

# 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)

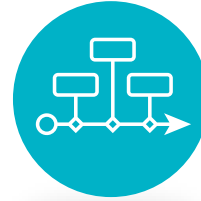


Over 300+ Publications and 10+ active clinical studies. Strong global network of KOLs



Strong financial foundation:

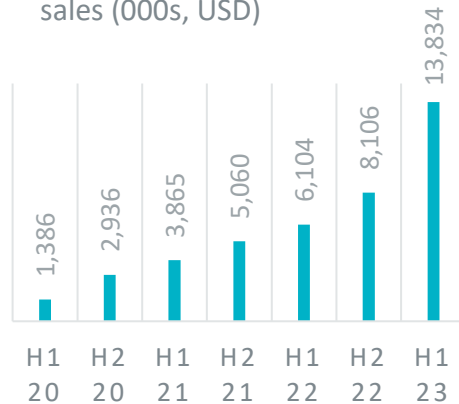
- Cash at ~\$18.1M<sup>1</sup>, with a runway beyond Q3 2024
- ~126% revenue growth<sup>2</sup> and potential \$21.3M milestone payments + up to \$142M sales milestone payments



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



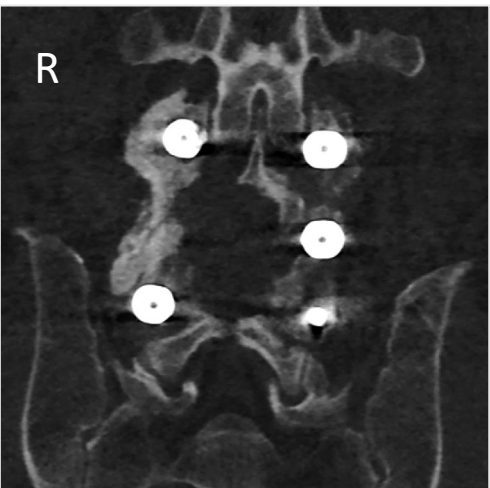
Fibrin-PTH Phase 2 (under IND) in lumbar spinal fusion de-risked by two successfully completed Phase 2 studies in the trauma indication

# MagnetOs: Overview of clinical studies

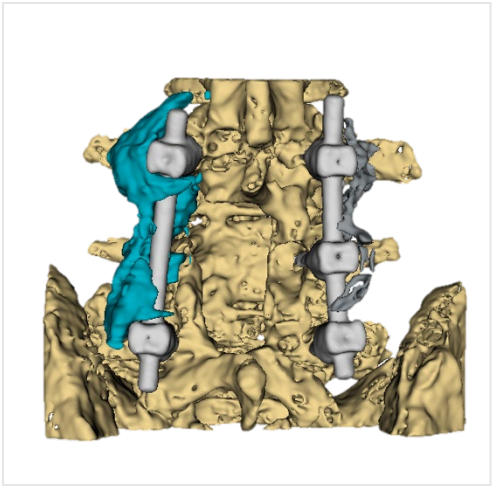
## Prospective clinical studies

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) <sup>\*†1</sup>
- Compares favorably to fusion rates of 55-71% reported for other synthetic bone grafts evaluated in similar posterolateral fusion trials <sup>2, 3</sup>

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.  
<sup>†</sup> 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

