



# Kuros Biosciences



## **Our Mission**

To discover, develop and deliver innovative biologic fusion technologies.

Investor Webcast – FY 2023 Earnings and Strategic Update  
March 13, 2024

Swiss-headquartered with  
operations in US and the Netherlands

Ticker: KURN  
SIX Swiss Stock Exchange

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# Corporate highlights

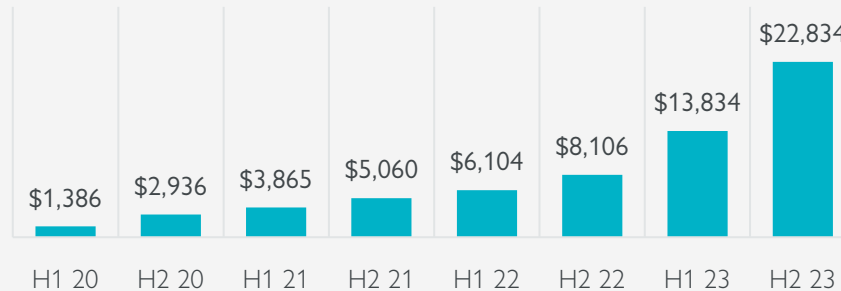


Positioned as pure MedTech with a de-risked profile and clear focus on commercial execution, operational enablement, and product pipeline development



Strong financial foundation with no debt:

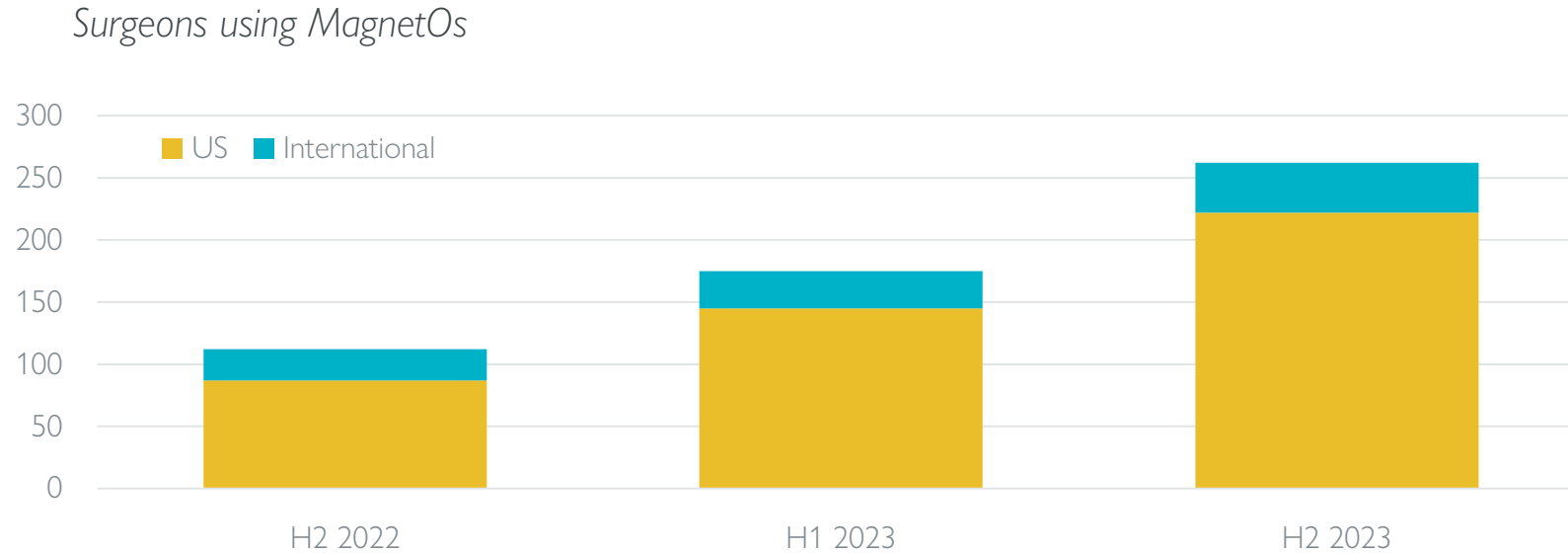
- Cash at ~\$16.7M<sup>1</sup>, with a runway beyond Q1 2025
- ~153% revenue growth<sup>2</sup> and potential to receive \$21.3M milestone payments + up to \$142M sales milestone payments



163% increase in direct MagnetOs sales in 2023 compared to 2022. Total revenue rose by 153% from \$13.7M to \$36.7M

References: 1. Cash and cash equivalents CHF 14.2 million translated at CHF/USD (0.85) as of December 31, 2023.  
2. Product sales CHF 33.6 million in 2023 compared to CHF 13.3 million in 2022 translated at CHF/USD (0.94).

