regulatory strategy for RLF-100™ (aviptadil) in its territories.

If such disputes are not resolved to Relief's satisfaction, Relief intends to take all actions necessary to enforce its rights under the Collaboration Agreement. While there can be no assurance, Relief believes that it will prevail in any such legal action to enforce its rights under the Collaboration Agreement.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The first half of 2021 saw the transformation of Relief into a forward-integrated, commercial-stage biopharmaceutical company.

In June 2021, we acquired APR Applied Pharma Research SA ("APR") and with it, an emerging European commercial infrastructure, a portfolio of marketed products, a rich R&D pipeline, and the capability to 1) market services to third parties, particularly in the area of difficult-to-formulate products, 2) offer in-kind services with a chance to participate in future profits and 3) advance promising drug candidates that are developed internally. APR's PKU GOLIKE® family of products for the treatment of phenylketonuria ("PKU") is currently marketed in Europe and we are assessing our options for the products' U.S. launch. Discussions are underway with Acer Therapeutics Inc. ("Acer") to jointly market ACER-001 and PKU GOLIKE in the U.S.

Through our collaboration with Acer 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 ("UCDs") and maple syrup urine disease ("MSUD"), we submitted a New Drug Application ("NDA") for ACER-001 with the U.S. Food and Drug Administration ("FDA") in August 2021 under Section 505(b)(2) pathway and await the acceptance of the FDA to file the NDA for review, expected in October 2021. We believe that ACER-001 could help support patient therapeutic compliance by offering a better-tasting and cost-effective drug alternative that would greatly increase the quality of life of patients affected by these chronic diseases.

Should the FDA accept the NDA for review, we are optimistic that a U.S. approval could be granted during the middle of next year and possibly later in 2022 or in early 2023 in Europe and the UK. Should we be granted approval in Europe, the drug will be marketed through APR's commercial infrastructure.

In July 2021, we acquired AdVita Lifescience GmbH ("Advita"). Among the AdVita assets that were acquired, Relief has gained further pending intellectual property rights that cover an 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 ("ARDS") and checkpoint inhibitor-induced pneumonitis ("CIP").

In addition to the above, Relief continues to evaluate in-licensing and acquisition opportunities to aggressively expand and diversify its pipeline.

Despite several vaccine approvals worldwide, the COVID-19 crisis has not abated due to new variants (including the highly contagious Delta and Lambda variants, which are responsible for the surges in hospitalization and infection rates occurring at present), breakthrough infections in already-vaccinated people, and a persistent "anti-vaxxer" population. In March 2021, our collaboration partner, NeuroRx, inc. ("NeuroRx"), reported that the 196-patient phase 2b/3 trial of intravenously-administered RLF-100 (aviptadil) met the primary endpoint for successful recovery from respiratory failure at days 28 (P = .014) and 60 (P = .013) and also demonstrated a meaningful benefit in survival (P = < .001) after controlling for ventilation status and treatment site. Based primarily on this data, NeuroRx submitted an application for Emergency Use Authorization ("EUA") with the FDA for RLF-100 (aviptadil) in June 2021. We continue to await the FDA's decision on the EUA submission and hope that this potentially lifesaving drug can be made available to patients very soon.

In January 2021, Quantum Leap Healthcare Collaborative announced that it would include the inhaled version of RLF-100 (aviptadil) in its I-SPY COVID-19 Clinical Trial. Quantum Leap is the sponsor of this platform trial that is assessing multiple drugs for the treatment of patients with critical COVID-19 who are hospitalized or in intensive care units. RLF-100 is being included as one of the first drugs targeting respiratory failure in critically ill COVID-19 patients.

In April 2021, aviptadil was identified by the National Institutes of Health ("NIH") as one of two drugs selected for inclusion in a phase 3 multicenter clinical trial that will include sites in the U.S. and other countries. The trial, designated as TESICO (Therapeutics for Severely Ill Inpatients with COVID-19), is funded by the U.S. Government COVID-19 Therapeutics Response and sponsored by the National Institute of Allergy and Infectious Diseases ("NIAID"). The TESICO protocol has been reviewed and approved as a phase 3 trial by the FDA and will randomly allocate 640 participants to aviptadil, remdesivir, the combination of both drugs and placebo. The primary endpoint of the trial is participant recovery from respiratory failure over 90 days.

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 also currently underway.

Based on the results obtained in the U.S., we continue to pursue appropriate European clinical assessment and regulatory advancement of RLF-100. We believe that EUA approval by the FDA may meaningfully facilitate regulatory interactions and possible market authorizations in multiple territories, worldwide.

We continued to expand our senior management team with the addition of Taneli Jouhikainen, MD, MBA as our Chief Operating Officer. In addition to Tom Plitz, who had been appointed Vice Chairman, we added Paolo Galfetti, Chief Executive Officer of APR and now President of Relief Europe, and Patrice Jean to our Board of Directors. As further development necessitates, we plan to expand our executive management team to support long-term growth.

Through two PIPE transactions which raised a total of CHF 25 million, and our treasury share sale program, we expect that our cash runway will see Relief through 2023, without factoring in any potential product revenues or new resources needed for potential pipeline expansion and based on currently planned business activities. We also have in place a new Share Subscription Facility with GEM Global Yield LLC for up to CHF 50 million.

To address the risks caused by the pandemic, we continue to take the 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 activities such as virtual investor roadshows and conference participation, as well as hosting digital meetings with partners and shareholders. Now, more than ever, we remain confident that our future as a company is bright, and we will emerge on the other side of the pandemic having learned valuable lessons for the future.

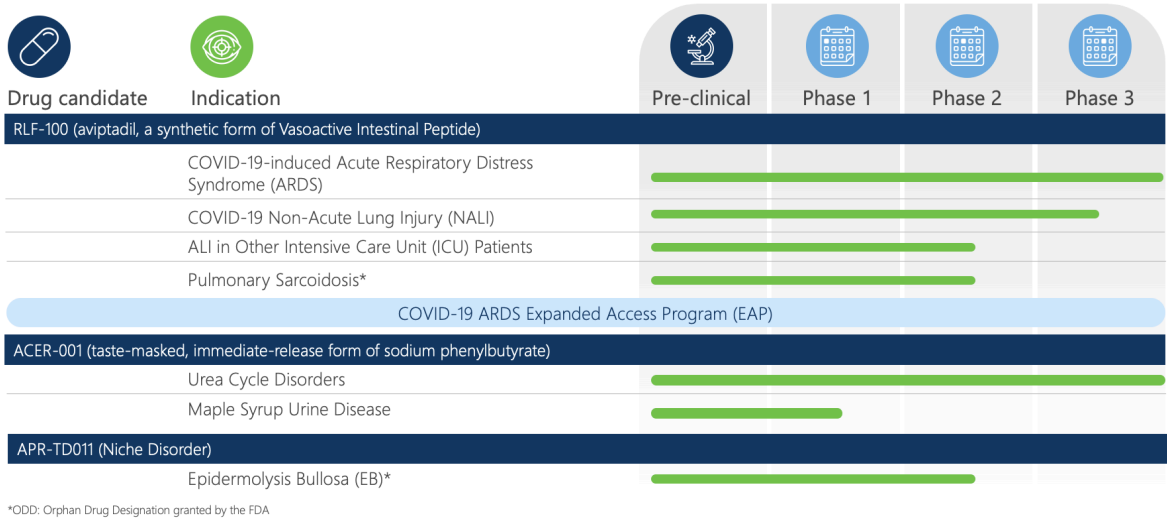
I would like to take the opportunity to thank our long-term shareholders for their continued support and trust in our corporate vision. At the same time, I warmly welcome new shareholders who are joining us at this exciting time in Relief's development.

