

# Growing with Kuroos

Kuroos Biosciences Annual Report 2024



# Table of Contents

|                                           |     |
|-------------------------------------------|-----|
| Letter to Shareholders                    | 4   |
| 1 Go figure                               | 6   |
| 2 Eight reasons to believe                | 10  |
| 3 Driving demand, delivering value        | 12  |
| 4 What next?                              | 16  |
| 5 Striving for sustainability             | 17  |
| 6 Fit for purpose                         | 18  |
| 7 Behind the microscope                   | 20  |
| 8 Why Kuros?                              | 22  |
| 9 Evidence means excellence               | 23  |
| 10 Spine and beyond...                    | 24  |
| 11 Embracing expansion                    | 26  |
| 12 Total impact                           | 28  |
| 13 Corporate Governance Report 2024       | 32  |
| 14 Compensation Report 2024               | 58  |
| 15 Financial Report 2024                  | 76  |
| 16 Consolidated Financial Statements 2024 | 80  |
| 17 Statutory Financial Statements 2024    | 136 |

# Letter to Shareholders

Dear Shareholders,

We are pleased to share with you the remarkable achievements and milestones that our company has accomplished over the past year.

The year 2024 has been a transformative period for our business, and we want to personally thank each of you for your ongoing support as we continue our journey toward growing a stronger, more innovative company that drives value for all stakeholders through economies of scale.

This year has been a defining one for Kuros Biosciences. We experienced exceptional revenue growth, which is a testament to the effectiveness of our strategic initiatives and our sophisticated go-to-market approach, as well as the strength of our product portfolio, the dedication of our global team, and our efficiency gains along the value chain.

Our annual revenue has surpassed CHF 75 million, reflecting a year-over-year increase of 125%. This growth has been powered by the successful adoption of our technology in key markets, particularly as the demand for MagnetOs™ continues to grow worldwide.

A peer-reviewed Level 1 human clinical trial published in the leading journal *Spine* stated MagnetOs demonstrated non-inferiority vs. the "gold standard" autograft. The authors described its performance as having "indicated superiority", an important validation of our continued commitment to investing in clinical evidence.

We are also proud to announce that, for the first time, Kuros Biosciences surpassed the cash flow breakeven point on an annualized basis.

This is due to the strategic decision made at the beginning of 2024 to discontinue our Fibrin-PTH drug-biologic candidate. This has resulted in a significant reduction in overall costs, which when combined with the first positive EBITDA generated by our medical device segment, has transformed Kuros Biosciences into a value case company. This achievement has been further enabled by our operational efficiencies, disciplined cost management, and an unwavering commitment to scaling our solutions in ways that provide lasting value to patients, healthcare providers and shareholders alike.

As we expand our footprint globally, we have successfully entered new international markets, establishing a strong presence in the UK, Australia, New Zealand and the Middle East. This global expansion has not only broadened our customer base but also allowed us to leverage new opportunities in diverse healthcare systems – driving further growth and innovation.

Additionally, our stock price has reached an all-time high, reflecting the market's confidence in our long-term vision and our operational excellence. We are energized by this momentum and remain committed to delivering sustained value through continued investment in our technology, strong customer relationships, and operational capabilities along the full value chain.

Looking ahead, we remain focused on becoming the global leader in biologic solutions to the musculoskeletal surgical community. Our recent partnership announcements coupled with expansion

Prof. Dr. Clemens van Blitterswijk  
*Chairman of the Board*  
*Kuros Biosciences*

into the \$1 billion+ global extremities market will drive our path forward in 2025, along with further internal digitization efforts that enhance our operational leverage.

Our organic growth path is underpinned by our robust product pipeline, and we are excited about the opportunities that lie ahead as we continue to drive innovation, enhance patient outcomes, and expand our global presence. Our business development team continues to monitor the market for any attractive additions that could fuel our inorganic growth path.

None of this would be possible without the trust and commitment of our shareholders. We look forward to continuing this journey with you as we build on this success and strive to exceed expectations in the years ahead.

Thank you for your continued partnership and support.