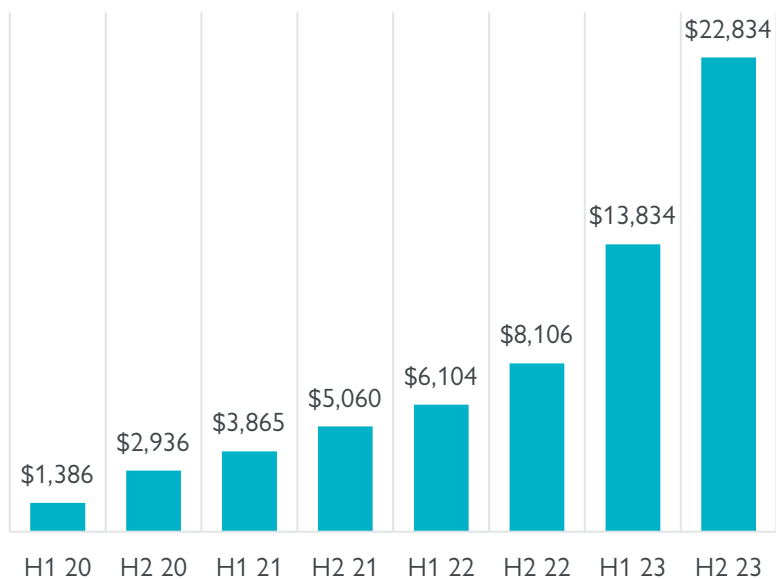
# Commercial and Operational highlights



- 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
- Supported and trained over 300+ surgeons
- Increased independent sales agents by 52% from H1 to H2 2023
- Increased international market presence by 40% from H1 to H2 2023

# Financial highlights

Revenue from product sales



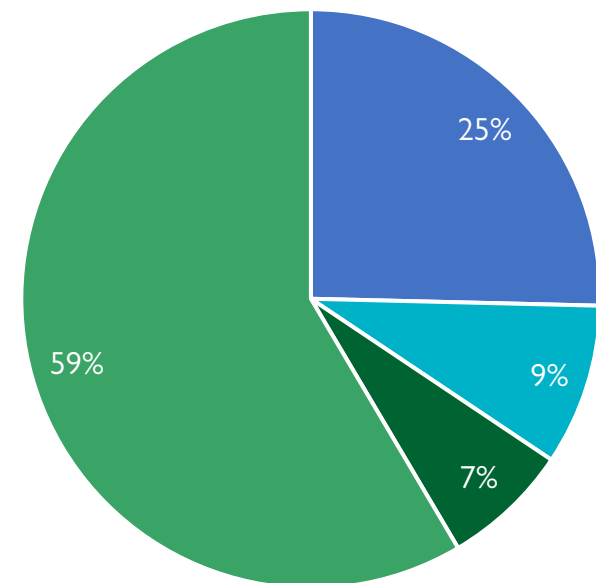
Consistent and significant growth in revenue from product sales reported over the past 4 years

Cash runway beyond Q1-2025

USD, 000s	Dec 31, 2023
Cash and cash equivalents	\$16,689
Trade and other receivables	\$8,947
Total cash and cash equivalents, trade and other receivables	\$25,636

