

Kuros Biosciences

The future of spinal fusions

Investor Webcast - H1 2023 Earnings and Operational Update
August 23, 2023

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Corporate highlights



Swiss-headquartered biotech company with operations in the Netherlands and US. Listed on the SIX Swiss Stock Exchange (Ticker: KURN)



Over 300+ Publications and 10+ active clinical studies. Strong global network of KOLs



Strong financial foundation:

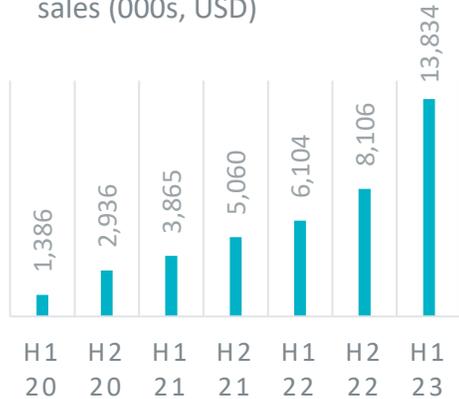
- Cash at ~\$18.1M¹, with a runway beyond Q3 2024
- ~126% revenue growth² and potential \$21.3M milestone payments + up to \$142M sales milestone payments



MagnetOs surface modified biologics portfolio launched globally. Addressing \$1B+ market opportunity. Targeting \$100M annual sales within 5 years



■ Approx revenue from product sales (000s, USD)



Strong start into 2023: 148% increase in direct MagnetOs sales in H1 2023 compared to H1 2022
Total revenue from medical devices rose from US\$6.1M to US\$13.8M



Fibrin-PTH Phase 2 (under IND) in lumbar spinal fusion de-risked by two successfully completed Phase 2 studies in the trauma indication

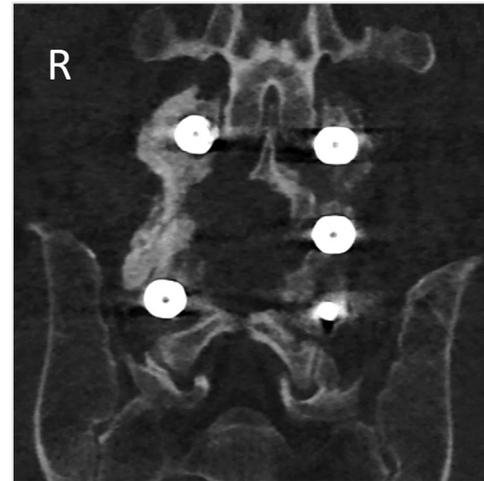
References: 1. Cash and cash equivalents CHF 16.9 million translated at CHF/USD (0.93) as of June 30, 2023. 2. Product sales CHF 12.9 million in H1-2023 compared to CHF 5.7 million in H1-2022 translated at CHF/USD (0.93).

MagnetOs: Overview of clinical studies

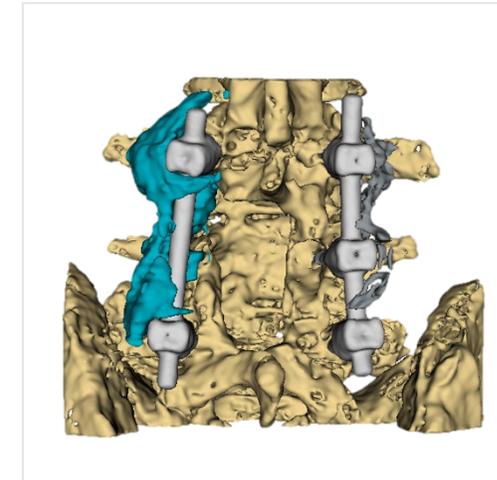
Prospective clinical studies

Study	Study design	Initiated	Fully enrolled	Interim results	Primary endpoint
MAXA					Q4 '23
PARTNER				Q4 '23	
PROOF				Q2 '24	
PRECISE				Q2 '24	

Results from an ongoing prospective clinical trial



Coronal fine-cut CT scans at one-year follow-up. MagnetOs Granules implanted on right hand side of patient, leading to solid spinal fusion.



3D reconstruction at one-year follow-up. Blue: Fusion w/ MagnetOs Granules; Gray: Autograft; Light Gray: Instrumentation.

- Data from one randomized controlled trial shows fusion rate for MagnetOs of 78%, compared to 42% for the gold standard bone graft (autograft) ^{*†1}
- Compares favorably to fusion rates of 55-71% reported for other synthetic bone grafts evaluated in similar posterolateral fusion trials ^{2, 3}

References: **1.** Data on file. **2.** Lehr, et al. *Spine*. 2020; 45(14):944-951. **3.** Coughlan, et al. *Spine (Phila Pa 1976)*. 2018;1-43(15):E860-E868. *Preliminary results from an ongoing trial.

