

Kuros Biosciences Reports Results for First Half 2018

September 5, 2018

(Corrected Version, including link to Half Year Report)

http://kuros.ch/uploads/Reports_and_Presentations/2018HY1.pdf

Financial highlights

- CHF 9.7 million cash at June 30
- Operating expenses decreased to CHF 6.0 million

Operational highlights

- First U.S. & European sales of MagnetOs
- Commercial rollout in the U.S. and Europe on track
- Preparation for Phase II clinical study of Fibrin-PTH in spine on track

MEDIA RELEASE

Schlieren (Zurich), Switzerland,

September 5, 2018 – Kuros Biosciences has delivered on its targets in the first half of 2018, confirming its successful transition into a full-fledged orthobiologics company with scientific, clinical, and commercial excellence in bone regeneration. Kuros has recorded first sales of MagnetOs in the U.S. and in Europe, and commercial rollout continues apace in both regions.

Joost de Bruijn, Chief Executive Officer, said: “We have successfully pursued the new course for Kuros in the first half of 2018, progressing on all fronts. We have realized the first sales from MagnetOs, an important milestone as we focus on the commercial opportunity of cutting-edge orthobiologics, and the commercial rollout is advancing on both sides of the Atlantic. Furthermore, we are driving forward the exciting clinical program with Fibrin-PTH in spinal fusion, which represents a huge commercial opportunity.”

Financial position

Cash and cash equivalents (including financial assets and trade and other receivables) as per June 30, 2018, amounted to CHF 9.7 million, compared with CHF 21.4 million as per June 30, 2017.

Operating expenses decreased to CHF 6.0 million (first half 2017: CHF 7.5 million) primarily due to lower non-cash expenses in connection with share-based payments. Expenses for research and development of CHF 3.1 million (CHF 2.2 million in the first half 2017) 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 4.1 million contained costs for personnel and other expenses for maintenance and administration. Revenues amounted to CHF 0.3 million (first half 2017: CHF 0.5 million) and originated primarily from a milestone payment related to the agreement with Checkmate. Furthermore, the commercial rollout of MagnetOs recognized its first sales. Other income was CHF 1.1 million (first half 2017: CHF 1.5 million) and mainly consisted of proceeds from sub-lease agreements.

The net loss as per June 30, 2018 amounts to CHF 5.2 million, compared to CHF 7.0 million in the corresponding period in the first half of 2017. The primary reason for the substantial decrease of CHF 1.7 million are a substantial reduction in expenses for share-based payment and income tax effects.

Key figures	H1 2018	H1 2017
In TCHF, IFRS		
Revenue	274	534
Research and development	(3,058)	(2,211)
General and administrative	(4,112)	(6,777)
Other income	1,125	1,522
Net operating costs	(6,045)	(7,466)
Operating income/(loss)	(5,787)	(6,932)
Net financial income/(loss)	(4)	(247)
Net income/(loss)	(5,247)	(6,970)
Net income/(loss) per share (in CHF)	(0.63)	(1.11)

Cash and cash equivalents, financial assets and trade and other receivables	9,650	21,417
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Events after the reporting period

Kuros will issue 370,000 shares to former Xpand Biotechnology shareholders, a milestone related to the merger and triggered by the important CE mark certification in Europe for MagnetOs Putty, which today allows Kuros to commercialize MagnetOs Putty across Europe.

Outlook

Kuros's products are advancing according to plan with MagnetOs Putty having received clearance for commercialization in the United States and recently having received CE mark in Europe followed by first commercial sales in the United States and Europe, in June 2018. Kuros is financed to initiate the commercialization of MagnetOs in the US and to prepare for the phase II clinical study of Fibrin-PTH in spine.

About Kuros Biosciences AG

Kuros Biosciences is focused on the development of innovative products for tissue repair and regeneration and is located in Schlieren (Zurich), Switzerland and Bilthoven, The Netherlands. The Company is listed according to the International Financial Reporting Standard on the SIX Swiss Exchange under the symbol KURN. Visit www.kuros.ch 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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