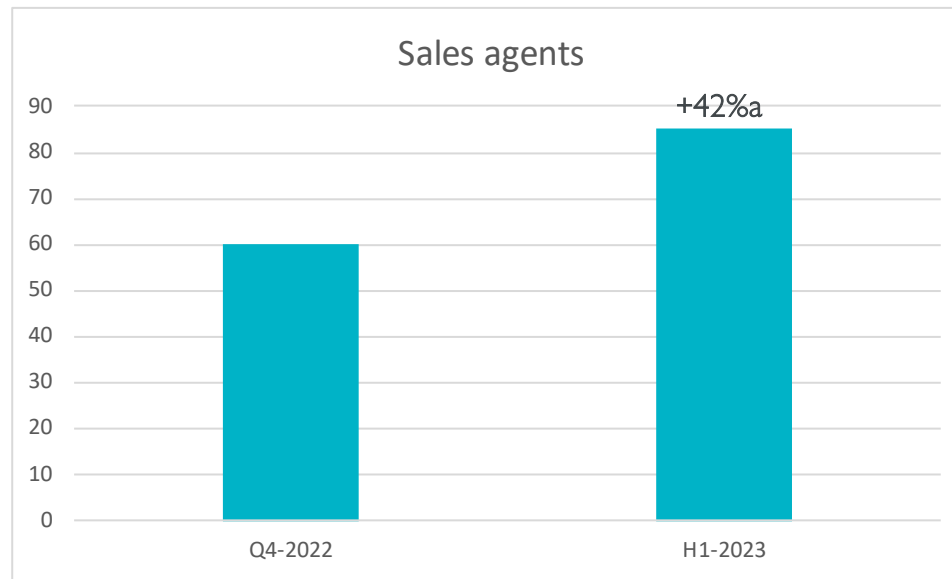
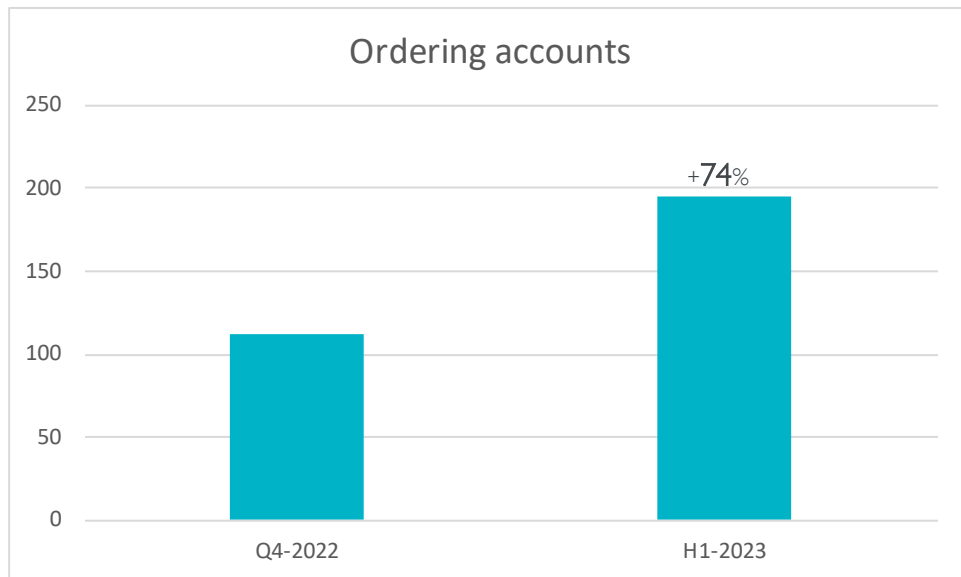
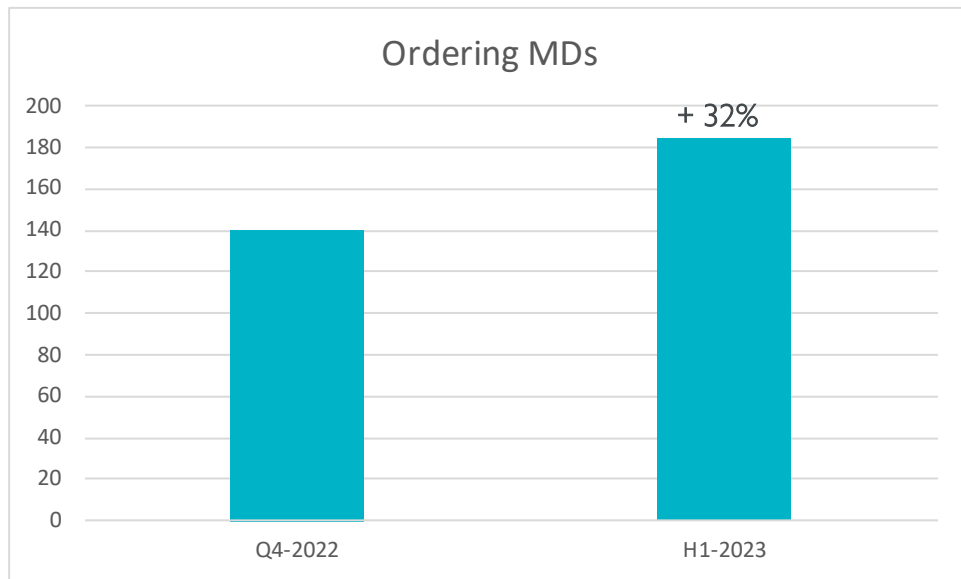
- Radiological fusion determined by CT-scans and assessed by IREP at 12 months