† MagnetOs Granules is cleared for standalone use in the posterolateral spine. Please refer to the Instructions for Use for a full list of indications, contraindications, precautions and warnings.

Fibrin-PTH Phase 2: STRUCTURE



Design

- Prospective, randomized controlled single blind multi-center study which intends to demonstrate safety and efficacy of Fibrin-PTH (KUR-113) versus local autograft
- 50 patients in two stages (2 dose levels vs local autograft)
- Randomized-stage (n=30) and second non-randomized stage (n=20) with higher dose fully enrolled July 2023



Methods

- Single-level TLIF with Fibrin-PTH or local autograft added in and around any static FDA cleared monoblock PEEK cage
- Posterior lumbar fusion (PLF) (fixation plus MagnetOs Putty)



Primary endpoint

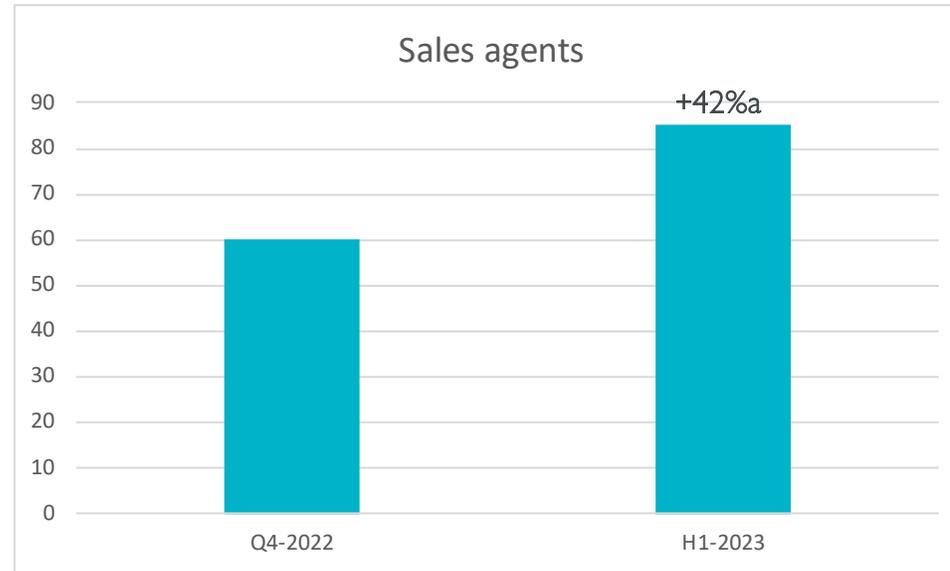
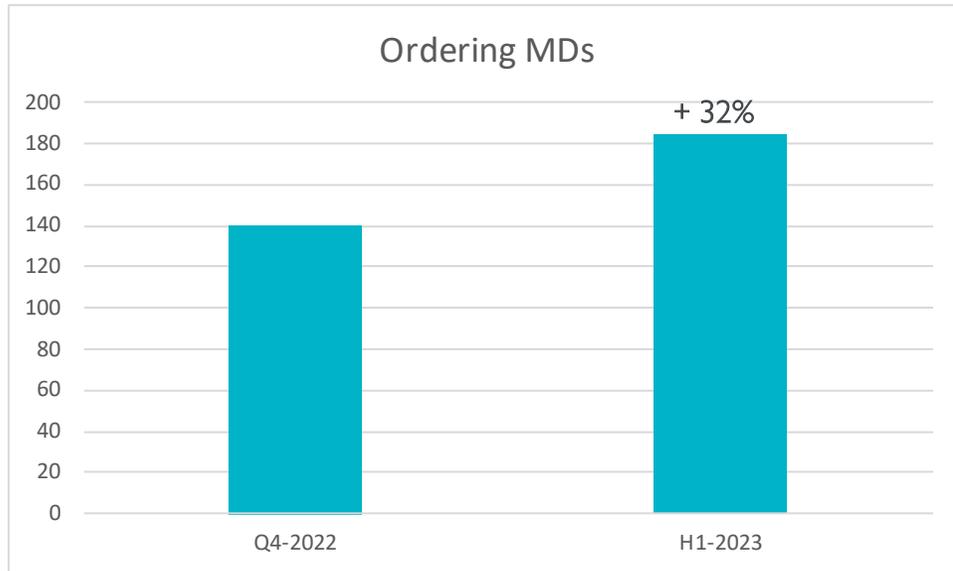
- Radiological fusion determined by CT-scans and assessed by IREP at 12 months



