Kuros Biosciences reports results for the full year 2019

March 26, 2020

Financial highlights

- **CHF 21.9 million cash & cash equivalents, trade and other receivables as at December 31, 2019**
- **Revenues increased to CHF 2.6 million**
- **Net operating costs decreased to CHF 13.5 million**

Operational highlights

- **U.S. & European product sales increased fivefold compared to last year**
- **Raised CHF 12.5 million to advance product pipeline and commercialization of MagnetOs**

Schlieren (Zurich), Switzerland, March 26, 2020 – Kuros Biosciences successfully delivered on its targets in 2019, increasing sales of MagnetOs fivefold and 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 12.5 million from a capital increase to advance its pipeline, in particular the Phase II clinical study of its proprietary Fibrin PTH (KUR-113) product candidate in spinal fusion, and to progress commercialization of MagnetOs in the U.S. and selected geographies in Europe.

Joost de Bruijn, Chief Executive Officer, said: "Kuros Biosciences has made significant progress on all fronts in 2019, making this a transformational year for our company as we pursue our new strategy. The significant increase in sales of MagnetOs are a major achievement and an important milestone in the history of the company as we focus on the commercial opportunity of cutting-edge orthobiologics. The commercial rollout is continuing in both the U.S. and Europe. Beyond this, we are driving forward the exciting clinical program with Fibrin-PTH in spinal fusion, which represents a huge commercial opportunity."

"We had a strong first two months of 2020 in terms of revenues. The spread of COVID-19 is now creating significant uncertainties and we expect some delays in our timelines as elective surgery is put back. This will affect the commercialization of MagnetOs and the Phase II study of Fibrin- PTH in spine. We will communicate specific details as soon as the situation becomes clearer."

Financial position

Cash and cash equivalents (including trade and other receivables) at December 31, 2019 amounted to CHF 21.9 million, compared to CHF 19.0 million at December 31, 2018.

Net operating costs amounted to CHF 13.5 million, compared to CHF 14.3 million in the previous year. The decrease is primarily driven by significantly lower general and administration costs with a decrease of CHF 3.6 million, from CHF 8.6 million in 2018 to CHF 5.0 million in 2019. Research and development costs decreased from CHF 6.9 million in 2018 to CHF 6.5 million in 2019. Due to increased commercialization activities, Kuros increased its sales and marketing costs from CHF 0.3 million in 2018 to CHF 2.3 million in 2019. Other income decreased from CHF 1.5 million in 2018 to CHF 0.3 million in 2019 and consisted primarily of reimbursements of collaboration costs.

Revenue from sale of products amounted to CHF 2.6 million (2018: CHF 0.5 million).

The net loss for 2019 amounted to CHF 11.3 million, compared to CHF 11.7 million in 2018. The increase in marketing and sales costs was compensated by a substantial decrease in general and administrative costs.

Key figures	**2019**	**2018**
In TCHF, IFRS		
– Revenue from sale of products	*2,561*	*466*
– Revenue from collaborations	*–*	*249*
Revenue	2,561	715
Cost of Goods sold	(482)	(96)
– Research and development	*(6,477)*	*(6,882)*
– General and administrative	*(4,970)*	*(8,586)*
– Sales & marketing costs	*(2,304)*	*(348)*
– Other income	*280*	*1,470*
Net operating costs	(13,471)	(14,346)

Operating income/(loss)	(11,392)	(13,727)
Net financial income/(loss)	(431)	(86)
Income taxes	571	2,120
Net income/(loss)	(11,252)	(11,693)
Net income/(loss) per share (in CHF)	(0.71)	(1.34)
Cash and cash equivalents, trade and other receivables	21,877	18,961

Outlook

Kuros is keeping a close eye on the spread of COVID-19 around the world and taking the necessary mitigating action, including a ban on non-essential travel and employees working remotely as much as possible. Delays to elective surgery will have an impact on the commercialization of MagnetOs and we also expect a delay to the Phase II study of Fibrin-PTH (KUR 113) in spine. We will provide updates if and when there is any significant change in these circumstances.

The annual report 2019 is available on our corporate website under the following link

https://kurosbio.com/resources/kuros-annual-report-2019/

About Kuros Biosciences AG

Kuros Biosciences (SIX:KURN) is focused on the development of innovative products for tissue repair and regeneration and is located in Schlieren (Zurich), Switzerland, Bilthoven, The Netherlands and Burlington, MA, U.S. The Company is listed according to the International Financial Reporting Standard on the SIX Swiss Exchange under the symbol KURN. Visit www.kurosbio.com for additional information on Kuros, its people, science and product pipeline.

About Fibrin-PTH

Fibrin-PTH (KUR-113) consists of a natural fibrin-based healing matrix with an immobilized targeted bone growth factor (truncated human parathyroid hormone (PTH) analog). Fibrin-PTH is designed to be applied directly into and around an intervertebral body fusion device as a gel, where it polymerizes in situ. Fibrin-PTH functions via the well-established mechanism of action of parathyroid hormone; has been demonstrated in animal models of spinal fusion to be comparable to rhBMP-2; and has been shown in preclinical studies to be easy to use and ideal for open or minimally invasive techniques. Fibrin PTH is an investigational drug/biologic combination product candidate. Fibrin PTH has been evaluated in animals for use in lumbar interbody fusion. The safety & efficacy of Fibrin PTH has not yet been evaluated for spinal fusion in humans.

About MagnetOs

MagnetOs bone graft has an advanced submicron surface topography that 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 over two years' clinical experience since its launch in the United Kingdom in May 2017. For more information, see: www.magnetosbonegraft.com

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.

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