## Study sites

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

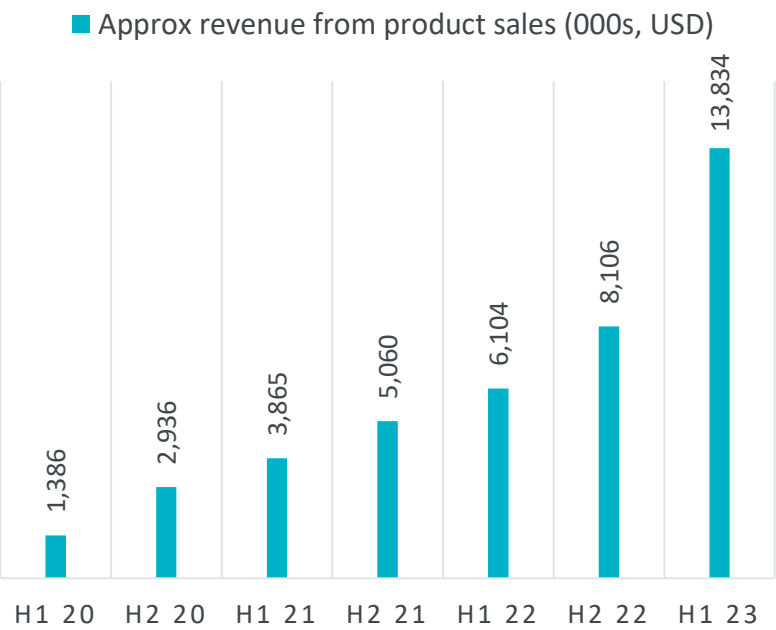
# Operational highlights



- 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



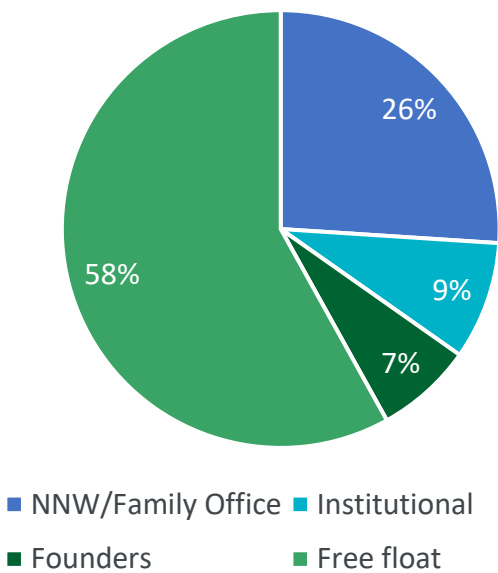
Consistent and significant growth in revenue from product sales reported over the past 3.5 years

