

## Kuros reports 163% growth in direct MagnetOs sales and 153% increase in total medical device sales for the full year 2023

March 13, 2024

### Financial highlights

- Direct MagnetOs sales grew by 163% to CHF 31.7 million in 2023, climbing from CHF 12.1 million in 2022. Total medical device sales accelerated by 153% from CHF 13.3 million in 2022 to CHF 33.6 million in 2023
- The Medical Devices segment achieved a positive EBITDA of CHF 6.8 million driven by MagnetOs
- Cash and cash equivalents amounted to CHF 14.2 million and funds available (including trade and other receivables) totaled at CHF 21.8 million as of December 31, 2023

### Operational highlights

- MagnetOs surpassed the important milestone of 25,000 patients treated
- MAXA clinical trial comparing MagnetOs standalone to the gold standard autograft for the challenging posterior lateral spinal fusion showed a fusion rate of 79% versus 47% in the full study population and 80% versus 32% in a difficult-to-heal smoker population
- FDA market clearance received for interbody use of MagnetOs Flex Matrix, MagnetOs Easypack Putty and MagnetOs Granules as well as MagnetOs Putty for standalone use
- Fibrin-PTH discontinued based on the MAXA results

### Outlook

Kuros expects a similar sales growth trend going forward. The Company is adequately financed on its planned organic growth path and – adjusted for the Fibrin-PTH costs – will generate positive single-digit EBITDA for the first time in 2024.

**Schlieren (Zurich), Switzerland, March 13, 2024** – Kuros Biosciences (“Kuros” or the “Company”), a leader in next-generation bone graft technologies, today announced financial results for full year 2023 along with continued significant growth.

Direct sales of MagnetOs rose 163% to CHF 31.7 million in 2023 from CHF 12.1 million in 2022. Total medical device sales accelerated from CHF 13.3 million in 2022 to CHF 33.6 million in 2023, which is a 153% increase. MagnetOs exceeded its commercial plan in 2023 by reaching the important milestone of 25,000 patients treated worldwide, resulting in a positive EBITDA of CHF 6.8 million in the Medical Devices product segment in 2023.

Chris Fair, Chief Executive Officer, stated: “Kuros Biosciences experienced a tremendous year in 2023 as we built a newly focused, scientifically led and clinically proven, pure play MedTech business. Last year’s record sales revenue, coupled with our global expansion efforts and a dedicated strategy, marked a successful period as we transitioned to becoming a global leader in bone grafting technologies. Our significant, 153% revenue growth of MagnetOs sales in 2023 compared to last year corresponds to the treatment of over 25,000 patients with MagnetOs.

Mr. Fair continued, “The marked growth in revenue for 2023 is a result of a well-executed plan of geographic and sales channel expansion led by our expert sales, marketing, and customer service teams. In addition, our continued investment in innovation, and operational excellence in manufacturing, quality, and logistics has ensured that we can meet and exceed our customers’ demands, ensuring that no patient will miss treatment. With our recent decision to focus our financial resources on the MagnetOs technology and associated portfolio of products, and not to proceed into Phase 3 with Fibrin-PTH, we have made significant progress toward reaching a cash flow break-even point more quickly. These strong financial results underline our commitment to increasing shareholder value by balancing high sales growth with targeted profitability.”

### Key developments in 2023 and so far in 2024

February 16, 2023	Kuros Biosciences announces changes to Executive Management Team
February 21, 2023	Kuros Biosciences announces publication of supportive osteoimmunology data for MagnetOs bone graft
March 15, 2023	Kuros Biosciences reports results for the full year 2022
April 27, 2023	Kuros Biosciences reports 168% increase in direct MagnetOs sales in the first quarter of 2023
May 8, 2023	Annual General Meeting of Kuros Biosciences approves all resolutions

July 13, 2023	Kuros Biosciences announces completion of enrollment in the Fibrin-PTH Phase 2 trial
August 9, 2023	Kuros Biosciences reports results for first half 2023
October 12, 2023	Kuros Biosciences reports a 150% increase in direct MagnetOs sales in the first nine months of 2023 and announces changes within Executive Management Team
November 28, 2023	Kuros Biosciences receives US FDA 510(k) clearance for use of MagnetOs in interbody spinal cages
December 20, 2023	Kuros Biosciences receives US FDA 510(k) clearance for use of MagnetOs Putty standalone
December 27, 2023	Kuros Biosciences announces results from two prospective randomized clinical trials: STRUCTURE and MAXA
January 4, 2024	Kuros Biosciences announces three advancements related to its MagnetOs portfolio including impressive fusion data from MAXA prospective randomized clinical trial and two 510(k) clearances from FDA
January 31, 2024	Kuros Biosciences receives US FDA 510(k) clearance for MagnetOs Granules for interbody use and regulatory clearance of MagnetOs Granules and MagnetOs Putty in New Zealand
February 1, 2024	Kuros Biosciences presents at the CG 2024 Musculoskeletal Conference

## **Group financial results**

### **Revenue and cost of goods sold**

In 2023, direct sales of MagnetOs rose by 163% from CHF 12.1 million to CHF 31.7 million in 2023. Total revenue from medical devices arrived at CHF 33.6 million (2022: CHF 13.3 million), showing an increase of 153% or 166% on a constant currency basis versus 2022. Cost of goods sold amounted to CHF 9.6 million (2022: CHF 7.2 million) of which CHF 1.8 million (2022: CHF 2.2 million) related to the amortization of capitalized R&D; and CHF 4.4 million and CHF 0.1 million related to impairment of goodwill and intangible assets respectively. (2022: impairment of goodwill of CHF 3.6 million).