~\$25.7M cash & cash equivalents, trade and other receivables<sup>1</sup>

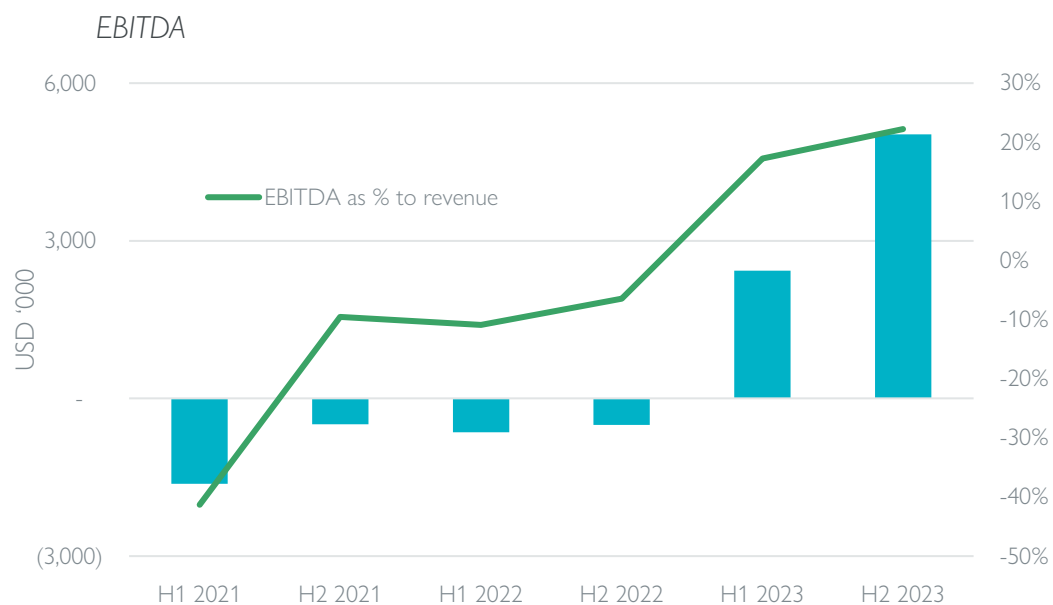
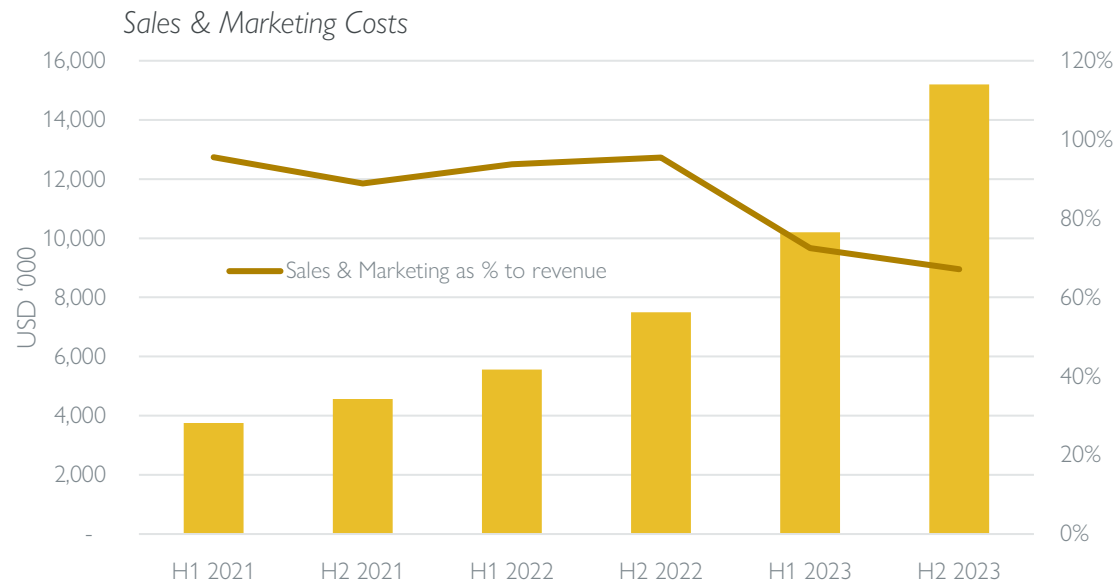
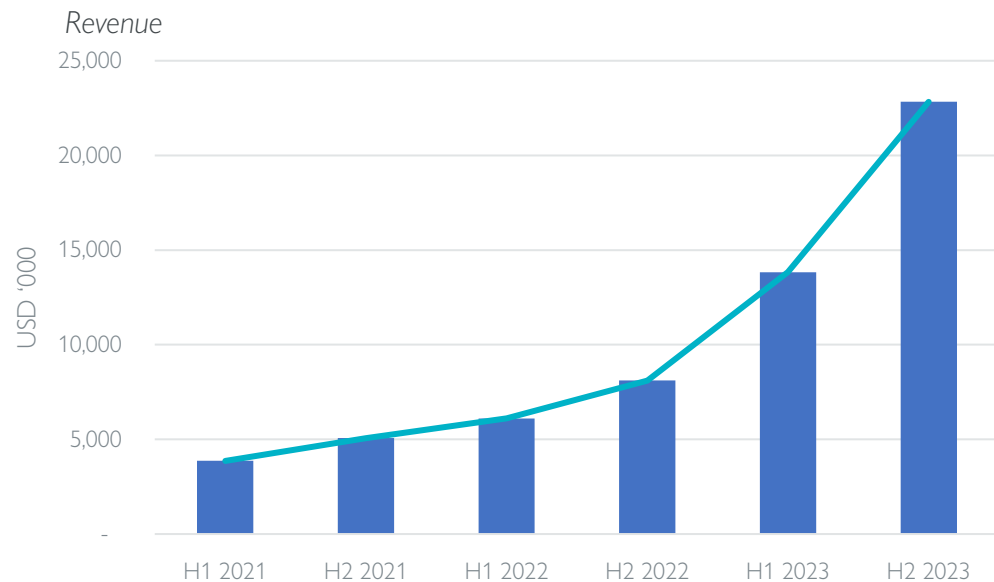
Kuros ownership



- HNW/Family Office
- Institutional
- Founders
- Free float

References: 1. Cash & cash equivalents, trade, and other receivables; CHF 21.8 million translated at CHF/USD (0.85) as of Dec 31, 2023