Study sites

- Patients enrolled in 15 study sites
- Includes strategic research centers such as BWH, HSS, UCSD, Northwestern, Medstar Georgetown

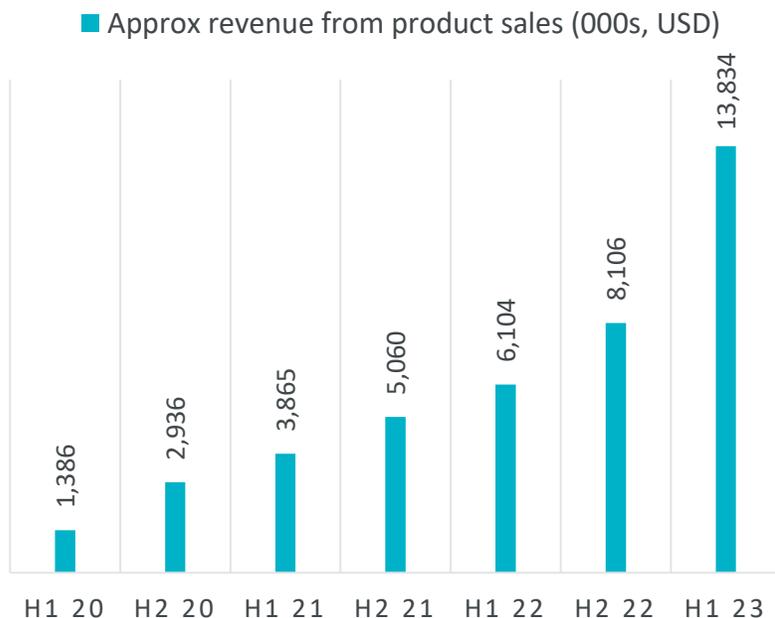
Operational highlights



- 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

Financial highlights

Revenue from product sales



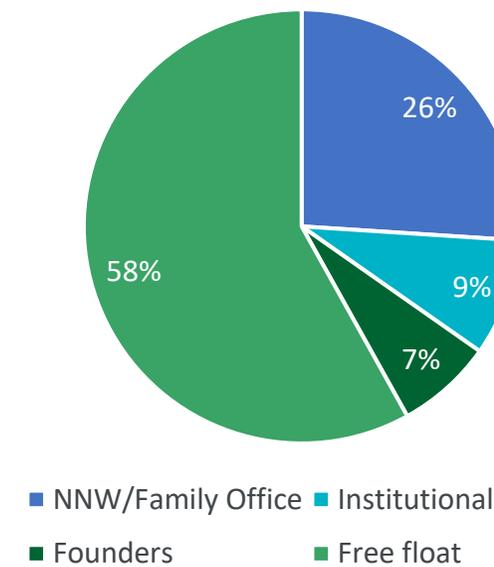
Consistent and significant growth in revenue from product sales reported over the past 3.5 years

Cash runway into Q3-2024

USD, 000s	Jun 30, 2023
Cash and cash equivalents	18,130
Trade and other receivables	5,570
Total cash and cash equivalents, trade and other receivables	23,700

~\$24M cash & cash equivalents, trade and other receivables¹ – financed into Q3 2024

