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

Kuros Biosciences Reports Results for First Half 2021

Financial Highlights

- **CHF 29.4 million cash & cash equivalents, trade and other receivables as of June 30, 2021**
- **Received CHF 5.5 million milestone payments from Checkmate Pharmaceuticals**
- **Acceleration of product sales to CHF 3.6 million, up from CHF 1.3 million in H1 2020**
- **Net operating costs of CHF 8.6 million, increase led by higher marketing expenses**

Operational Highlights

- **First patient treated in clinical trial of MagnetOs Putty posterolateral spine fusion**
- **Signed sales and distribution agreements across Europe**
- **Positive clinical outcomes from investigator-led clinical study of MagnetOs**
- **To receive $7 million up front and potentially $166.5 million in future revenues under royalty purchase agreement with XOMA related to license agreement with Checkmate Pharmaceuticals**

Schlieren (Zurich), Switzerland, August 11, 2021 – Kuros Biosciences, a leader in next generation bone graft technologies, today reported its results for the first half of 2021. Kuros accelerated its product sales by 279% compared to the same period last year. In addition, it received CHF 5.5 million in milestone payments from Checkmate Pharmaceuticals.

Joost de Bruijn, Chief Executive Officer, said: “In the first half of 2021, we achieved impressive growth in product sales. This is an important step towards establishing our MagnetOs bone grafts as standard of care and capturing a growing share in the $2.2 billion bone grafting market. We also continue to advance the Fibrin-PTH program in spinal fusion in a Phase II trial for single level transforaminal lumbar interbody fusion procedures in patients with degenerative disc disease. This program is particularly exciting as it represents a substantial commercial opportunity. Most recently, the lead investigator of our STRUCTURE clinical trial, Dr. J Chi, presented on Fibrin-PTH at the Korean American Spine Society meeting, contributing to the growing global awareness of and interest in Fibrin-PTH.”

Key developments in H1 2021

Commercial highlights:

- Direct sales in the U.S. have grown 149% year-on-year.
- Stocking distributor agreements have been signed in Spain, Italy, France, Switzerland, Austria, Norway, Sweden, and Denmark - which are in addition to existing sales and distribution agreements in the UK and the Netherlands.
- This progress is ahead of plan and has catalyzed early surgical adoption in Spain, Italy, France, Switzerland, and Austria.
- Full commercial launch in Australia has been hugely successful and sales growth has been fueled by Kuros attaining augmented pricing on the Australian prosthesis list.

Clinical highlights:

- The number of clinical sites actively recruiting into the STRUCTURE trial has grown to thirteen.
- The first patient has been treated in the PROOF clinical trial of MagnetOs Putty for posterolateral spine fusion.
- Data has been published for MagnetOs in eCM Journal linking its unique mechanism of action to predictable bone regeneration in patients.
- Renowned U.S. spine surgeons, including Dr. R. Todd Allen (San Diego), Dr. Alpesh A. Patel (Chicago), Dr. Faheem Sandhu (Washington DC), Dr. Andrew Sama, and Dr. Kornelis Poelstra presented successful radiological clinical outcomes for MagnetOs at several congresses throughout H1.

Financial position

Cash and cash equivalents (including trade and other receivables) amounted to CHF 29.4 million as per June 30, 2021, compared with CHF 29.8 million as per December 31, 2020.

- Net operating costs amounted to CHF 8.6 million (first half 2020: CHF 6.5 million).
- Costs for research and development which includes costs of the Phase II study (spine indication) of Fibrin-PTH increased to CHF 2.5 million (first half 2020: CHF 2.1 million).
- General and administrative costs increased to CHF 2.8 million (first half 2020: CHF 2.4 million).
- Sales and marketing expenses increased to CHF 3.5 million (first half 2020: CHF 2.1 million).
- Revenues amounted to CHF 9.1 million (first half 2019: CHF 1.3 million) and split into CHF 5.5 million (2020: CH 0) from milestone payments related to the collaboration with Checkmate Pharmaceuticals and Product sales of CHF 3.6 million (2020: CHF 1.3 million).
- The net loss for the six months ended June 30, 2021, amounted to CHF 0.1 million (first half 2020: CHF 5.8 million).

Key figures In 000'CHF, IFRS	H1 2021	H1 2020
Product sales	3,612	1,295
Collaboration revenue	5,474	0
Cost of goods sold	(1,901)	(1,194)
Research and development costs	(2,505)	(2,084)
General and administrative costs	(2,755)	(2,438)
Sales and marketing costs	(3,492)	(2,069)
Other income	118	120
Net operating costs	(8,634)	(6,473)
Operating loss	(1,449)	(6,372)
Net financial result	311	(130)
Net loss	(100)	(5,840)
Net loss per share (in CHF)	(0.01)	(0.26)
Cash and cash equivalents, trade and other receivables	29,400	29,790

Outlook

Kuros believes it is well placed to grow its revenues and expects product sales for the full year 2021 to be well above CHF 8.0 million. Cash inflow from collaborations for the full year are expected to be up to CHF 12.0 million.

The first arm of the Phase II study of Fibrin-PTH is expected to be enrolled in the second half of 2021. The full 50 patients are expected to be enrolled in Q1 2022.

The half year report is available via the following link:

https://kurosbio.com/resources/kuros-interim-results-2021

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About MagnetOs

MagnetOs bone graft has an advanced submicron surface topography which leads to the formation of bone, rather than scar tissue, following implantation. In preclinical models, MagnetOs preferentially directs early

wound healing toward the bone-forming pathway, meaning that bone can be formed even in soft tissues without the need for added cells or growth factors, resulting in an osteoinductive claim in Europe. MagnetOs promotes local bone formation equivalent to current gold standard, autograft. A substantial number of clinically relevant and predictive studies have demonstrated its equivalence to the current gold standard (patient's own bone, which may not be available in sufficient quantities and/or involves morbidity, costs and pain associated with its harvesting from another healthy site of the patient's body). MagnetOs is now supported by more than three years of clinical experience since its launch in the United Kingdom in May 2017. For more information, see: www.magnetosbonegraft.com

US indications statement

MagnetOs is an implant intended to fill bony voids or gaps of the skeletal system, i.e., posterolateral spine. MagnetOs must be used with autograft as a bone graft extender in the posterolateral spine. These osseous defects may be surgically created or the result of traumatic injury to the bone and are not intrinsic to the stability of the bony structure.

EU indications statement

MagnetOs is intended for use as bone void filler for voids and gaps that are not intrinsic to the stability of the bony structure. MagnetOs is indicated for use in the treatment of surgically created osseous defects or osseous defects resulting from traumatic injury to the bone. MagnetOs is intended to be packed into bony voids or gaps of the skeletal system (i.e. extremities, spine, cranial, mandible, maxilla and pelvis) and may be combined with autogenous bone. MagnetOs should not be used to treat large defects that in the surgeon's opinion would fail to heal spontaneously. In load bearing situations, MagnetOs is to be used in conjunction with internal or external fixation devices.

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 US and UK for use in posterolateral spinal fusions. Kuros's lead product in development, Fibrin PTH, a drug-biologic combination for spinal interbody fusion, is entering a Phase II clinical trial in the US Kuros is located in Schlieren (Zurich), Switzerland, Bilthoven, the Netherlands and Burlington (MA), US Kuros is listed 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. Kuros assumes no responsibility for updating forward-looking statements or adapting them to future events or developments.