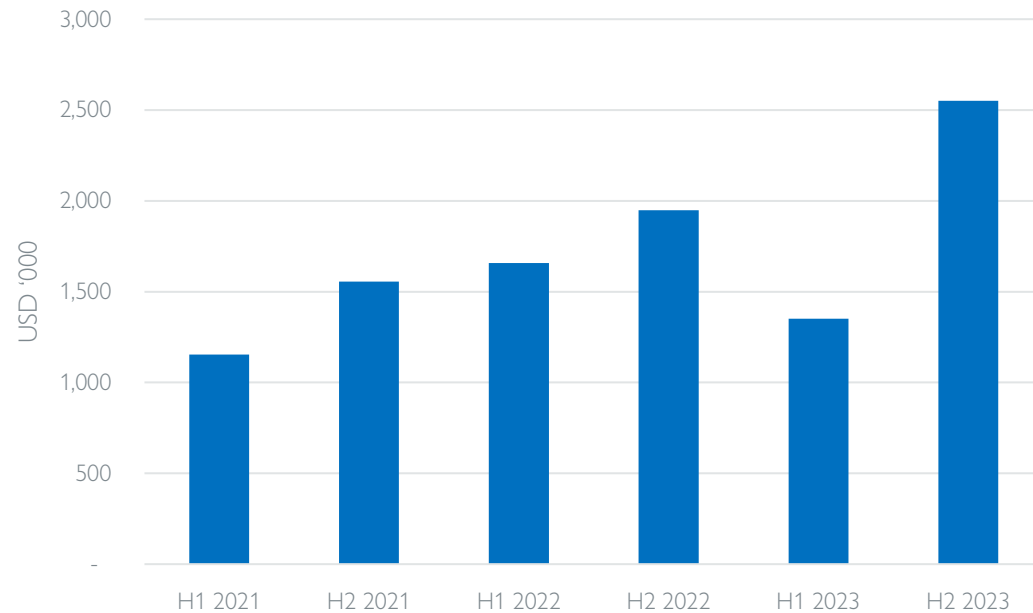
# Medical devices - MagnetOs



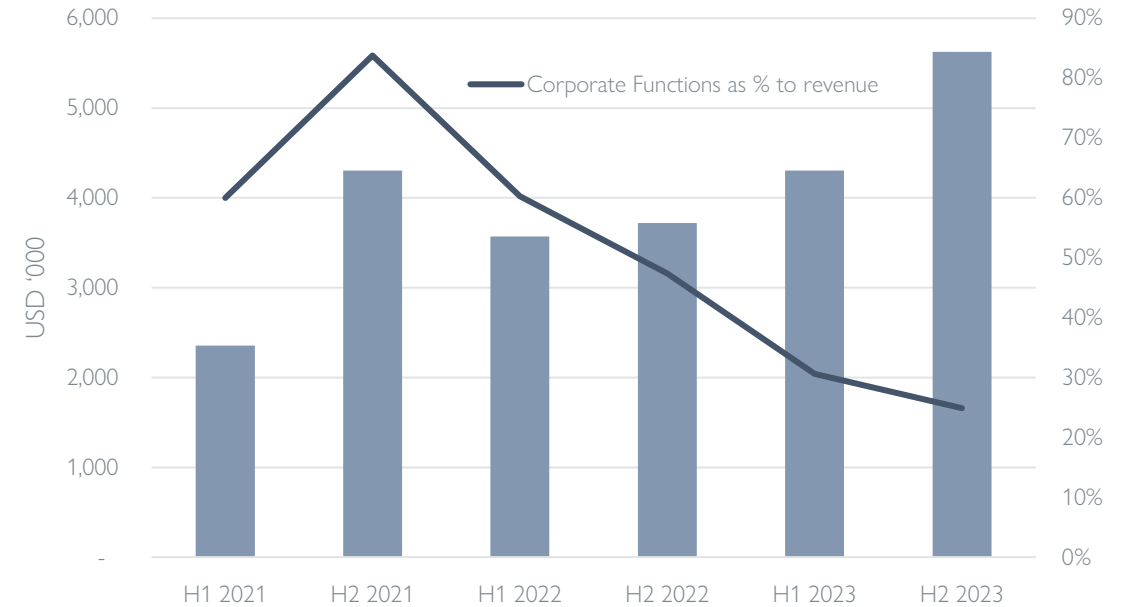
- Revenue from product sales increased by 153%, on a constant currency by 166%
- Sales & marketing cost/revenue ratio reached target level of 70%
- MagnetOs' stand-alone EBITDA rose to USD 7.5 million, which corresponds to an EBITDA margin of 20% and reflects the positive effect of operating leverage
- The MagnetOs segment achieved a positive operating cash flow in the second half of 2023, thereby strengthening the Group's liquidity and financing

# Fibrin-PTH and Corporate Functions

Pharmaceuticals – Fibrin-PTH



Corporate Functions



- Fibrin-PTH R&D costs increased significantly in H2 2023 preparing the company for Phase 3 before decision to discontinue
- Corporate costs and FTEs aligned with significant increase in sales volume
- To continue preparation for future growth, Kuros will scale up teams; synchronize processes, systems and data to support accelerated growth