## 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 receivables<sup>1</sup> – financed into Q3 2024

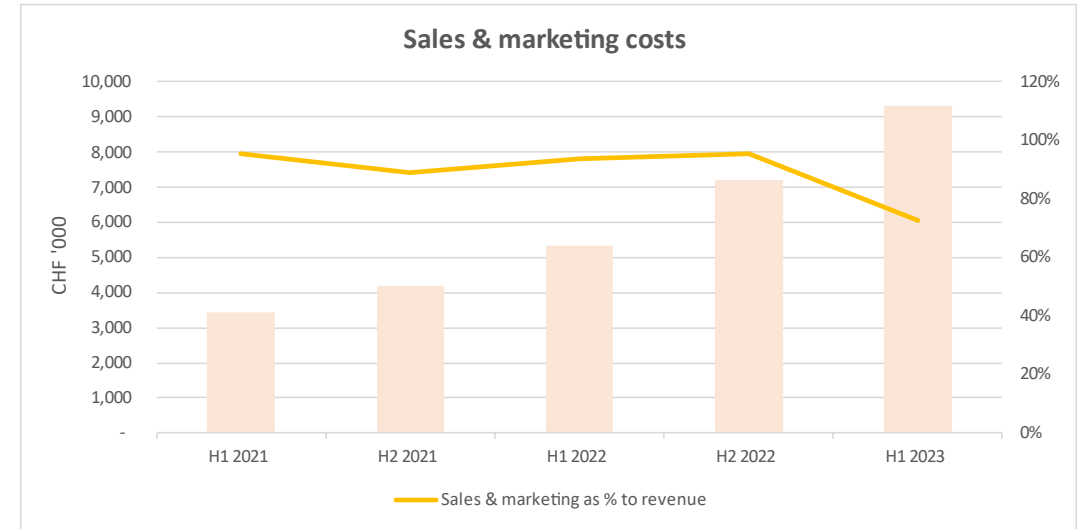
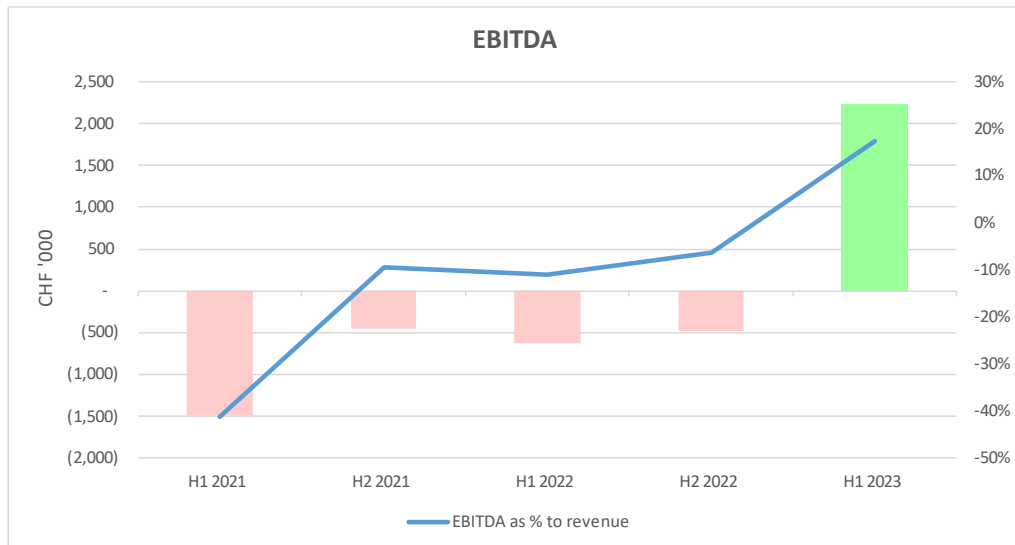
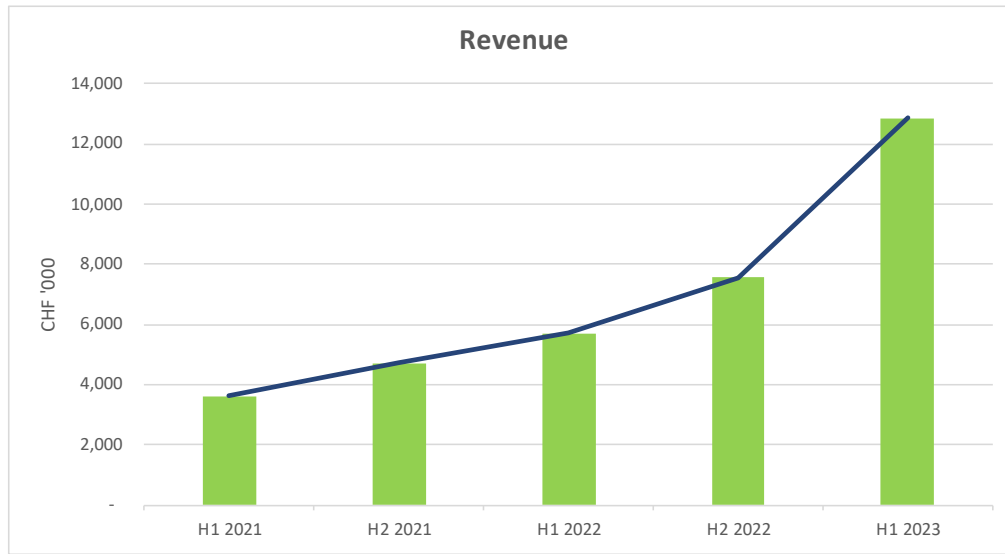
## Kuros ownership