Best wishes to you all,

Chris Fair  
*Chief Executive Officer*  
*Kuros Biosciences*



# Go figure

Where we are:  
2024 numbers at-a-glance

>25

>20 commercial markets serving spine, extremities, trauma and oncology

20 well-controlled Level I–IV clinical trials initiated or completed to date

12 U.S. FDA clearances granted to date, expanding MagnetOs indications

11.9% adjusted EBITDA (first year positive EBITDA in 2024)

CHF 75.6

million Total Medical Device sales in 2024

>320

cumulative scientific papers, decades of research advancing bone graft innovation

125%

year-over-year growth for Total Kuros Medical Device sales

>120

global employees and counting

100+

combined research years and scientific expertise in bone graft innovation

65%

increase in distributors and sales agents in 2024, growing from 91 to 150

orthobiologics-related patents secured

MagnetOs is a bone graft like no other.



## Surface:

MagnetOs grows bone on its own thanks to its unique NeedleGrip™ submicron surface technology.†



## Superiority:

MagnetOs demonstrated non-inferiority – and authors described its performance as having “indicated superiority” – vs. the “gold standard” autograft in a recent Level 1 human clinical study for posterolateral fusions (PLF).<sup>1</sup>



## Science:

This is all possible due to Kuros’ total commitment to evidence-based science.



## Safety:

MagnetOs contains no human cells or growth factors which alleviates concerns of disease transmission.<sup>2</sup>



## Skeleton:

It has broad indications throughout the spine, extremities, and pelvis (depending on formulation and geography).<sup>2</sup>



## Sales:

It's supported by a unique – and growing – network of sales alliances and partnerships worldwide.

# Eight reasons to believe

## Key highlights from 2024

**1 MagnetOs™ revenue growth:** Total Medical Device sales increased 125% to CHF 75.6 million in 2024, up from CHF 33.6 million in 2023. Further proof of the growing market acceptance of this product.

**2 Landmark clinical data:** A major, independent Level 1 human clinical trial published in the leading journal *Spine* stated that MagnetOs demonstrated non-inferiority – and authors described its performance as having “indicated superiority” – vs. the “gold standard” autograft in challenging spinal fusion procedures.<sup>3</sup> In fact, MagnetOs achieved a 79% fusion rate vs. 47% for autograft. The study will continue to be an invaluable tool in driving customer preference.<sup>1</sup>

**3 Financial leverage:** For the first time, Kuros has achieved a positive EBITDA resulting in operational cash flow breakeven, while maintaining a debt-free balance sheet – a pivotal moment for the company. A key factor here was the discontinuation of the Fibrin-PTH drug-biologic candidate, which unlocked CHF 60 million for the next stage of the company’s growth and subsequent evolution toward becoming a clearly positioned Medtech company.

**4 Operational excellence:** Kuros continues to operate efficiently, leveraging internal resources and external service providers. The company is set to *double capacity* (having already doubled previous capacity in August 2024) to support anticipated growth. This will be achieved while ensuring that return on capital is maximized through targeted and strategic resource allocation, with controlled fixed costs for improved operational leverage.

5

**Portfolio innovation:** New devices and formulations are now under development to meet market needs, including MagnetOs applications for Minimally Invasive Surgery (MIS). Furthermore, our scientists will be exploring new osteopromotive platforms that can add significant value to Kuros customers – including surface technologies for implantable devices.

