

Kinarus Therapeutics signed licensing agreement to extend cash for operations

Basel, Switzerland, August 25, 2023 – Kinarus Therapeutics Holding AG (“Kinarus”) (SIX: KNRS), a clinical-stage biopharmaceutical company developing novel therapeutics to treat viral, respiratory and ophthalmic diseases, today announced the signing of a licensing agreement with a group of existing shareholders to ensure further liquidity is available to Kinarus. In exchange for a cash payment, the group of shareholders received an exclusive license to develop and market KIN001 for treatment of idiopathic pulmonary fibrosis (IPF) with the exception of the territory of the People's Republic of China and Asian Pacific countries. Kinarus retained the right to repurchase the license.

The financial consideration is immediately available to Kinarus and was required to ensure liquidity while Kinarus awaits transfer of funds from a convertible loan investment made by ChaoDian (Hangzhou) Investment Management Co (CDIM) made in May 2023. In exchange, the group of shareholders received an exclusive license to develop KIN001 to treat IPF; Kinarus is eligible to receive milestones and royalties, as is customary in biopharmaceutical licensing agreements.

Dr Hari Kumar, Chairman of the Board of Kinarus Therapeutics Holding AG, commented: “We view this licensing agreement as a temporary solution and a necessary step to ensure liquidity for an additional period of time pending transfer of funds from the convertible loan agreement signed by CDIM in May 2023. Kinarus retained the right to repurchase the license. As communicated previously, there are customary bureaucratic and regulatory processes that need to be respected when Chinese groups invest abroad. Based on CDIM’s continued assurances, we still expect the transfer of funds from CDIM to happen within a reasonable period, justifying this solution.”

Kinarus Therapeutics Holding AG (www.kinarus.com) was founded in 2017 by experienced pharmaceutical executives in Basel, Switzerland. The Kinarus team utilizes its knowledge and drug development competencies to in-license and develop mid-stage clinical assets in which they have identified an increased probability of clinical and regulatory success and a rapid path to market. Kinarus possesses the exclusive worldwide license to pamapimod, covering all indications, and has patented KIN001, its novel mechanism in combination with pioglitazone.

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