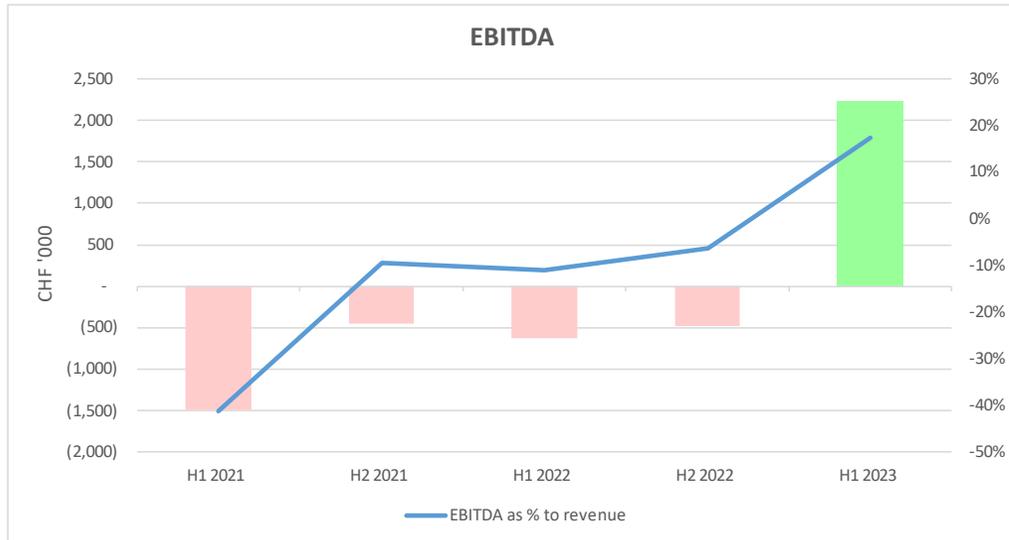
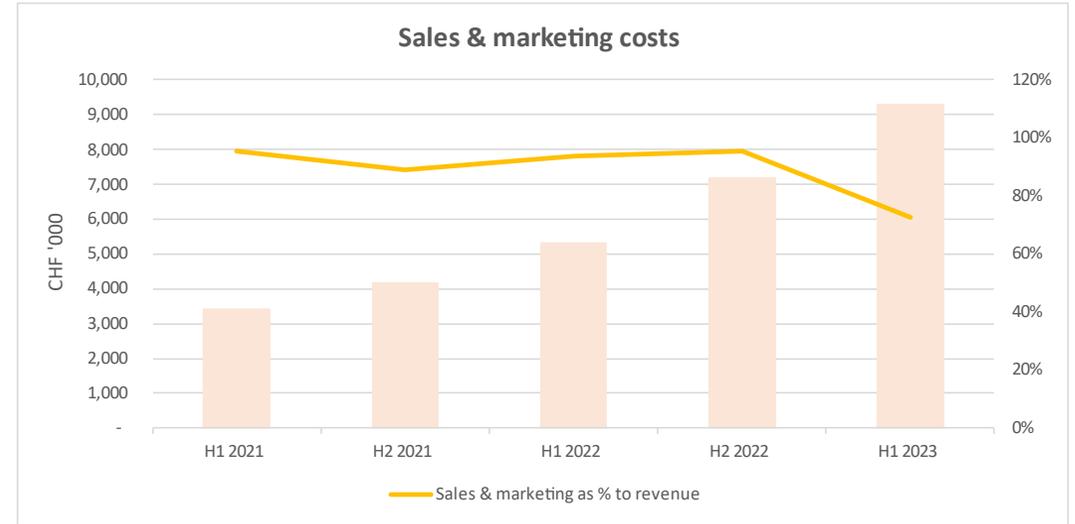
Kuros ownership



Strong institutional ownership, including Alpha Capital and Pictet

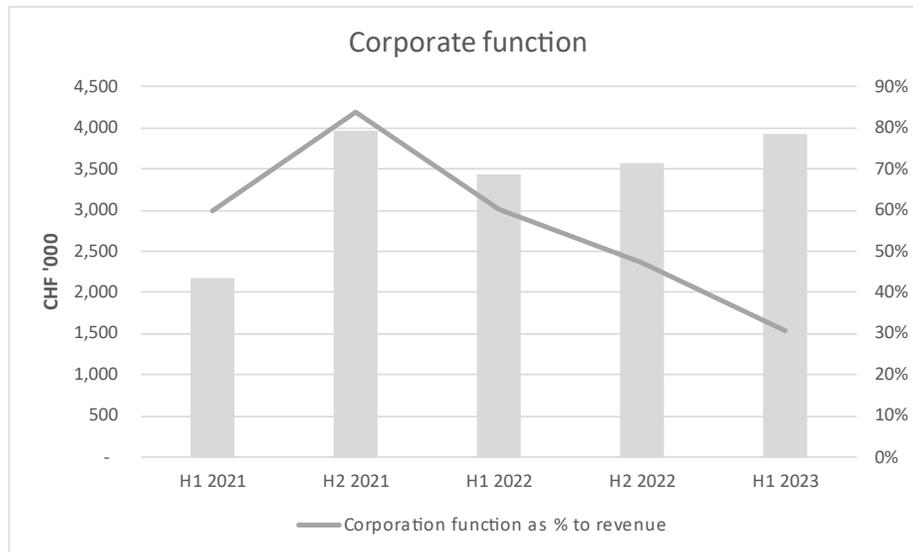
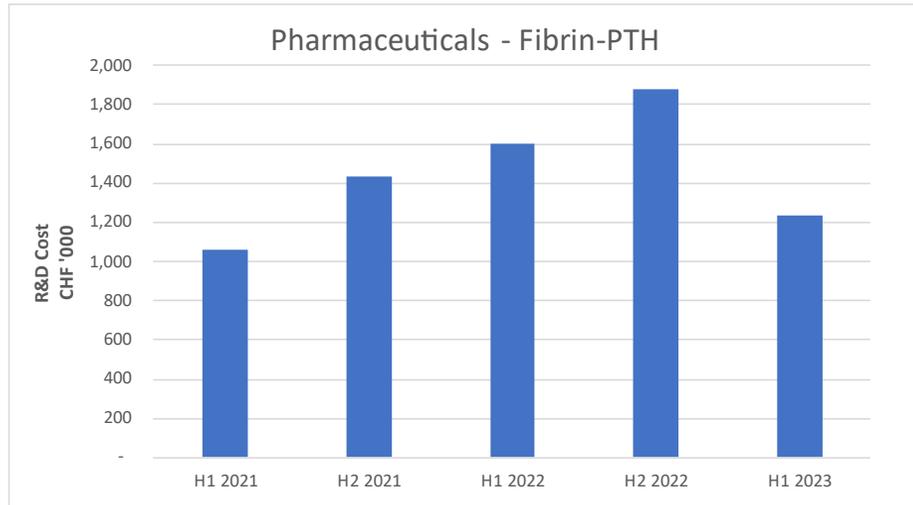
References: 1. Cash & cash equivalents, trade, and other receivables; CHF 22.0 million translated at CHF/USD (0.93) as of Jun 30, 2023

