

Kuros Biosciences Reports Results for First Half 2019

August 20, 2019

Financial highlights

- CHF 13.4 million cash and cash equivalents (including trade and other receivables) at June 30, 2019
- Product sales were CHF 0.9 million in the first half of 2019, a substantial increase compared to H1 2018

Operational highlights year-to-date

- Partner SeaSpine has initiated commercial rollout of bone graft supplied by Kuros and marketed under the brands OsteoCurrent and Current
- Increased commercial footprint with distribution agreement with Surgical Specialties in Australia and New Zealand
- Preparation for Phase II clinical study of Fibrin-PTH in spinal fusion on track

Schlieren (Zurich), Switzerland, August 20, 2019 – Kuros Biosciences, a leader in next generation bone graft technologies, today reported its results for the first half year 2019. The Company accelerated product sales in the first half of 2019, while further decreasing administrative expenses, confirming its successful transition into a full-fledged orthobiologics company with its lead product, MagnetOs and its product candidate. Fibrin-PTH (KUR-113)

Joost de Bruijn, Chief Executive Officer, said: “In the first half of 2019, we have successfully built on the new course set out for Kuros, progressing on all fronts. We continue to advance the exciting clinical program with Fibrin-PTH in spinal fusion, which represents a huge commercial opportunity. At the same time, our impressive growth in product sales constitutes an important step towards establishing our MagnetOs bone grafts as standard of care. With sufficient resources we are confident that, as a best-in-class, MagnetOs has the potential to capture substantial revenue in the \$2.2B bone grafting market.”

Financial position

Cash and cash equivalents (including trade and other receivables) as per June 30, 2019, amounted to CHF 13.4 million, compared with CHF 18.9 million as per December 31, 2018.

Operating expenses remain almost unchanged at CHF 6.1 million (first half 2018: CHF 6.0 million). Expenses for research and development of CHF 3.4 million (CHF 3.1 million in the first half 2018) are mainly external costs for the preparation of the Phase II study (spine indication) of Fibrin-PTH, personnel expenses and depreciation of tangible assets. Expenses for general and administrative of CHF 2.9 million (first half 2018: CHF 4.1 million) contained costs for personnel and other expenses for maintenance and administration. Revenues amounted to CHF 0.9 million (first half 2018: CHF 0.3 million) and originated from product sales. Revenues in the first half of 2018 related to a payment from the agreement with Checkmate. Other income in the first half of 2019 and 2018 was CHF 0.2 million and CHF 1.1 million respectively. The 2018 other income was largely impacted by proceeds from sub-lease agreements which expired at the end of 2018.

The net loss as per June 30, 2019 amounts to CHF 5.2 million and remains unchanged compared to the corresponding period in the first half of 2018.

Key figures	H1 2019	H1 2018
In TCHF, IFRS		
Product sales	910	25
Revenue from collaborations	–	249
Research and development	(3,423)	(3,058)
General and administrative	(2,889)	(4,112)

Other income	182	1,125
Net operating costs	(6,130)	(6,045)
Operating loss	(5,358)	(5,787)
Net financial loss	(243)	(4)
Net loss	(5,227)	(5,247)
Net loss per share (in CHF)	(0.35)	(0.63)
Cash and cash equivalents, trade and other receivables	13,436	10,106

Events after the reporting period

On July 9, 2019 Kuros announced that its Dutch subsidiary, Kuros Biosciences BV, has signed a distribution agreement for the Australian and New Zealand healthcare markets with Surgical Specialties, a subsidiary of the Paragon Care Group (ASX: PGC), a leading provider of medical equipment, devices and consumables. Under the agreement, Kuros will supply Surgical Specialties with its MagnetOs bone graft products and Surgical Specialties will be responsible for their distribution in Australia and New Zealand. In addition, Surgical Specialties will be responsible for the application and maintenance of the regulatory and reimbursement approvals in Australia and New Zealand. Further terms of the agreement were not disclosed.

Outlook

Kuros' products are advancing according to plan with product sales having increased substantially compared to the first half of 2018, and the Company expects a further acceleration for the remainder of 2019.

The half year report is available via the following link: http://www.kuros.ch/uploads/Reports_and_Presentations/Interim_Report_2019_final.pdf

About Kuros Biosciences AG

Kuros Biosciences is a leader in next generation synthetic bone graft technologies located in Schlieren (Zurich), Switzerland, Bilthoven, The Netherlands and Burlington (MA), U.S.A. The Company is listed on the SIX Swiss Exchange under the symbol KURN. Visit www.kurosbio.com for additional information on Kuros, its science and product pipeline.

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.

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