

Kuros Biosciences reports results for the full year 2020

Financial highlights

- CHF 29.8 million cash & cash equivalents, trade and other receivables at December 31, 2020
- Revenues increased by 58% to CHF 4.0 million

Operational highlights

- Initiated Phase II clinical study of Fibrin-PTH in spine
- Commercial rollout in the U.S. and Europe on track
- Distribution agreements for The Netherlands, Austria, and Switzerland for MagnetOs
- Raised CHF 18.6 million to advance product pipeline and commercialization of MagnetOs

Schlieren (Zurich), Switzerland, March 18, 2021 – Kuros Biosciences closed the year with outstanding results for 2020, accelerating sales by 58% and initiating the Phase II study for Fibrin PTH, confirming its successful transition into a fully-fledged orthobiologics company with scientific, clinical, and commercial excellence in bone regeneration.

Kuros raised gross proceeds of CHF 18.6 million from a capital increase to advance its pipeline, in particular the Phase II clinical study of its proprietary Fibrin-PTH product candidate in spinal fusion, and to progress commercialization of MagnetOs in the U.S. and selected geographies in Europe.

Despite the worldwide pandemic, Kuros achieved strong sales growth of MagnetOs in the U.S. and launched MagnetOs in selected European countries.

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 2020. The impressive sales growth of MagnetOs is a turning point in the history of the company and confirms our transformation into commercial company. Beyond this, we have started the Phase II with Fibrin-PTH in spinal fusion, which represents a huge commercial opportunity.”

Key developments in 2020

- Conducted successful [capital increase](#), raising total gross proceeds of CHF 18.6 million
- [First patient treated](#) in the STRUCTURE trial, investigating Fibrin-PTH for transforaminal lumbar interbody fusion (TLIF) procedures in patients with degenerative disc disease.

- Reached milestone of [2,000 patients treated](#) with MagnetOs bone graft.
- Unveiled [new research](#) on the role of osteoimmunology in bone formation in three presentations at the North American Spine Society (NASS) 2020 Annual Meeting.
- Won the [2020 Spine Technology Award](#), awarded by the widely-read industry publication Orthopedics This Week for outstanding innovations in the field, for its Fibrin-PTH technology
- Added to the [body of data](#) supporting the use of MagnetOs as an alternative to gold standard treatment autograft.
- Strengthened intellectual property with [a U.S. patent](#) covering the use of PTH containing matrices for spinal fusion and [a European patent](#) covering certain combinations of polymers and granular materials, relating to MagnetOs.

Financial position

Cash and cash equivalents (including trade and other receivables) as of December 31, 2020, amounted to CHF 29.8 million, compared to CHF 21.9 million as of December 31, 2019.

Net operating costs increased to CHF 13.4 million (2019: CHF 11.7 million) primarily due to higher Marketing and Sales costs of CHF 4.3 million (2019: CHF 2.3 million) which contained costs for personnel and other costs for sales and marketing. Expenses for research and development decreased slightly to CHF 4.0 million (2019: CHF 4.7 million), which are mainly external costs for the Phase II study (spine indication) of Fibrin-PTH, as well as personnel costs. General and administrative costs increased slightly to CHF 5.4 million (2019: CHF 5.0 million). Other income amounted to CHF 0.3 million (2019: CHF 0.3 million) and mainly consisted of patent recharges to Checkmate.

Revenues amounted to CHF 4.0 million (2019: CHF 2.6 million) and originated from product sales.

The net loss for 2020 amounted to CHF 11.5 million, compared to CHF 11.3 million in 2019.

Key figures	2020	2019
In TCHF, IFRS		
Revenue	4,039	2,561
Cost of Goods sold	(2,368)	(2,220)
- <i>Research and development cost</i>	(4,005)	(4,739)
- <i>General and administrative cost</i>	(5,392)	(4,970)
- <i>Sales and marketing costs</i>	(4,263)	(2,304)
- <i>Other income</i>	310	280
Net operating costs	(13,350)	(11,733)
Operating loss	(11,679)	(11,392)
Net financial loss	(415)	(431)
Income taxes	574	571
Net loss	(11,520)	(11,252)
Net loss per share (in CHF)	(0.47)	(0.71)
Cash and cash equivalents, trade, and other receivables	29,790	21,877

Events after the reporting period

- Signed [sales and distribution agreements](#) for MagnetOs bone graft, covering the Netherlands, Switzerland, Austria.

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 (interim) data expected to be available by early 2022 and full (1-yr endpoint) data in the second half of 2022.

The annual report 2020 is available on our corporate website under the following link:

<https://kurosbio.com/resources/kuros-annual-report-2020/>

For further information, please contact:

Kuros Biosciences AG

Michael Grau

Chief Financial Officer

Tel +41 44 733 47 47

michael.grau@kurosbio.com

LifeSci Advisors

Mary-Ann Chang

Investors

+44 7483 284 853

mchang@lifesciadvisors.com**About Kuros Biosciences AG**

Kuros Biosciences is a leader in next generation synthetic bone graft technologies for targeted and controlled bone healing. Kuros's bone graft substitute, MagnetOs, is commercialized in the U.S. and UK for use in posterolateral spinal fusions. Kuros's lead product in development, Fibrin PTH, a drug-biologic combination for spinal interbody fusion, has entered into a phase 2 clinical trial in the U.S. Kuros is located in Schlieren (Zurich), Switzerland, Bilthoven, The Netherlands and Burlington (MA), U.S. The Company is listed according to the International Reporting Standard on the SIX Swiss Exchange under the symbol KURN. Visit www.kurosbio.com 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.