Medical devices - MagnetOs



- Revenue from product sales increased by 126%, on a constant currency by 131%
- Sales & marketing cost/revenue ratio getting closer to target level of 70% in the mid-term
- Sales & marketing costs include sales commission of around 43%
- The stand-alone EBITDA of MagnetOs has increased to CHF 2.2 million, turning the operating leverage into a positive and scalable result
- MagnetOs segment is anticipated to reach a positive operational cashflow in H2 2023 further extending the cash runway and cross-financing the overall group in the mid-term

Other segments



- Fibrin-PTH R&D costs at around CHF 1.2 million expected to increase significantly in H2 2023 preparing the company for Phase 3
- Corporate costs and FTEs held constant despite significant increase in sales volume
- To be prepared for the next stage, Kuros will scale up teams and aligning processes, systems and data to achieve accelerated growth

Commercial outlook for H2 2023 and strategy

Scalable and measurable growth

Global Commercialization Strategy

US revenue growth through geographical expansion

In 2022-US revenue represented 95% of Kuros group revenue

2022 Kuros products were sold predominantly in Eastern USA

2023-Investment into sales management and independent agents in Central and Western US

Investment into operations, product distribution and finance

ROW revenue growth through selected markets and deeper penetration with independent distributors

Key market entry into Spain and Italy

Increased penetration in UK + French markets via improved partnerships

Investment into improved reimbursement pathways

Increased investment into clinical evidence globally

MAXA, PARTNER, PROOF, PRECISE

Immense impact in competitive markets and hospital approval committees

Expand the depth and breadth of our commercial footprint,
by doubling our US sales team and expanding new territories

United States

- Direct sales team that spans 50 states
- Supported by growing network of independent agents & distributors
- Sales in all major metropolitan areas
- Accounts include prestigious names across the country such as: HSS (NY), Northwestern (Chicago), Medstar (DC), UCSD (CA)

International

- Launched MagnetOs in 13 new EU countries and 1 APAC country
- EU distributors in Switzerland, The Netherlands, UK, France, Italy, Spain, Portugal, Austria, Denmark, Norway, Sweden, Finland, and Greece
- Strong distributor partner in Australia

Financial outlook for H2 2023 and strategy

Achieve financial targets by aligning the business support functions

Group

Minimize dilution through a mix of different financing instruments

Extend cash runway beyond Q3 2024 through operational cash inflow from MagnetOs

Additional funding measures including equity, monetizing assets and partnering to reach cash break-even are evaluated

MagnetOs

Anticipating to achieve positive operational cashflow in H2 2023

Aiming to build a stable EBITDA margin in the mid-term

Generating sufficient operating cashflow to cross-finance

Fibrin-PTH

Align potential financing needs in dependence to a positive readout of Phase 2

Non-dilutive funding discussions to support the next development phase are well-advanced

Clinical studies outlook for H2 2023

- 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, expect to report results early 2024
- Completion of PARTNER study, data to be finalized for publication Q4 2023
- Submission of two retrospective investigator driven interbody fusion studies with MagnetOs
- Primary endpoints for MAXA study by Q4 2023, expect to report results early 2024