# New market expansion opportunities for MagnetOs

Increasing addressable market to \$3.9B

## MAXA trial

- MagnetOs outperformed autograft, even in a difficult-to-treat patient population: 20% smokers
- Given these robust results, Kuros shifted sole focus to MagnetOs and elected not to proceed to Phase 3 studies with Fibrin-PTH
- Decision supports reallocation of resources to accelerate key growth initiatives

## FDA clearance

- MagnetOs Flex Matrix<sup>1</sup>, MagnetOs Easypack Putty<sup>2</sup> and MagnetOs Granules<sup>3</sup> now cleared in U.S for interbody use, providing significantly increased market opportunity
- ~50% of an est. 1.7 million annual US spinal fusion procedures use interbody cages<sup>4,5</sup>

## Non-spine opportunity

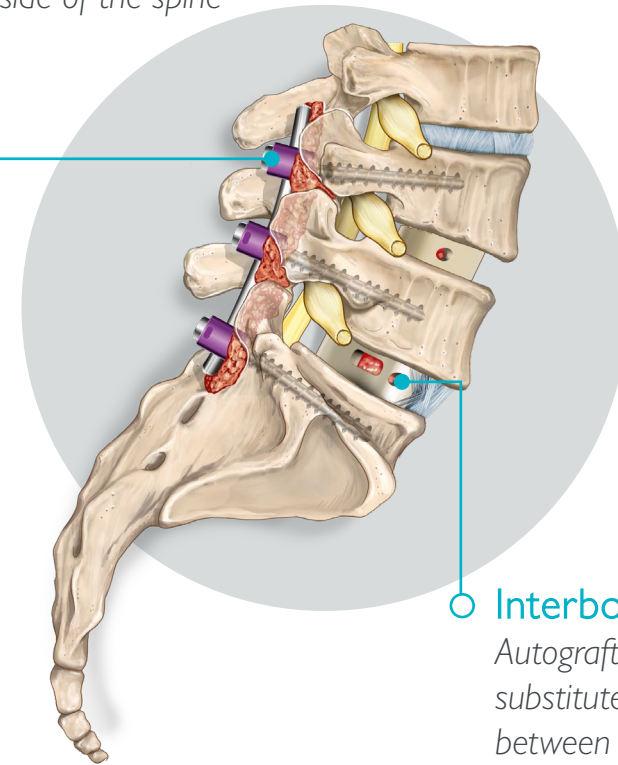
- Identified non-spine opportunity for MagnetOs, increasing addressable market to \$3.9B with no additional investment requirements and adjacent sales channel

## International expansion

- Increasing presence outside of U.S supports profitable growth

## Posterolateral fusion

*Autograft bone/bone graft substitute is placed posteriorly on the side of the spine*



