

Kuros Biosciences Reports Results for First Half 2023

August 9, 2023

Financial Highlights

- **Direct MagnetOs sales increased by 148% from CHF 4.9 million to CHF 12.2 million, total revenue from medical devices rose from CHF 5.7 million to CHF 12.9 million**
- **Medical Devices segment achieved a positive EBITDA of CHF 2.2 million driven by MagnetOs**
- **Cash & cash equivalents amounted to CHF 16.9 million, funds available (including trade, and other receivables) totaled at CHF 22.0 million as of June 30, 2023**

Operational Highlights

- **Accelerated commercial roll-out of MagnetOs in the U.S. on track**
- **Key efficacy data on MagnetOs bone graft published in two prestigious, peer-reviewed scientific journals**
- **In the first half of 2023, Kuros engaged into a limited, non-exclusive sales agency agreement with a top 3 spine company to represent our MagnetOs product line in selected geographies**
- **Daniel Geiger appointed as Chief Financial Officer**

Outlook

- **With reaching the 12-month endpoint of the randomized part of Phase 2 clinical study of Fibrin-PTH in spine fusion at the end of 2023, we expect to report the results early 2024**

Schlieren (Zurich), Switzerland, August 9, 2023 – Kuros Biosciences (“Kuros” or the “Company”), a leader in next generation bone graft technologies, today reported a 148% growth in MagnetOs direct sales in the first six months of 2023. The enrollment of patients in the Phase II spine study for Fibrin-PTH was completed, confirming the successful transition into a fully-fledged orthobiologics company with scientific, clinical, and commercial excellence in bone regeneration. Total revenue from medical devices increased by 126% to CHF 12.9 million (vs first half 2022: CHF 5.7 million), corresponding to 131% growth on a constant currency basis.

Joost de Bruijn, Chief Executive Officer, said: “The first half of this year has seen Kuros pushing ahead strongly with our commercialization of MagnetOs, through which we are successfully providing bone graft treatment to thousands of patients in need worldwide. We continue to achieve impressive sales growth and remain well funded to advance the commercial launch of MagnetOs in the U.S. as planned. We are continuing to develop our portfolio with Fibrin-PTH, a product candidate with the potential to address a market opportunity worth more than two billion dollars. The Phase 2 clinical trial evaluating Fibrin-PTH in spine is progressing well and we expect to communicate the initial data readout in early 2024, which we expect will be an exciting next step for Kuros.”

Key developments in H1 2023

Commercial highlights:

- MagnetOs overachieved its commercial activity plan in the first half of 2023 and the medical devices product segment recognized a positive EBITDA in the period.
- On May 1, 2023, Daniel Geiger was appointed Chief Financial Officer (CFO), transitioning from his previous role as CFO-ad interim.

Clinical highlights:

- On February 21, 2023, Kuros announced the publication of supportive osteoimmunology data for MagnetOs bone graft in two prestigious, peer-reviewed scientific journals. The articles in the Journal of Immunology and Regenerative Medicine and Clinical Oral Implants Research substantiate the unique mechanism of action of MagnetOs bone graft and add to the growing body of evidence Kuros is building up for MagnetOs.
- On July 13, 2023, Kuros announced the completion of enrollment in the STRUCTURE trial, which is investigating the safety and efficacy of Fibrin-PTH (KUR-113) in single-level transforaminal lumbar interbody fusion (TLIF) procedures in patients with degenerative disc disease (DDD). Fibrin-PTH targets a substantial clinical need and, upon approval, will address the large musculoskeletal growth factor market projected to reach \$2.2B by 2030.

Financial position

Cash and cash equivalents (including trade and other receivables) as of June 30, 2023, amounted to CHF 22.0 million compared to CHF 27.7 million as of December 31, 2022.