Sincerely,

Raghuram Selvaraju
Chairman of the Board of Directors

PORTFOLIO & PIPELINE

Relief's clinical development program currently focuses on pulmonary diseases, rare metabolic diseases and rare connective tissue disorders. The diversified pipeline consists of three differentiated late-stage assets that have the potential to effectively address significant unmet medical need.



*ODD: Orphan Drug Designation granted by the FDA

RLF-100 (aviptadil)

RLF-100 (aviptadil) is a synthetic form of Vasoactive Intestinal Peptide ("VIP") consisting of 28 amino acids, which was first discovered in 1970. Although initially identified in the intestinal tract, human VIP is now known to be produced throughout the body and to be primarily concentrated in the lungs. Seventy percent of VIP in the body is bound to the alveolar type 2 cells in the lungs, where VIP has shown a multimodal mechanism of action: decrease of inflammatory cytokines release leading to prevention of cytokine storm syndrome and viral replication, immunomodulating effect, vasodilating and broncho-dilating effects, and prevention of surfactant depletion (surfactant coats the inside of the lungs, which can be lost during COVID-19 and contribute to respiratory failure).

RLF-100 has a 20-year history of safe use in humans in multiple human trials for sarcoidosis, idiopathic pulmonary fibrosis, asthma, pulmonary arterial hypertension, and sepsis-induced acute respiratory distress syndrome. A combination of aviptadil with phentolamine is approved for the treatment of erectile dysfunction by intra-cavernous injections in multiple countries outside the U.S.

A phase 2b/3 study with RLF-100 (IV) was completed in the U.S. by Relief's collaboration partner in the U.S., NeuroRx, for patients with COVID-19 induced acute respiratory distress syndrome ("ARDS"), based on which NRx has submitted an EUA application to the FDA. Additionally, RLF-100 (IV) is currently included in the phase 3 (ACTIV-3b/TESICO) trial, sponsored by the NIH, for severely ill inpatients with COVID-19. Depending on the outcome of the FDA decision on the EUA application and analysis of the full data of the U.S. phase 2b/3 trial, once received, Relief will decide the best path forward for the development of RLF-100 in Europe and other territories in COVID-19 induced ARDS. RLF-100 (inhaled) is presently being studied in an investigator sponsored trial for the prevention of ARDS associated with COVID-19. and studied in the AVICOVID-2 trial for the treatment of severe COVID-19. Furthermore, RLF-100 (inhaled) is being investigated as part of the phase 2 I-SPY COVID-19 trial, an adaptive platform trial for critically ill COVID-19 patients.

The Company is also considering developing RLF-100 for other acute and chronic lung diseases, including pulmonary sarcoidosis.

ACER-001

ACER-001 is a proprietary powder formulation of sodium phenylbutyrate (NaPB). The formulation is designed to be both taste-masked and immediate release. ACER-001 applies a microencapsulation process for the treatment of various inborn errors of metabolism, including Urea Cycle Disorders ("UCD") and Maple Syrup Urine Disease ("MSUD"). ACER-001 microparticles consist of a core, a layer of active drug, and a taste-masking coating that quickly dissolves in the stomach to avoid a bitter taste while still allowing for rapid systemic absorption. ACER-001's taste-masked formulation is designed to improve palatability of NaPB and is expected to make it a compelling alternative to existing NaPB-based treatments, as the unpleasant taste associated with NaPB is cited as a major impediment to patient compliance with those treatments.

UCD consists of a group of disorders caused by genetic mutations that result in a deficiency in any one of the six enzymes that catalyze the urea cycle, which can lead to an excess accumulation of ammonia in the bloodstream, a condition known as hyperammonemia. Acute hyperammonemia can cause lethargy, somnolence, coma, and multi-organ failure. Chronic hyperammonemia can lead to headaches, confusion, lethargy, failure to thrive, behavioral changes and learning and cognitive deficits. Common symptoms of both acute and chronic hyperammonemia also include seizures and psychiatric symptoms.

Acer submitted an NDA to the FDA under the 505(b)(2) pathway for ACER-001 in UCD in June 2021 and expects an FDA acceptance letter early October 2021. Relief anticipates submitting a Marketing Authorization Application for approval of ACER-001 for the treatment of UCD in the European Union in early 2022.

Clinical studies evaluating ACER-001 in MSUD are expected to begin in 2022. Based on positive data, an NDA under the 505(b)(2) pathway for ACER-001 in the treatment of this disease would then eventually be submitted to the FDA.

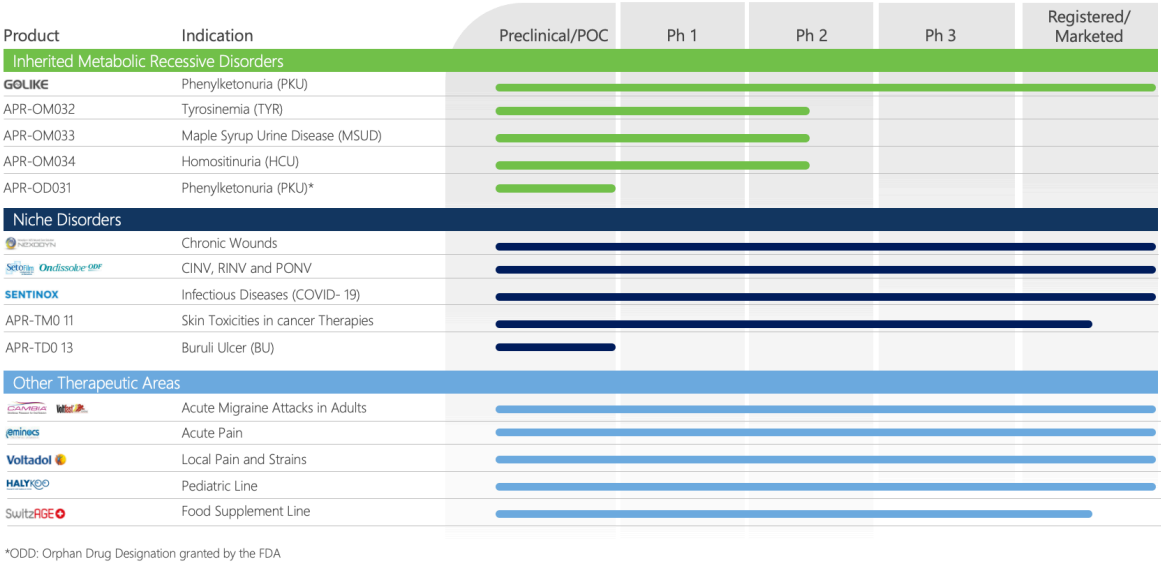
APR-TD011

APR-TD011 is indicated for the treatment of epidermolysis bullosa ("EB"), a group of rare, genetic, life-threatening connective tissue disorders characterized by skin blistering throughout the body and the risk of severely impacting internal organs. There are an estimated 250'000 patients with EB worldwide, with an estimated 30'000 patients in the European Union and 20'000 patients in the U.S.