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

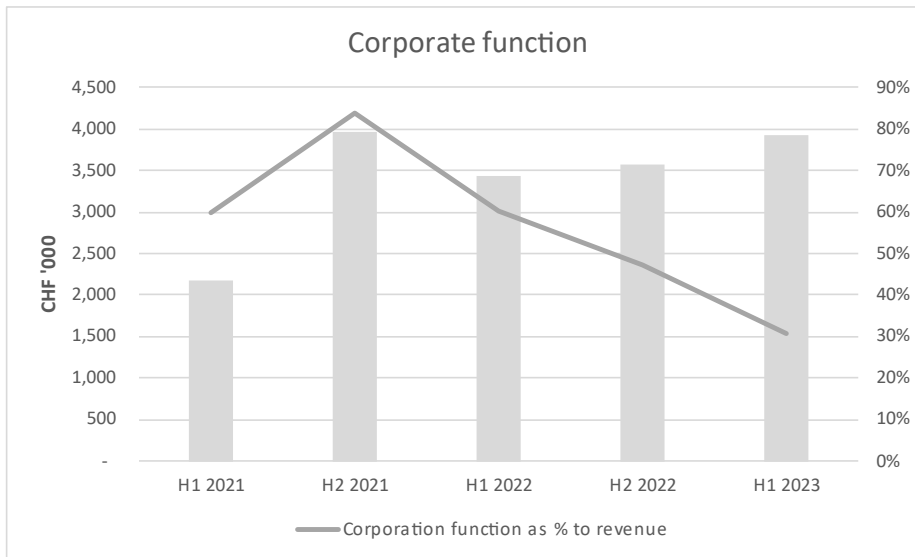
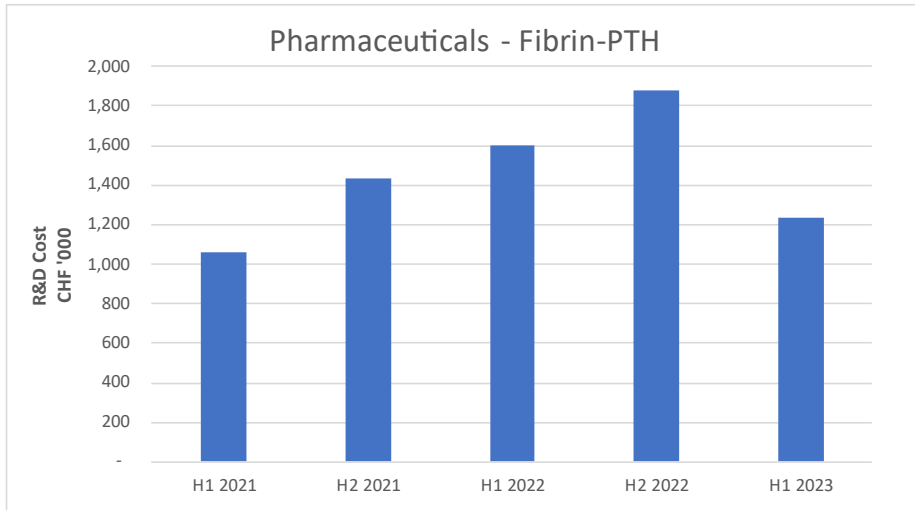
# Medical devices - MagnetOs



- 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