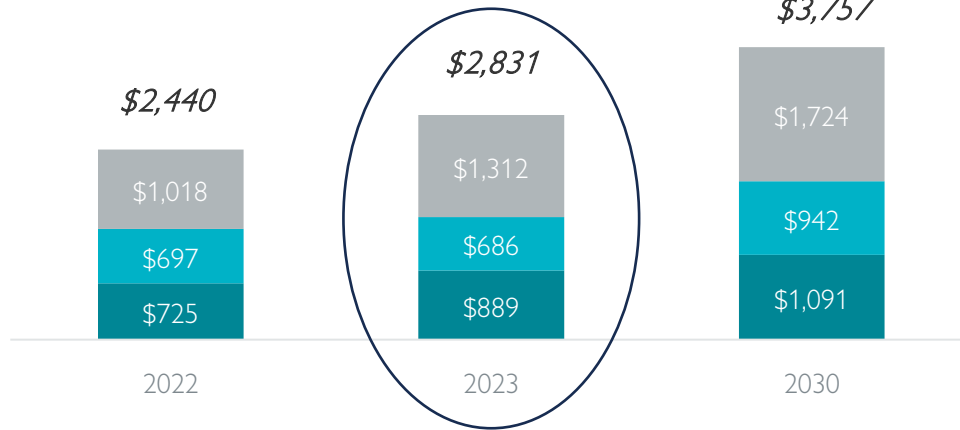
## Interbody fusion

*Autograft bone/bone graft substitute is placed between the vertebral bodies*

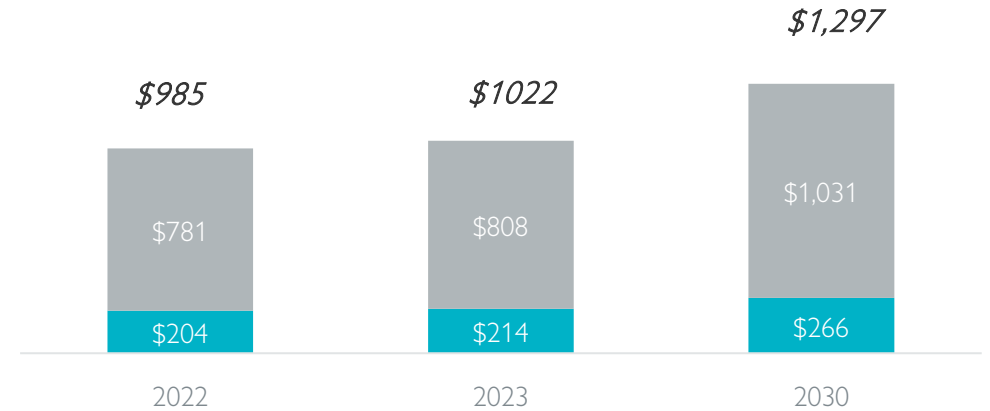


# Expanded addressable market for orthopedic biomaterials

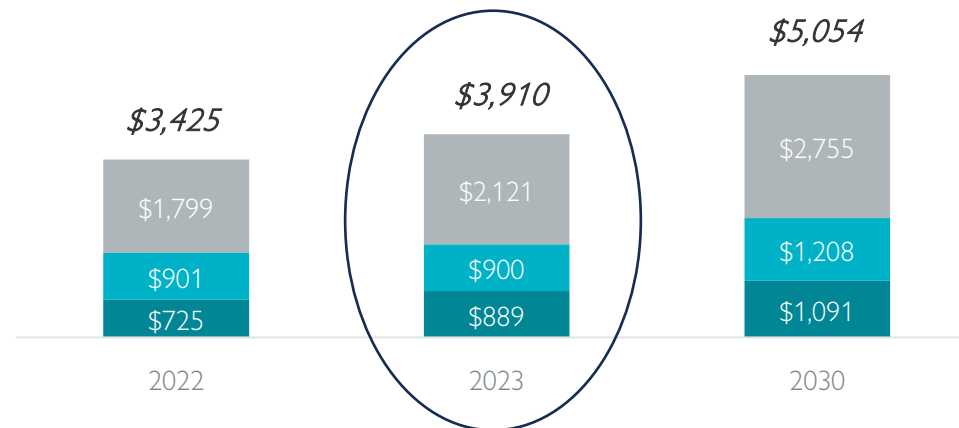
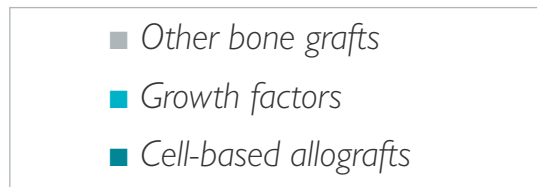
Value of global bone graft market, spine only<sup>1</sup> (\$M)



Value of global bone graft market, non-spine<sup>1</sup> (\$M)



Value of global bone graft market, total<sup>1</sup> (\$M)

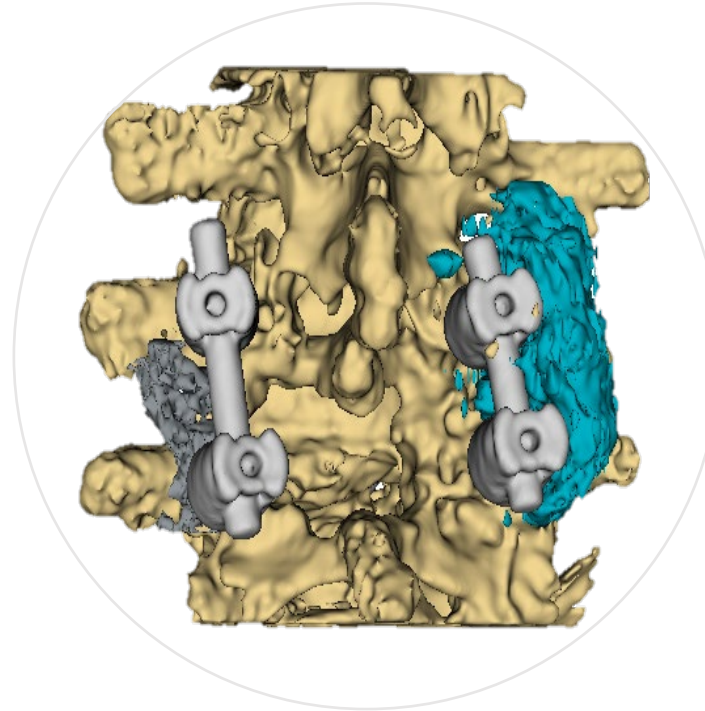


References: 1. Global Report for Orthopedic Biomaterials, iDATA Research Inc. 2023 (2022 estimates per 2022 report for consistency to previously published \$2.4B spine market number)

# MagnetOs outperforms autograft in level 1 clinical trial

## MAXA Trial Overview

- Compared MagnetOs Granules (standalone) to autograft (at least 50% bone harvested from the iliac crest) for posterolateral fusion
- 91-patient (128 segment), randomized, intra-patient controlled, observer-blinded, multi-center clinical trial
- 20% smokers (and 35% ex-smokers)
- Patients requiring up to four-level instrumented posterolateral fusion (T10 – S2) were included
- Lumbar/thoracolumbar fusion was assessed by CT-scan 12 months after surgery
- Patients were randomized to have MagnetOs implanted on one side of the spine and the gold standard autograft on the other side



3D reconstructions at one-year follow-up. Blue: MagnetOs Granules: fusion mass Gray: Autograft fusion mass; Light Gray: Instrumentation.