APR-TD011 is a sprayable solution that combines strong antimicrobial action with anti-inflammatory properties. It is designed to be a complete treatment for EB patients to prevent or reduce skin lesion infections and inflammation through modulation of the wound microenvironment to support a faster physiological wound healing while preventing from infections or re-infections. The product was granted Orphan Drug Designation ("ODD") in late 2019 by the FDA.

In a preliminary clinical trial, EB patients administered with APR-TD011 demonstrated improvement in skin blistering and tissue repair within just two weeks of treatment, and the product candidate was shown to be well tolerated with a favorable safety profile. Relief plans to propose next development steps to regulatory authorities in the near future, with the goal of initiating a phase 2 proof-of-concept study quickly thereafter.

Commercial Development



*ODD: Orphan Drug Designation granted by the FDA

Through the acquisition of APR, Relief gained a portfolio of commercialized assets that are marketed through various partnerships across the world, providing royalty and partnered sales revenues.

In addition, the acquisition provides Relief with an in-house commercial infrastructure in selected European markets, notably Germany and Italy. This gives Relief an effective platform for future product launches in Europe, in particular ACER-001.

Furthermore, APR has product development capabilities to perform in-house projects as well as product development services for third parties.

The key product in the commercial portfolio of APR is PKU GOLIKE® which is being commercialized for the treatment of phenylketonuria ("PKU"), a rare inherited disorder affecting approximately 350'000 patients in the world's key markets. PKU is caused by a defect of the enzyme needed to break down phenylalanine, leading to a toxic buildup of phenylalanine when eating foods that contain protein or aspartame that can eventually lead to serious health problems. Excessive levels of phenylalanine in the blood cause accumulation in the brain, which hampers proper brain development and results in neurophysiological dysfunction. For the rest of their lives, people with PKU—from infancy through adulthood—need to follow a strict diet that limits phenylalanine.

Patients with PKU require supplementation of amino acid-based foods for special medical purposes ("FSMP") to prevent protein deficiency and optimize metabolic control. Many of these FSMPs can result in poor dietary compliance due to their taste and odor. Furthermore, the unpleasant odor and aftertaste of current amino acid supplements can become a barrier to social interaction for PKU patients.

PKU GOLIKE is the first controlled-release amino acid mix product with effective taste and odor masking. With these characteristics, PKU GOLIKE is a uniquely differentiated product, offering improved metabolic management and better compliance for PKU patients of all age groups. In the U.S., PKU GOLIKE (APR-OD031) has been granted ODD, and Relief intends to assess options to pursue its approval of PKU GOLIKE as a prescription product. In various European countries, PKU GOLIKE is available as a fully reimbursed treatment option for PKU patients.

Relief is planning to expand the PKU GOLIKE commercial infrastructure beyond the current countries where APR is present and aims to strengthen the commercial activities to increase and accelerate future growth.

Furthermore, APR's novel nasal spray, Sentinox, a Class III medical device intended to offer an additional protection against airborne viruses and bacteria and their transmission, including but not limited to SARS-CoV-2, is being evaluated in a clinical trial to establish the efficacy and safety of the product in reducing viral load in the upper respiratory airways in recently COVID-19 infected individuals. Outcomes are expected in late 2021.

RELIEF THERAPEUTICS Holding SA

Condensed Consolidated Interim Financial Statements
for the half-year ended June 30, 2021
(unaudited)

Consolidated interim balance sheet

in CHF thousands	Notes	June 30, 2021	December 31, 2020
ASSETS			
Right-of-use assets	5	2'777	-
Property and equipment	5	34	-
Intangible assets	7	134'511	30'800
Goodwill	5	4'638	-
Deferred tax assets	5	896	-
Non-current financial assets	8	-	392
Other non-current assets	5	227	-
Non-current assets		**143'083**	**31'192**
Inventories	5	223	-
Trade receivables	5	1'308	-
Other current financial assets	9	2'222	185
Other current assets and other receivables	10	9'928	3'514
Restricted cash		5'305	5'093
Cash and cash equivalents		17'911	38'061
Current assets		**36'897**	**46'853**
Total assets		**179'980**	**78'045**
EQUITY AND LIABILITIES			
Share capital	11	34'097	32'467
Treasury shares	11	(244)	-
Reserves	11	140'076	69'774
Accumulated losses		(49'671)	(35'198)
Equity		**124'258**	**67'043**
Non-current lease liabilities	5	2'438	-
Defined benefit obligations	17	3'149	-
Provisions	15	10'806	-
Deferred tax liabilities	5	18'670	4'309
Non-current liabilities		**35'063**	**4'309**
Current lease liabilities	5	389	-
Interest-bearing loans and borrowings	5	5'170	-
Trade payables	12	4'693	1'432
Financial liabilities due to third parties	13	-	891
Financial liabilities due to related parties	14	1'250	-
Provisions	15	5'200	-
Other current payables and liabilities	16	3'957	4'370
Current liabilities		**20'659**	**6'693**
Total equity and liabilities		**179'980**	**78'045**

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

Consolidated interim statement of comprehensive loss

in CHF thousands	Notes	1.1. - 30.6.2021	1.1. - 30.6.2020
Other gains	18	891	2
Service expense	19	(8'307)	(2'871)
Personnel expense	20	(3'439)	(200)
Other administrative expense	21	(3'204)	(434)
Other losses	22	(458)	(918)
EBITDA		**(14'517)**	**(4'421)**
Reversal of impairment losses on intangible assets		-	11'200
Operating result		**(14'517)**	**6'779**
Gain from disposal of a subsidiary	25	-	3'171
Financial income	23	127	2
Financial expense	23	(277)	(131)
Net result before taxes		**(14'667)**	**9'821**
Income taxes		(11)	(1'570)
Net result for the period		**(14'678)**	**8'251**
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit obligation		-	136
Total items that will not be reclassified subsequently to profit or loss		**-**	**136**
Currency translation differences		(4)	6
Total items that may be reclassified subsequently to profit or loss		**(4)**	**6**
Total other comprehensive result for the period, net of tax		**(4)**	**142**
Total comprehensive result for the period		**(14'682)**	**8'393**
EARNINGS PER SHARE			
Basic and diluted earnings or loss per share (in CHF)	24	(0.004)	0.004