### **Net operating costs**

Operating costs amounted to CHF 37.1 million, compared to CHF 24.2 million in the previous year. The increase is primarily driven by sales and marketing costs resulting from growing commercial activities. Therefore, sales and marketing costs increased from CHF 12.8 million in 2022 to CHF 23.3 million in 2023, mainly due to the increase in sales force headcount and general sales and distribution costs. Research and development costs increased from CHF 5.2 million in 2022 to CHF 5.6 million in 2023. General and administrative costs increased from CHF 6.6 million in 2022 to CHF 8.4 million in 2023. Other income amounted to CHF 0.2 million (2022: CHF 0.4 million).

### **Net finance expense**

Net finance expense amounted to CHF 0.2 million (2022: CHF 2.5 million), mainly comprised of a gain resulting from a revaluation on financial liability to XOMA because of the re-assessment of the probability assumption of future milestone payments, net of the result of foreign exchange.

### **Financial position and other assets**

Cash and cash equivalents amounted to CHF 14.2 million and funds available (including trade and other receivables) totaled CHF 21.8 million as of December 31, 2023. This is a decrease of CHF 5.9 million from CHF 27.7 million as of December 31, 2022. The decrease is mainly driven by net operating cash outflows.

As of December 31, 2023, total intangible assets amounted to CHF 16.5 million (2022: CHF 19.4 million) and goodwill amounted to CHF 24.5 million (2022: CHF 29.3 million). The impairment of goodwill of CHF 4.4 million resulted from a reassessment of the assumptions underlying the expected milestones from Checkmate licensing.

<b>Key figures</b>	<b>2023</b>	<b>2022</b>
In TCHF, IFRS		
– Revenue from product sales	33,564	13,265
– Revenue from collaborations	–	4,721
Total Revenue	33,564	17,986
Cost of Goods sold	(9,628)	(7,217)
Gross profit	23,936	10,769
– Sales and marketing costs	(23,328)	(12,785)
– Research and development costs	(5,599)	(5,194)
– General and administrative costs	(8,449)	(6,598)
– Other income	248	362
Net operating costs	(37,128)	(24,215)
Operating loss	(13,192)	(13,446)
Net finance expense	(155)	(2,545)

Income tax	(380)	1,396
Net loss	(13,727)	(14,595)
Net loss per share (in CHF)	(0.38)	(0.43)
Cash and cash equivalents	14,208	24,065
Trade and other receivables	7,617	3,618

## Events after the reporting period

The group has no significant events after the reporting period up to the date of this announcement.

## Outlook

Kuros' products are advancing according to plan with MagnetOs continuing to generate strong sales growth in the U.S., Europe, and the rest of the world. The company is adequately funded along the planned organic growth path and – adjusted for the Fibrin-PTH costs – will generate positive single-digit EBITDA for the first time in 2024.

The annual report 2023 is available on our corporate website under the following link:

[Kuros Biosciences 2023 Annual Report](#)

We will discuss the 2023 results in a virtual call on March 13, 2024, at 3pm CET. If you wish to participate, please register in advance for this webinar:

[Kuros Biosciences FY-2023 Financial Report Investor Webcast](#)

After registering, you will receive a confirmation email containing instructions to join the webinar.

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## About MagnetOs

*MagnetOs is a bone graft like no other: thanks to its NeedleGrip™ surface technology, it grows bone even in soft tissues. This surface technology provides traction for our body's vitally important 'pro-healing' immune cells (M2 macrophages). This in turn, unlocks previously untapped potential to stimulate stem cells – and form new bone throughout the graft. The growing body of science behind NeedleGrip is called osteoimmunology. But for surgeons and their patients it means one thing: a more predictable fusion.* <sup>1-5\*†‡</sup>

## Indications statement

Please refer to the instructions for use for your local region for a full list of indications, contraindications, warnings, and precautions.

## About Kuros Biosciences

Kuros Biosciences is on a mission to discover, develop and deliver innovative biologic fusion technologies. With locations in the United States, Switzerland and the Netherlands, the company is listed on the SIX Swiss Exchange. The company's first commercial product, MagnetOs™, is a unique synthetic bone graft that has already been used across three continents in 25,000 fusion surgeries. For more information on the company, its products and pipeline, visit [kurosbio.com](http://kurosbio.com).

## Forward Looking Statements

This media release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. You are urged to consider statements that include the words "will" or "expect" or the negative of those words or other similar words to be uncertain and forward-looking. Factors that may cause actual results to differ materially from any future results expressed or implied by any forward-looking statements include scientific, business, economic and financial factors. Against the

*background of these uncertainties, readers should not rely on forward-looking statements. The Company assumes no responsibility for updating forward-looking statements or adapting them to future events or developments.*

1. Van Dijk, et al. *eCM*. 2021; 41:756-73.
2. Duan, et al. *eCM*. 2019; 37:60-73.
3. Van Dijk, et al. *Clin Spine Surg*. 2020;33(6): E276-E287.
4. Van Dijk, et al. *JOR Spine*. 2018 ; e1039
5. Van Dijk, et al. *J Biomed Mater Res. Part B: Appl Biomater*.

*\*Results from in vivo laboratory testing may not be predictive of clinical experience in humans. For important safety and intended use information please visit [kurosbio.com](http://kurosbio.com).*

*†MagnetOs is not cleared by the FDA or TGA as an osteoinductive bone graft.*

*‡MagnetOs has been proven to generate more predictable fusions than two commercially available alternatives in an ovine model of posterolateral fusion.*