MagnetOs Showed:

# 73%

higher fusion rate<sup>1</sup>

relative to autograft in the challenging posterolateral space  
(79% vs. 47%)

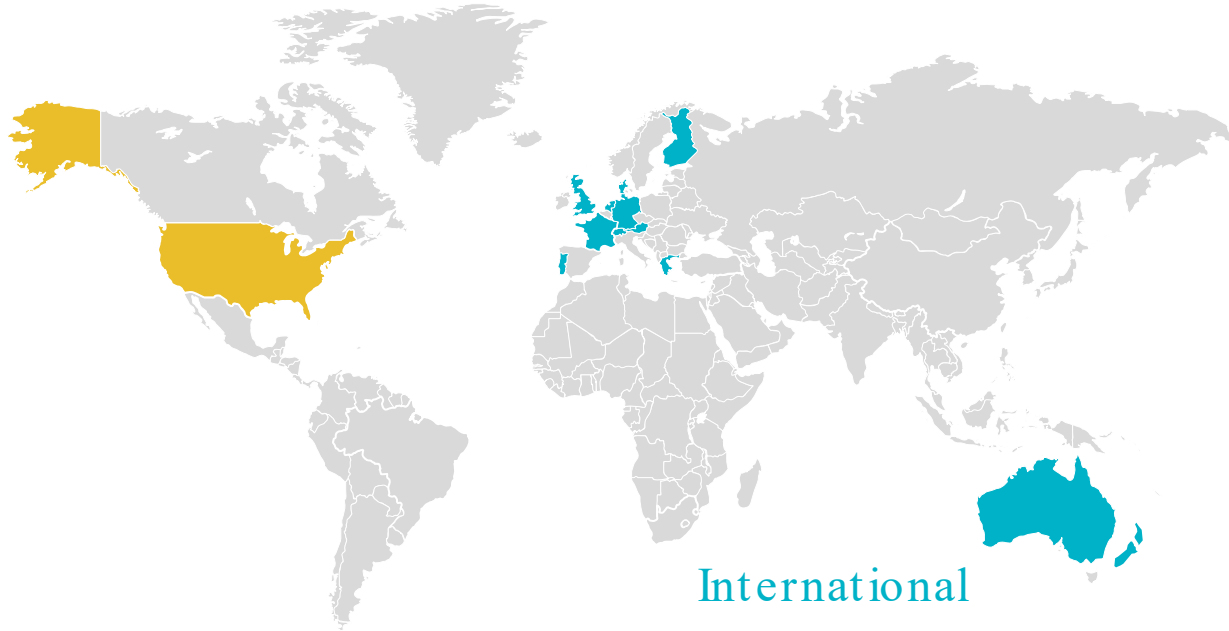
# 250%

higher fusion rate<sup>1</sup>

relative to autograft in difficult-to-treat patient population of smokers  
(80% vs. 32%) & smoking did not negatively affect MagnetOs fusion rates

# Expanding the depth and breadth of our commercial footprint

Doubling our US sales team and expanding to new territories



## United States

- Kuros commercial team spans 50 states
- Supported by growing network of independent sales agents
- Sales in all major metropolitan areas
- Accounts include prestigious names across the country from HSS in New York to UCSD in California

## International

- MagnetOs commercialized in 13 countries and cleared in 20 with additional launches imminent
- Strong revenue growth, on track to commercialize in 25 countries

# Strategic direction sets stage for continued success

## Organic Growth

### Innovation

- Kuros will continue to innovate with MagnetOs portfolio:
  - Developing devices and formulations suitable for new applications & *minimally invasive surgical approaches*
  - Exploring *new osteopromotive platforms including surface technologies* for other implantable devices with potentially significant value

### Markets

- Becoming the trusted partner to surgeons and hospitals with clinically proven products will drive *revenue above and beyond \$100M*
- Expanded market opportunity *beyond spine indications* into adjacent markets *increases global market opportunity to \$3.9B*