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

Consolidated interim statement of cash flow

in CHF thousands	Notes	1.1. - 30.6.2021	1.1. - 30.6.2020
Cash flow used in operating activities		**(17'741)**	**(3'216)**
Payments for intangible assets		(13'695)	-
Payments to acquire other financial assets		(2'178)	-
Proceeds from sale of other financial assets	9	132	3'006
Payments of loans to third parties		-	(241)
Net cash out flow on acquisition of subsidiary	5	(15'836)	-
Net cash out flow on disposal of subsidiary	22	-	(16)
Cash flow from investing activities		**(31'577)**	**2'749**
Proceeds from capital increase	11	29'935	1'558
Transaction costs in relation to capital increases		(1'155)	(26)
Proceeds from borrowings		-	500
Cash flow from financing activities		**28'780**	**2'032**
Net (decrease)/increase in cash and cash equivalents		**(20'538)**	**1'565**
Cash and cash equivalents at beginning of period		43'154	129
Effects of exchange rate changes on cash and cash equivalents		600	(26)
Cash and cash equivalents at end of period		**23'216**	**1'668**
included in cash and cash equivalents		17'911	1'668
included in restricted cash		5'305	-

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

Consolidated interim statement of changes in equity

in CHF thousands	Share capital	Treasury shares	Reserves	Accumulated loss	Total equity
Balance at January 1, 2020	**21'139**	**-**	**20'665**	**(27'506)**	**14'298**
Result for the period	-	-	-	8'251	8'251
Other comprehensive income for the period	-	-	6	136	142
Total comprehensive result for the period	**-**	**-**	**6**	**8'387**	**8'393**
Capital increase	1'156	-	150	-	1'306
Shares issued and not yet registered	-	-	252	-	252
Transaction cost in relation to capital increases	-	-	(26)	-	(26)
Share-based compensation costs	-	-	-	42	42
Balance at June 30, 2020	**22'295**	**-**	**21'047**	**(19'077)**	**24'265**
Balance at January 1, 2021	**32'467**	**-**	**69'774**	**(35'198)**	**67'043**
Result for the period	-		-	(14'678)	(14'678)
Other comprehensive income for the period	-		(4)	-	(4)
Total comprehensive result for the period	**-**		**(4)**	**(14'678)**	**(14'682)**
Issuance of treasury shares	1'535	(1'535)	-	-	-
Capital increase	-	414	9'586	-	10'000
Direct Share Placement program	-	877	18'893	-	19'770
Transaction cost in relation to capital increases	-	-	(1'155)	-	(1'155)
Deferred share payment for APR acquisition (note 5.1)	-	-	42'912	-	42'912
Exercise of stock options	95	-	70	-	165
Share-based compensation cost	-	-	-	205	205
Balance at June 30, 2021	**34'097**	**(244)**	**140'076**	**(49'671)**	**124'258**

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

Notes to the consolidated interim 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 historically focused on the development and commercialization of molecules with a history of clinical used and either initial human activity with efficacy data or a strong scientific rationale. On June 28, 2021, the Group acquired all outstanding shares of APR Applied Pharma Research SA ("APR"), a privately held Swiss pharmaceutical company specialized in identifying, developing and commercializing known molecules engineered with drug delivery systems in niche and rare diseases. This transaction has transformed Relief into a fully integrated commercial-stage biopharmaceutical Group employing over 50 persons. The acquisition further diversified Relief's pipeline and portfolio with both commercial products and clinical-stage programs, offered a commercial infrastructure in Europe and strengthened internal R&D capability to i) market services to third parties, particularly in the area of difficult-to-formulate products, ii) offer in-kind services with a chance to participate in future profits and iii) advance promising drug candidates that are developed internally.

In March 2021, Relief entered into a license and collaboration agreement with Acer Therapeutics Inc. ("Acer") for the development, regulatory approval and commercialization of ACER-001 throughout the world.

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, 2021. The revised Standards did not have a material effect on these financial statements.

- 'Interest Rate Benchmark Reform' – amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and 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.

- Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities; and
- Narrow-scope amendments to IFRS 3, IAS 16, IAS 8, IAS 12, IAS 37 and IFRS 16 and some annual improvements on IFRS 1, IFRS 9, and IAS 41.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should therefore be read in conjunction with the Group's last annual consolidated financial statements for the year ended December 31, 2020. 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.

The one-time disposal gain in the comparative period of the comprehensive statement of loss has been reclassified from 'other gains' to a distinct line below EBITDA to conform with the presentation of the 2020 annual consolidated financial statements.

3.2 Significant accounting policies

The accounting policies used in the preparation and presentation of the condensed interim consolidated financial statements are consistent with those applied for the Group's last annual consolidated financial statements for the year ended December 31, 2020.

3.3 Interim measurement note

The business is not subject to any seasonality. Expenses largely depend on the phase of the respective projects, particularly with regard to external research and development expenditures.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

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.

4.1 Critical judgements in applying accounting policies

Critical judgements in applying accounting policies were the same as those applied to the consolidated financial statements for the year ended December 31, 2020, except for the following:

Collaboration and license agreement with Acer

The management has assessed the payment of USD 15 million (CHF 13.8 million), comprised of USD 14 million as initial payment due upon signing of the agreement plus USD 1 million paid in exchange of an exclusivity period to negotiate the agreement, is in substance the acquisition cost of the development project. Hence, the license and the price paid for its acquisition meet the requirements of an intangible asset and are capitalized as an intangible asset (note 7).

Amortization of the intangible asset will begin when the license is available for use, i.e., when it is in the condition necessary to operate in the manner intended by the management. The amortization will therefore begin when the regulatory and marketing approvals are obtained. Until then, the intangible asset will be tested for impairment at least annually, irrespective of whether any indication of impairment exists.

With regards to the possible future milestone payments, the Group, in accordance with industry practice, is following the cost accumulation approach. Hence, the milestone payments are not considered on initial recognition of the asset but will be added to the cost of the asset if and when incurred.

The upfront development payments paid and to be paid by Relief to Acer for further development activities do not yet meet the capitalization criteria for intangible assets. Hence, they are recognized as a prepayment in the balance sheet upon payment (note 10) and released to the income statement over the period of the development activity as incurred.