Revenues from product sales amounted to CHF 12.9 million (first half 2022: CHF 5.7 million). Costs for research and development, which include costs of the Phase 2 study (spine indication) of Fibrin-PTH amounted to CHF 2.3 million (first half 2022: CHF 2.5 million). General and administrative costs increased to CHF 3.8 million (first half 2022: CHF 3.1 million). Sales and marketing costs increased to CHF 9.3 million (first half 2022: CHF 5.4 million). Net operating costs amounted to CHF 15.3 million (first half 2022: CHF 10.9 million). The net loss for the six months ended June 30, 2023, amounted to CHF 5.1 million (first half 2022: CHF 3.7 million).

Key figures

In 000'CHF, IFRS

	H1 2023	H1 2022
Revenue from product sales	12,866	5,705
Revenue from collaborations	–	4,721
Cost of goods sold	(2,142)	(1,873)
Research and development costs	(2,291)	(2,534)
General and administrative costs	(3,759)	(3,090)
Sales and marketing costs	(9,332)	(5,426)
Other income	129	117
Net operating costs	(15,253)	(10,932)
Operating loss	(4,529)	(2,379)
Net financial result	(352)	(2,140)
Net loss	(5,052)	(3,701)
Net loss per share (in CHF)	(0.14)	(0.11)
Cash and cash equivalents, trade and other receivables	22,041	29,369

Events after the reporting period

None

Outlook

Kuros' products are advancing, with MagnetOs continuing to generate sales growth in the U.S. and Europe. Kuros is financed to accelerate the commercial roll-out of MagnetOs in the U.S. and to complete the Phase 2 clinical study of Fibrin-PTH in spine. With reaching the 12-month endpoint of the randomized part of Phase 2 clinical study of Fibrin-PTH in spine fusion at the end of 2023, we expect to report the results early 2024.

The half year report is available via the following link:

<https://kurosbio.com/resources/kuros-interim-results-2023>

We will discuss the results of the first half of 2023 and give an update on business and financial strategy in a virtual call on August 23, 2023, at 3pm CET. If you wish to participate, please register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_MC-JG45QSpawZq9PH5qsTw

After registering, you will receive a confirmation email containing information about joining the webinar.

Upcoming Events

October 25, 2023, Trading Update Q3 2023

For further information, please contact:

Kuros Biosciences AG	LifeSci Advisors
Daniel Geiger	Sandya von der Weid
Chief Financial Officer	Investors
t: +41 44 733 47 47	t: +41 78 680 0538
e: Daniel.geiger@kurosbio.com	e: svonderweid@lifesciadvisors.com

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. * †1-6*

Indications statement

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

About Fibrin-PTH (KUR-113)

Fibrin-PTH (KUR-113) consists of a natural fibrin-based healing matrix with an immobilized targeted bone growth factor (truncated human parathyroid hormone (PTH) analog. Fibrin-PTH (KUR-113) is designed to be applied directly into and around an intervertebral body fusion device as a gel, where it polymerizes in situ. Fibrin-PTH (KUR-113) functions via the well-established mechanism of action of parathyroid hormone; has been demonstrated in animal models of spinal fusion to be comparable to rhBMP-2; and has been shown in preclinical studies to be easy to use and ideal for open or minimally invasive technique⁷⁴*. The safety & efficacy of Fibrin-PTH (KUR-113) has not yet been evaluated for spinal fusion in humans.

About Kuros Biosciences

Kuros Biosciences is a fast-growing leader in the development of spinal fusion biologics that ease the burden of back pain. 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 successfully across three continents and in over 15,000 spinal fusion surgeries. The next candidate in the Kuros pipeline is Fibrin-PTH – the first drug-biologic combination for interbody spinal fusions, currently undergoing a Phase 2 clinical trial in the U.S. For more information on the company, its products and pipeline, visit 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*.
6. Data on file, 2020 (Barrere et al., "From benchtop to clinic: a complete translational analysis of the innate human immune response to submicron needle-shaped surface features and its relevance to bone healing and spinal fusion").
7. Data on file.

*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.

†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.