## Strategic Focus Areas

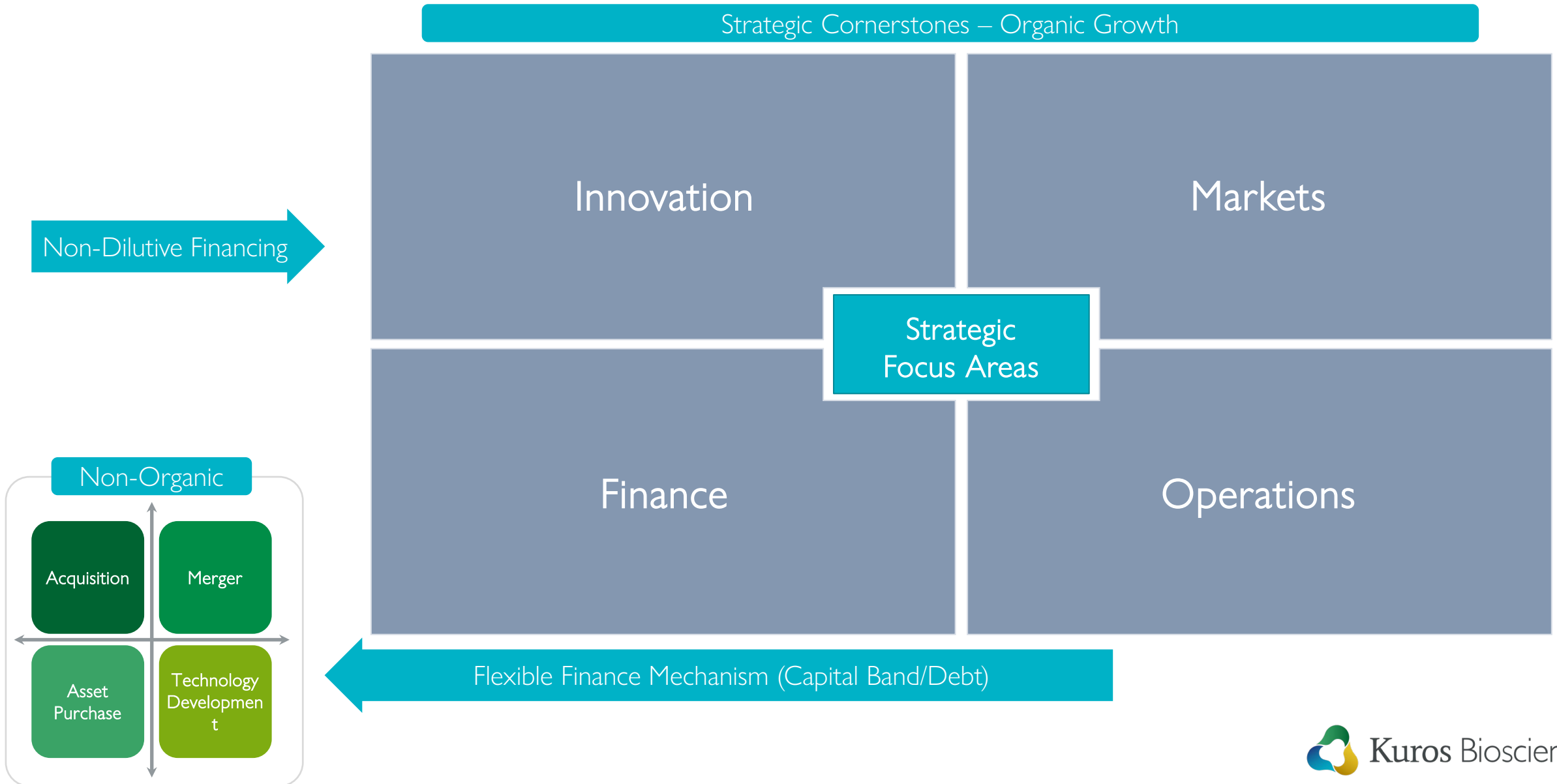
- Positioned as pure MedTech with clear focus and de-risked financial profile
- *Secured cash runway*
  - Additional funds will be made available on an as needed basis via *non-dilutive financing*
  - Kuros will achieve a *positive adjusted EBITDA in 2024* and *reach cash flow break even very soon*

### Finance

- Operationally efficient, leveraging internal resources and external service providers
- *Manufacturing capacity set to double in 2024* with limited investment, to accommodate expected increase in sales
  - Return on capital maximized through targeted and strategic resource allocation
  - *Controlled fixed costs for improved operational leverage*

### Operations

# Underpinned by the right financing strategy



153% growth in revenue and 163% growth in direct sales of MagnetOs, year-over-year

Innovative, differentiated MagnetOs platform; now cleared for more indications than any other synthetic bone graft substitute in the market

Appropriately financed, set to generate positive single-digit EBITDA (adjusted for Fibrin-PTH costs)

Driving growth through platform expansion opportunities and accelerated global adoption

Recent MAXA study results demonstrated MagnetOs standalone outperformed the gold standard autograft; MagnetOs now used in over 25K fusion procedures

Addressing areas of surgery where re-operations are common to ultimately benefit patients, surgeons, providers and payors



## Kuros Biosciences

Ticker: KURN  
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Kuros Biosciences

Thank you