Going concern

These consolidated financial statements are prepared on a going concern basis. The Group maintains liquidity forecasts and monitors its ability to continue as a going concern. The viability of the Group is dependent on its ability to start generating recurring positive cash flows to adequately support its operations. The Group may never achieve sustainable profitability and is exposed to all the risks inherent in establishing a business. Since its inception, the Group has primarily relied on share issuances to finance its cash needs. The ability of the Group to raise money and fund its long-term operations is uncertain. If the Group is unable to obtain the required financing, it may be unable to continue its operations, realize its assets and discharge its liabilities.

4.2 Key sources of estimation uncertainty

Key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2020.

5. Business combination with APR

On June 28, 2021, the Group acquired all outstanding shares and voting rights of APR Applied Pharma Research SA (Ticino, Switzerland). The APR subgroup is constituted by its parent company APR Applied Pharma Research SA and three fully owned subsidiaries: APR Applied Pharma Research Holding SA (Ticino, Switzerland), APR Applied Pharma Research Deutschland GmbH (Offenbach am Main, Germany), and APR Applied Pharma Research - Italy S.r.l. (Rome, Italy).

The main corporate purpose of APR is the research and development of new technologies and methods in the chemical, pharmaceutical and food sectors, the registration of patents, as well as the registration of dietetic products, cosmetics and medical-surgical aids; it also manufactures and trades medical products on an international scale and acquire, hold, use or sell patents, trademarks and other intangible rights as well as licenses.

The acquisition of APR provides Relief with a platform for future growth, including established commercial infrastructure that will facilitate future therapeutic product launches in key European markets, as well as commercial revenues and qualified human resources. Under the terms of the agreement, APR's former shareholders have received from Relief a cash payment of CHF 21.5 million in June 2021 and further received CHF 42.9 million in Relief common registered shares in July 2021. APR's former shareholders are also eligible to receive additional contingent payments in a combination of cash and Relief common shares upon achievement of pre-agreed milestones.

5.1 Consideration transferred

	TCHF
Cash	21'500
Non-cash (Relief shares)	42'912
Contingent consideration (note 15)	15'906
Total consideration transferred	**80'318**

Under IFRS 3, the cost of the acquisition is based on the market value of Relief's listed shares before the transaction (capital increase). Therefore, the fair value of the consideration transferred is calculated as follows: 206'786'784 shares at a fair value of CHF 0.20752 per share resulting to TCHF 42'912. The fair value of the shares is based on the share price at the date of the transaction and differs from the contractual value of CHF 45 million.

Acquisition-related costs amounting to TCHF 774 have been excluded from the consideration transferred and recognized in 'other administrative expense' in the statement of comprehensive loss for the current period.

5.2 Assets acquired and liabilities recognized at the date of acquisition

The provisionally determined fair values of the assets and liabilities of APR as at the date of acquisition are as follows:

	TCHF
Non-current assets	
Right-of-use assets	2'777
Property and equipment	34
Intangible assets	89'982
Deferred tax assets	896
Other non-current assets	227
Current assets	
Inventories	223
Trade receivables	1'308
Other current assets and other receivables	700
Cash and cash equivalents	5'664
Non-current liabilities	
Non-current lease liabilities	(2'438)
Defined benefit obligation	(1'707)
Deferred tax liabilities	(14'361)
Current liabilities	
Current lease liabilities	(389)
Interest-bearing loans and borrowings	(5'170)
Trade payables	(898)
Other current liabilities	(1'168)
Net assets acquired	**75'680**

The fair value of the intangible assets, which are constituted by a portfolio of products in development or currently marketed, has been measured provisionally as the valuation conducted by the management with the support of external valuation specialists remains subject to uncertainty in relation with certain clinical-stage products and their target markets. Change in fair value of the intangible assets would affect the values of the residual goodwill and of the deferred tax liabilities. New information may be obtained within the months following the acquisition about facts and circumstances that existed at the date of acquisition and may result in adjustments to the above amounts.

5.3 Goodwill arising from the acquisition

	TCHF
Consideration transferred	80'318
./. Fair value of identifiable net assets	(75'680)
Goodwill	**4'638**

The provisional purchase price allocation includes the recognition of intangible assets of TCHF 89’982 and a related deferred tax liability of TCHF 14’361. As no other individual identifiable assets meeting the recognition criteria were identified, the residual amount paid of TCHF 4’638 was allocated to goodwill. The goodwill is attributable to APR’s established organization, history of successful partnerships and developments, and expected synergies with the Group’s development and intended commercialization of aviptadil and ACER-001 in Europe. This goodwill is not expected to be deductible for income tax purposes.

5.4 Net cash inflow from the acquisition

	TCHF
Cash and cash equivalent balance acquired	5'664
./. Consideration paid in cash and cash equivalents	(21'500)
Total net cash inflow	**(15'836)**

5.5 Impact of the acquisition on the results of the Group

As the acquisition was effective at the end of the reporting period, the consolidated loss of the Group for the interim period is not impacted by the additional business generated by APR and its subsidiaries since the acquisition date. If APR and its subsidiaries were consolidated in Relief since the beginning of the financial year, the consolidated revenue and consolidated loss for the interim period, estimated on a provisional basis, would be CHF 4.3 million and CHF 2.1 million higher, respectively. Revenue generated by APR prior to the acquisition date are not recognized in the Group accounts.

6. Segment information

6.1 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 the 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.

6.2 Geographical information

Revenue from contracts with customers

During the reporting period, the Group did not generate revenue. The acquisition of APR at the end of the reporting period will lead to the recognition of revenue only in the second half of 2021.

Third-party research and development expenses

The geographical analysis of third-party research and development expenses is as follows:

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Switzerland / Europe	6'717	184
United States of America	1'108	2'664
Total	**7'825**	**2'848**

Expenses allocated to the U.S. were primarily incurred for activities conducted by Acer for the development of ACER-001 in the U.S. Other third-party research and development expenses were not directly related to the U.S. and are allocated to Switzerland/Europe. These mainly consist in clinical and formulation activities conducted in Switzerland and in Europe, as well as manufacturing expenses for aviptadil production.

Non-current assets

All material non-current assets of the Group are in Switzerland.

7. Intangible assets

TCHF	30.06.2021	31.12.2020
APR on-the-market product portfolio	29'478	-
APR in-development product portfolio	60'504	-
Assets acquired in a business combination	89'982	-
Aviptadil compound (RLF-100)	30'800	30'800
ACER-001 license	13'729	-
Total	**134'511**	**30'800**

As of June 30, 2021, the entirety of the Group's intangible assets consists of acquired assets and include both products in development phase and in marketing phase.

7.1 Aviptadil compound (RLF-100™)

The intangible asset is the medicinal product candidate RLF-100 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. The management decided to pursue the development of RLF-100 for the treatment of COVID-19 induced acute respiratory distress syndrome as well as pulmonary sarcoidosis and other pulmonary indications. The asset is not yet available for use in the meaning of IAS 38.

7.2 ACER-001 license

The intangible asset is the acquisition cost of licensing and royalty rights under the collaboration and license agreement with Acer. The agreement provides for the development, regulatory approval and worldwide commercialization of ACER-001 by Relief and Acer. For further details refer to notes 1 and 4.1. The asset is not yet available for use in the meaning of IAS 38.

