

Ad-hoc announcement pursuant to Article 53 of the SIX listing rules

Kuros Biosciences reports results for the full year 2021

Financial highlights

- **CHF 30.7 million cash & cash equivalents, trade and other receivables at December 31, 2021**
- **Product sales increased more than 100% to CHF 8.3 million**
- **Received USD 6 million (CHF 5.5 million) milestone payments from Checkmate Pharmaceuticals**
- **Received USD 7 million (CHF 6.4 million) up front with USD 166.5 million in potential future revenues under royalty purchase agreement with XOMA**
- **Total revenues of CHF 13.8 million (versus CHF 4.0 million in 2020), supported by Checkmate agreement**

Operational highlights

- **Commercial rollout MagnetOs in U.S. and Europe on track**
- **Enrolled more than 50% of patients in first stage of in Phase II spine clinical study of Fibrin-PTH**
- **Over 90% of patients enrolled in MaXa clinical study with MagnetOs**

Schlieren (Zurich), Switzerland, March 16, 2022 – Kuros Biosciences closed the year with outstanding results for 2021, increasing product sales by 107% and continuing to enroll the Phase II spine study for Fibrin-PTH, confirming its successful transition into a fully-fledged orthobiologics company with scientific, clinical, and commercial excellence in bone regeneration.

MagnetOs achieved strong sales growth in the U.S. and was successfully launched in additional European countries, despite the worldwide pandemic, and its very significant impact on the elective surgeries MagnetOs is primarily used in.

Joost de Bruijn, Chief Executive Officer, said: “The Kuros team has delivered an outstanding performance in a complex environment, making significant progress on all fronts in 2021. The

impressive sales growth of MagnetOs confirms our successful transformation into a commercial company. Combined with our Fibrin-PTH clinical program which has tremendous commercial potential, we are well-positioned to become a leader in orthobiologics. Beyond this we have received USD 6 million in milestone payments from the agreement with Checkmate Pharmaceuticals and successfully monetized the agreement with Checkmate for an upfront payment of USD 7.0 million while retaining potential additional income of USD 166.5 million.”

Key developments in 2021 and so far in 2022

March 2, 2021	Announces MagnetOs sales and distribution agreements across Northern Europe
April 6, 2021	To receive \$2 million milestone payment from Checkmate Pharmaceuticals
April 8, 2021	Treatment of first patient in Australia with MagnetOs for spine fusion
April 13, 2021	Treats first patient in clinical trial of MagnetOs Putty for posterolateral spine fusion
May 17, 2021	To receive \$4 million milestone payment from Checkmate Pharmaceuticals
June 2, 2021	Commercial roll-out of MagnetOs bone graft exceeds expectations
June 22, 2021	Publication of data on MagnetOs in eCM Journal linking MOA to enhanced predictable bone regeneration
July 15, 2021	To receive \$7 million up front and potentially \$166.5 million in future revenues under a royalty purchase agreement with XOMA related to Kuros’s license agreement with Checkmate Pharmaceuticals
September 9, 2021	FDA 510(k) Clearance for MagnetOs Easypack Putty
January 20, 2022	Publication of first-in-human clinical data for Fibrin-PTH (KUR-113) in treatment of open tibial shaft fractures
February 3, 2022	MagnetOs Granules cleared by FDA for expanded spinal indications

Financial position

Cash and cash equivalents (including trade and other receivables) as of December 31, 2021, amounted to CHF 30.7 million, compared to CHF 29.8 million as of December 31, 2020.

Net operating costs increased to CHF 18.8 million (2020: CHF 13.4 million) primarily due to increased marketing and sales costs of CHF 7.7 million (2020: CHF 4.3 million), including personnel and administration and maintenance costs. Research and development costs increased to CHF 5.0

million (2020: CHF 4.0 million), primarily through the ongoing clinical phase 2 trial of Fibrin-PTH. Other income amounted to CHF 0.2 million (2020: CHF 0.3 million) and mainly consisted of patent recharges to Checkmate.

The group's revenues amounted to CHF 13.8 million (2020: CHF 4.0 million), originating from product sales and collaborations.

The net loss for 2021 amounted to CHF 7.5 million, compared to CHF 11.5 million in 2020.

Key figures	2021	2020
In TCHF, IFRS		
- Revenue from product sales	8,341	4,039
- Revenue from collaborations	5,474	-
Total Revenue	13,815	4,039
Cost of Goods sold	(3,749)	(2,368)
- Research and development	(4,989)	(4,005)
- General and administrative	(6,329)	(5,392)
- Sales and marketing costs	(7,723)	(4,263)
- Other income	208	310
Net operating costs	(18,833)	(13,350)
Operating loss	(8,767)	(11,679)
Net financial loss	(787)	(415)
Income taxes	2,013	574
Net loss	(7,541)	(11,520)
Net loss per share (in CHF)	(0.23)	(0.47)
Cash and cash equivalents, trade and other receivables	30,670	29,790

Events after the reporting period

The Group has no significant events after the reporting period and up to the date of this report.

Outlook

Kuros' products are advancing according to plan, with MagnetOs generating sales in the U.S. and in Europe and expected to become cashflow positive by the end of 2022. Kuros is financed to accelerate the commercial roll-out of MagnetOs in the U.S. and to complete the Phase II clinical

study of Fibrin-PTH in spine, with the first data expected to be available by mid 2023.

The annual report 2021 is available on our corporate website under the following link:

<https://kurosbio.com/resources/kuros-annual-report-2021/>

We will discuss the results of 2021 in a zoom call on March 23, 2022, at 2pm CET. If you wish to participate, please register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_kp0K1XHnSz24Wp2wOm8rJg

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

For further information, please contact:

Kuros Biosciences AG
Michael Grau
Chief Financial Officer
T: +41 44 733 47 47
E: michael.grau@kurosbio.com

LifeSci Advisors
Hans Herklots
Media & Investors
T: +41 79 598 7149
E: hherklots@lifesciadvisors.com

About MagnetOs

MagnetOs isn't like other bone grafts. It grows bone even in soft tissue thanks to its unique NeedleGrip surface technology which 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 efficient and predictable fusion.†‡1-3*

About Fibrin-PTH (KUR-113)

The latest candidate in our pipeline is based on proprietary controlled-release technology that combines the well-established mechanism of the bone growth factor parathyroid hormone (PTH) with the natural healing matrix, fibrin. Once implanted, the released PTH promotes spinal fusion by increasing the number and lifespan of bone-forming (osteogenic) cells in the fusion space. Fibrin-PTH is the first ever investigational drug-biologic candidate to be evaluated for spinal fusion; and the first to be compatible with narrow gauge cannulas for truly non-invasive surgical procedures. Fibrin-PTH is undergoing a Phase 2 clinical trial in the U.S. as part of a de-risked pre-market clinical program.§

Investigational Product Candidates

Fibrin-PTH (KUR-113) is an investigational drug/biologic combination product candidate and is not approved by FDA for the indications mentioned in this release. 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 5,000 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 US. 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.

References: **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.

**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. [§]Fibrin-PTH (KUR-113) is an investigational drug-biologic combination product candidate. Fibrin-PTH (KUR-113) has been evaluated in animals for use in lumbar interbody fusion. The safety & efficacy of Fibrin-PTH (KUR-113) has not yet been evaluated for spinal fusion in humans.*