7.3 APR product portfolios

The intangible assets acquired from the acquisition of APR are comprised of patents, trademarks, licenses, sub-licenses, technologies, in-process research and development projects, and other assets without physical substance.

Products that have reached marketing phase consist primarily of PKU GOLIKE® as well as of a portfolio of 15 medicinal products that are currently licensed or marketed. The corresponding intangible assets will be amortized over their estimated remaining useful lives.

Products that are still in development phase consist primarily of APR-TD011, a clinical-stage drug candidate for the treatment of epidermolysis bullosa, and APR-AOS2020 (Sentinox™), a near-to-market product reducing the risk of infections caused by bacteria and viruses. Amortization of the assets will commence when they are available for use.

7.4 Impairment test as of June 30, 2021

Intangible assets not yet available for use are tested annually. The impairment test of RLF-100 was performed by determining the recoverable amount of the asset as the risk-adjusted net present value of future cashflows (value in use) as of December 31, 2020. Key assumptions were disclosed in the 2020 annual financial statements. As of June 30, 2021, the Group has not identified significant changes in its assumptions indicating the carrying value may be impaired and therefore did not reperform its impairment test.

The ACER-001 license was acquired during the reporting period and the asset value will be tested for impairment at the end of the financial year. The valuation of the intangible assets related to APR is expected to be finalized by the end of the financial year and will be tested for impairment the following year.

8. Non-current financial assets

In 2020, the Group has provided a loan of TUSD 500 (TCHF 460) to NeuroRx 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. Considering the ongoing dispute between the parties (note 29), the Group reassessed the recoverability risk of the loan and recognized an impairment allowance corresponding to the net book value of the loan and accrued interests (note 22).

9. Other current financial assets

In January 2021, the Group has provided a secured convertible loan of TEUR 2'000 (TCHF 2'193) to AdVita Lifescience GmbH at an interest rate of 4% per annum. All outstanding shares and voting rights of AdVita Lifescience GmbH were subsequently acquired by Relief on July 27, 2021. The conversion right, allowing Relief to convert its loan in exchange of shares of AdVita Lifescience GmbH, was not exercised by Relief. The outstanding loan will therefore be consolidated into the Group at the acquisition date (note 30.2).

In April 2020, the Group received 757'933 common shares of the publicly listed Sonnet BioTherapeutics, Inc. as consideration for the sale of its subsidiary Relief Therapeutics SA. During 2020, the Group sold 663'960 of these shares in various tranches. During the first semester of 2021, the Group sold the remaining 93'973 shares resulting in proceeds of TCHF 132 and valuation losses of TCHF 54 which are recognized in 'other losses' within the consolidated statement of comprehensive loss (note 22).

10. Other current assets and other receivables

The increase in prepaid expenses is mainly attributable to the upfront development payments made to Acer under the collaboration and license agreement. Over the reporting period, these payments amount to USD 10 million of which USD 1.9 million were expensed, thus resulting in a prepayment of USD 8.1 million (CHF 7.5 million) as of June 30, 2021.

11. Share capital

	Number of shares		
	Common shares	Treasury shares	Total
Balance at January 1, 2020	**2'113'919'272**	**-**	**2'113'919'272**
Share Subscription Facility	240'000'000	-	240'000'000
Debt to Equity conversion	58'023'584	-	58'023'584
Exercises of warrants	766'658'667	-	766'658'667
Exercises of options	68'125'725	-	68'125'725
Balance at December 31, 2020	**3'246'727'248**	**-**	**3'246'727'248**
Balance at January 1, 2021	**3'246'727'248**	**-**	**3'246'727'248**
Capital increase	153'502'908	-153'502'908	-
Private placements	-	41'459'370	41'459'370
Direct Share Placement program	-	87'680'697	87'680'697
Exercises of options	9'503'812	-	9'503'812
Balance at June 30, 2021	**3'409'733'968**	**-24'362'841**	**3'385'371'127**

11.1 Issued share capital

As of June 30, 2021, the share capital consists of 3'409'733'968 issued shares with a par value of CHF 0.01 each. The Company has issued a total of 163'006'720 shares during the reporting period and holds 24'362'841 shares in treasury as of June 30, 2021.

The Company initiated in 2021 its Direct Share Placement ("DSP") program in order to diversify its funding sources and raise capital in a cost-efficient and flexible manner. Under such program, the Company is able to issue shares out of its authorized capital to constitute and monetize its treasury shares reserve. Newly issued shares can be sold on the open market at the share price prevailing at the date of the settlement without incurring significant transaction costs or granting any discount, as is the case with private or public offerings.

The following capital increase transactions, in the first semester of 2021 provided the Group with cumulated gross proceeds of TCHF 29'935 before deducting transaction costs of TCHF 1'155. Transactions costs are mostly constituted by issuance stamp taxes and placement agent fees.

- Issuances of shares: the Company issued 153'502'908 shares from its authorized capital. The shares were entirely subscribed at par value by its wholly owned subsidiary Relief Therapeutics International SA. The transactions provided the Group with shares to be held in treasury until subsequent placements.
- Private placements: sale of 41'459'370 shares at CHF 0.2412 per share to an institutional investor for total gross proceeds of TCHF 10'000.
- Direct Share Placement: sale of 87'680'697 shares at an average price of CHF 0.2255 for total gross proceeds of TCHF 19'770.
- Exercises of options: issuance upon exercise of 9'503'812 shares at prices between CHF 0.01 and 0.02 per share resulting in gross proceeds of TCHF 165.

11.2 Authorized share capital

As of June 30, 2021, the Company had an authorized nominal share capital of TCHF 16'565, consisting of 1'656'497'092 (December 31, 2020: 1'250'000'000) registered shares with a par value of CHF 0.01 each, which the Board of Directors is authorized to issue at any time until 17 June 2023.

11.3 Conditional share capital

The conditional share capital of the Company as of June 30, 2021, was TCHF 16'849, consisting of 1'684'874'275 shares (December 31, 2020: 375'215'608) with a par value of CHF 0.01 each, of which 121'874'275 (December 31, 2020: 121'874'275) to be used for stock options for members of the Board of Directors, Executive Committee, employees and consultants, as well as 1'563'000'000 shares (December 31, 2020: 253'341'333) 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 June 30, 2021, there were 24'563'846 outstanding options. During the reporting period, 9'700'000 options were granted, 9'503'812 were exercised, and none were cancelled or expired. As of June 30, 2021, there were no outstanding warrants issued by the Group (December 31, 2020: none).

12. Trade payables

Trade payables mainly increased as a result the integration of APR's trade payables (note 5) and certain non-recurring items related to manufacturing activities for production of aviptadil.

13. Financial liabilities due to third parties

As of December 31, 2020, financial liabilities of TCHF 891 were due to a former subsidiary of the Group. In the second quarter of 2021, the claim was entirely waived by the counterparty and was therefore written-off and recognized as income in the current reporting period (note 18).

14. Financial liabilities due to related parties

The Company signed in January 2021 a financing agreement with the Company's main shareholder, Gem Global Yield LLC ("GEM"), for the implementation of a new Share Subscription Facility ("SSF") in the amount of up to CHF 50 million until January 20, 2024. The Company agreed to pay GEM a commitment fee of TCHF 1'250, payable upon proceeds from the first drawdowns or on January 20, 2022. The liability does not bear interest until its due date and the Company did not draw on the SSF during the reporting period.

As the obligation to pay the commitment fee arose with the execution of the agreement, the Company immediately recorded the commitment fee as a liability. The corresponding expense is recognized as financial expense (note 23) over the SSF commitment period of three years ending January 20, 2024.

15. Provisions

TCHF	30.06.2021	31.12.2020
APR contingent consideration (i)	15'906	-
Legal and regulatory proceedings (ii)	100	-
Total provisions	**16'006**	**-**
Current	5'200	-
Non-current	10'806	-

(i) APR contingent consideration

The Group has recognized a contingent settlement provision of TCHF 15'906 for the probability-weighted present value of payments that may become due to APR's former shareholders upon completion of pre-agreed milestones (note 5). Based on estimated possible due dates of milestone payments, the liability has been classified as current for TCHF 5'100 and as non-current for TCHF 10'806. Depending on the milestone payment, 60 to 75% will be payable in Relief shares and the rest in cash.

(ii) Legal and regulatory proceedings

On June 10, 2021, SIX Exchange Regulation initiated an investigation against the Company due to a potential violation of the rules on ad-hoc publicity. As part of the investigation, SIX Exchange Regulation AG is examining whether there has been an actual violation of the regulations. The provision of TCHF 100 reflects the management's best estimate of the most likely outcome and is subject to uncertainty. It is expected to be paid within the next twelve months and is therefore classified as current.

16. Other current payables and liabilities

As of June 30, 2021, other current payables and liabilities mainly consist of accrued expenses as well as tax and social security payables.

17. Defined benefit obligations

The following table provides information on the amounts recognized in the balance sheet:

TCHF	30.06.2021	31.12.2020
Present value of pension benefit obligation	5'149	-
Fair value of pension plan assets	(3'442)	-
Net pension defined benefit obligation acquired from APR	1'707	-
Present value of other benefit obligations	1'442	-
Total defined benefit obligations	**3'149**	**-**

Pension benefits

The Group participates in a collective pension plan covering the employees of RELIEF THERAPEUTICS Holding SA and its subsidiaries in Switzerland. The pension plan qualifies as defined benefit plan in accordance with IAS 19. The pension obligation is constituted by the pension obligation acquired with APR (note 5).

Other employee benefits

The obligations for other employee benefits mainly consist of end of service indemnities, which do not have the character of pensions, and are classified as a defined benefit plan in accordance with IAS 19.

18. Other gains

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Write-off of liabilities due to a former subsidiary (note 13)	891	-
Various others	-	2
Total other gains	**891**	**2**

19. Service expense

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Third-party research and development expense (note 6.2)	7'825	2'848
Patent expense	39	23
Consulting service expense	443	-
Total service expense	**8'307**	**2'871**

20. Personnel expense

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Salaries and social security expense	1'133	19
Independent contractors fees	784	181
Share-based payment expense	205	-
Social security expense in relation to share-based payments	(125)	-
Service cost for other benefit obligation (note 17)	1'442	-
Total personnel expense	**3'439**	**200**

21. Other administrative expense

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Legal and listing (i)	2'044	78
Marketing	276	-
Accounting and audit	217	155
Professional services	418	148
Office and IT	53	10
Capital tax	139	36
Other operating expense	57	7
Total other administrative expense	**3'204**	**434**

(i) Legal and listing expenses increased during the period in conjunction with the activity of the Company, the growth of its shareholder base, and regulatory and legal service needs to realize its business activities, including the acquisition of APR and AdVita.

22. Other losses

TCHF	01.01.-30.06.2021	01.01-30.06.2020
Impairment losses on loans to third parties (note 8)	392	-
Losses on financial assets at fair value through profit or loss (note 9)	54	918
Various others	12	-
Total other losses	**458**	**918**

23. Financial income and expense

TCHF	01.01-30.06.2021	01.01.-30.06.2020
Interest income	63	2
Foreign exchange gain, net	64	-
Total finance income	**127**	**2**
Interest expense	(61)	(56)
Bank charges	(32)	(49)
Other finance expense (note 14)	(184)	-
Foreign exchange loss, net	-	(26)
Total finance expense	**(277)**	**(131)**

24. Earnings per share

	01.01-30.06.2021	01.01.-30.06.2020
Profit/(loss) attributable to shareholders (in TCHF)	(14'678)	8'251
Weighted average number of shares	3'335'497'687	2'148'512'019
Total basic and diluted earnings or loss per share (in CHF)	**(0.004)**	**0.004**

Basic and diluted result per share is calculated by dividing the net result attributable to the shareholders of the parent company by the weighted average of shares outstanding during the period. In 2021 and 2020, the number of shares outstanding varied as a result of different transactions on the share capital structure of the Company.

Outstanding options have not been considered in the calculation of the diluted loss per share as their effect is anti-dilutive.

The half-year 2020 earnings per share amounts to CHF 0.002 when excluding the one-time disposal gain of TCHF 3'171 recognized in the statement of comprehensive loss for the comparative reporting period (note 25).

25. Disposal of a subsidiary in 2020

In April 2020, the Group concluded the Share Exchange Agreement between Sonnet BioTherapeutics Holdings, Inc. and the Company for the sale of Relief Therapeutics SA. Consequently, Sonnet BioTherapeutics Holdings, Inc. acquired all outstanding shares of Relief Therapeutics SA. A comprehensive description of the divestment transaction is provided in note 31 of the consolidated accounts for the year ended December 31, 2020. The transaction does not impact the accounts of the current reporting period.

26. Related party transactions

Balances and transactions between the Group and its subsidiaries 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 June 30, 2021, the liability of TCHF 1'250 due to the shareholder GEM (note 14) was the only material related party balance. As of December 31, 2020, there were no related party balances.

27. Fair value measurement

As of June 30, 2021, the Group did not hold any financial assets at fair value. As of December 31, 2020, the Group held financial assets at fair value through profit or loss (note 9) in the amount of TCHF 185. These financial assets were listed on the Nasdaq, hence, the fair value was determined with reference to the market price as of December 31, 2020. They were considered level 1 financial instruments under IFRS 9.

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

28. Non-cash transactions

In 2021 and 2020, the Group entered into the following significant non-cash investing or financing activities which are not reflected in the consolidated statement of cash flow:

- In January 2021, recognition of the SSF commitment fee as a financial liability (note 14). In March 2021, payment of USD 14 million for the ACER-001 license partially settled by offsetting a loan of USD 4 million previously granted to Acer in January 2021 (note 4.1). In June 2021, acquisition of APR partially financed through a subsequent payment in shares (note 5).
- In August 2020, conversion of GEM's loans into equity. In April 2020, the payment of the loan of TUSD 250 provided by GEM to Relief was directly wired to NeuroRx as payment of 50% of the loan granted by Relief. Relief wired an additional TUSD 250 to NeuroRx. Relief, therefore, recorded a receivable from NeuroRx of TUSD 500 (TCHF 482) and a liability due to GEM of TUSD 250 (TCHF 241).

29. Contingent liabilities

License and collaboration agreement with Acer

Under the license and collaboration agreement with Acer, the Group has committed to make aggregate milestone payments of up to USD 16 million (CHF 14.8 million) in cash upon the achievement of development and commercial milestones. Further, Relief has agreed to pay royalties of 15% on future net revenue of ACER-001 in Relief's territories.

Business combination with APR

The acquisition contract of APR contains possible future contingent milestone payments in the aggregate maximum amount of up to CHF 35 million in a combination of cash and Relief common registered share, upon achievement of pre-agreed objectives. A provision of CHF 15.9 million was recognized to account for the probability-weighted present value of these contingent payments (note 15).

NeuroRx claim

The Company's business and financial condition may be adversely affected by an adverse outcome in the pending dispute between the Company and NeuroRx over the collaboration Agreement. Relief believes that NeuroRx is in breach of the collaboration Agreement in numerous ways. While Relief is hoping these pending disputes can be resolved amicably, there is a possibility that these disputes will result in a litigation between Relief and NeuroRx, the outcome of which is not certain. NRx Pharmaceuticals, Inc. ("NRx"), the parent company of NeuroRx, has recently stated in its S-1 registration statement, dated September 3, 2021, filed with the SEC, that Relief has not paid NeuroRx approximately USD 10 million (CHF 9.2 million) for costs associated with, among other matters, the phase 2b/3 clinical trial of aviptadil and the formulation and clinical development of aviptadil. The amounts alleged to be due have grown exponentially in NRx's recent SEC filings and the amount that NRx claims is due far exceeds the amounts contained in the invoices provided by NeuroRx to the Company to date. Relief believes that it has previously paid NeuroRx all that it is obligated to pay under the collaboration Agreement. As of the date of publication of these interim financial statements, neither party has commenced a legal action to enforce its rights. Since the entire amount due to NeuroRx is in dispute, no provision for any liability has been recognized as of June 30, 2021. The amount due to NeuroRx, if any, will depend on the negotiation and resolution of the ongoing dispute, and there can be no assurance as to the amount, if any, that the Company might ultimately be obligated to pay to NeuroRx.

30. Events after the reporting period

30.1 Capital contributions

In the period from July 1, 2021, to the date of this report, the Group realized the following capital increases transactions.

- On July 27, 2021, Relief issued 1'000'000'000 additional shares out of its authorized share capital. The shares were fully subscribed at par value by the Company's wholly owned subsidiary, Relief Therapeutics International SA, and held as treasury shares. 206'786'784 of these shares were subsequently transferred to APR Sellers (note 5) and 135'741'063 shares to AdVita Sellers (note 30.2) as acquisition payment.
- On July 28, 2021, Relief concluded a private placement with two U.S. institutional investors for a total of 71'428'572 shares at a purchase price of CHF 0.21 per share resulting in gross proceeds of CHF 15 million. The shares were transferred from Relief's treasury shares reserve.

30.2 Acquisition of AdVita

On July 27, 2021, the Company closed the definitive agreement to acquire all outstanding shares of AdVita Lifescience GmbH ("AdVita").

Under the terms of the agreement, AdVita's former shareholders have received from Relief 135'741'063 Relief common listed shares. AdVita's sellers are also eligible to receive additional contingent payments of up to EUR 20 million (CHF 21.9 million) in cash upon achievement of pre-agreed milestones.

Consideration transferred

	TCHF
Cash	-
Non-cash (Relief shares)	31'903
Contingent consideration	6'171
Total consideration transferred	**38'074**

Under IFRS 3, the cost of the acquisition is based on the market value of Relief's listed shares before the transaction (capital increase). Therefore, the fair value of the consideration transferred is calculated as follows: 135'741'063 shares at a fair value of CHF 0.2144 (share price on transaction date) resulting to TCHF 31'903.

Acquisition-related costs amounting to TCHF 309 have been excluded from the consideration transferred and recognized in 'other administrative expense' in the statement of comprehensive loss for the current period.

Assets acquired and liabilities recognized at the date of acquisition

The fair values of the assets and liabilities of AdVita as at the date of acquisition are as follows:

	TCHF
Non-current assets	
Tangible assets	14
Right-of-use assets	100
Intangible assets	40'256
Current assets	
Trade receivables	151
Inventory	118
Other current assets	94
Cash and cash equivalents	1'317
Non-current liabilities	
Non-current lease liabilities	(77)
Non-current convertible loans	(2'222)
Other non-current borrowings	(288)
Deferred tax liabilities	(5'632)
Current liabilities	
Current lease liabilities	(22)
Other current borrowings	(428)
Trade payables	(194)
Other current liabilities	(268)
Net assets acquired	**32'919**

Goodwill arising from the acquisition

	TCHF
Consideration transferred	38'074
./. Fair value of identifiable net assets	(32'919)
Goodwill	**5'155**

The purchase price allocation includes the recognition of intangible assets of TCHF 40'256 relating to medical compounds and a related deferred tax liability of TCHF 5'632. As no other individual identifiable assets meeting the recognition criteria were identified, the residual amount paid of TCHF 5'155 was allocated to goodwill. The goodwill is attributable mainly to AdVita's skilled scientific work force and expected synergies arising from the acquisition. This goodwill is not expected to be deductible for income tax purposes.

Net cash inflow from the acquisition

	TCHF
Cash and cash equivalent balance acquired	1'317
./. Consideration paid in cash and cash equivalents	-
Total net cash inflow	**1'317**

Impact of the acquisition on the results of the Group

As the acquisition was effective after the end of the reporting period, the consolidated loss of the Group for the interim period is not impacted by the additional business generated by AdVita and its subsidiaries since the acquisition date. If AdVita and its subsidiaries were consolidated in Relief since the beginning of the financial year, the consolidated revenue and consolidated loss for the interim period, estimated on a provisional basis, would be CHF 0.2 million and CHF 1 million, respectively.

Other than the above-mentioned events, there have been no significant subsequent events since June 30, 2021.

31. Approval of financial statements

These consolidated financial statements were approved by the Board of Directors on September 23, 2021.