6

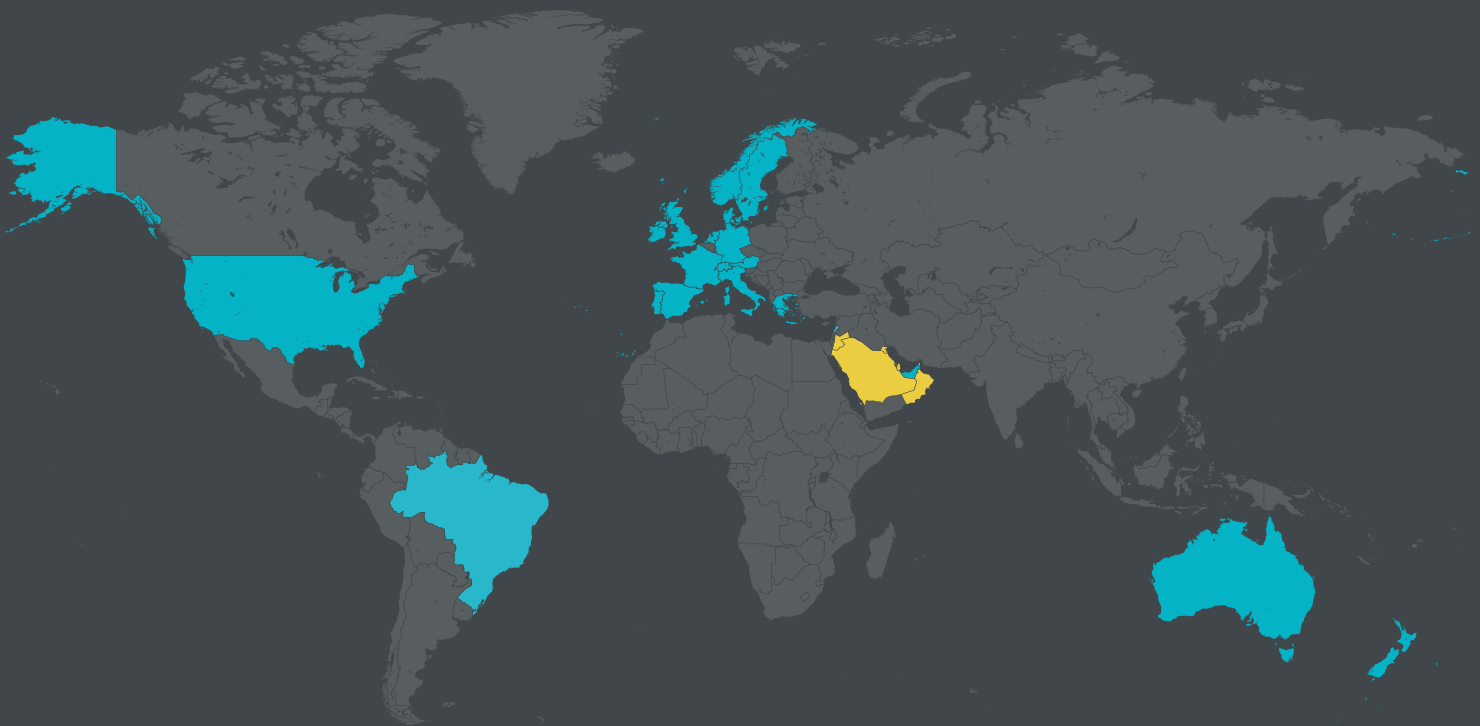
**U.S. consolidation and growth:** An exclusive five-year strategic agreement is now in place with the spinal division of the leading global healthcare technology company, Medtronic. The agreement will expand access to MagnetOs and pave the way for its broader growth and adoption across the U.S.

7

**Global expansion:** The company's distribution network in Europe and the Middle East has been expanded and Kuros is set to enter multiple Asia Pacific and South American markets in 2025. A key aspect of this strategy will involve ensuring the diversification of geographic supply to support long-term growth.

8

**Diversification into adjacent markets:** Having established MagnetOs in the spine market, Kuros is now active in the adjacent extremities markets.



**Blue:** Registration completed.

**Yellow:** Ongoing registration process as of March 11, 2025.

# Driving demand, delivering **value**

## Our go-to-market strategy

### 1 Solving unmet clinical needs

*Kuros will continue striving to address unmet clinical needs for safer, faster, and more predictable bone healing.*

**Meeting the needs of patients.** Surgery and its associated pain take a physical, psychological, emotional, and often financial toll on patients. MagnetOs™ is designed to enhance patients' quality of life by promoting predictable bone healing<sup>4</sup>, enabling patients to return to their daily activities as quickly as possible.

**Meeting the needs of surgeons.** The number one priority for all surgeons is the well-being of their patients. In the case of bone healing, this equates to reducing the percentage of surgical non-unions, whereby bones fail to heal properly and lead to potential complications. Surgeons strive to make evidence-based decisions and rely on high-quality, robust clinical data to guide their product choices.

**Meeting the needs of medical organizations & payors.** No matter what the medical device or biologic, the priority for any hospital system or insurance provider is to ensure the use of safe, scientifically proven, and reliable products that are also cost-effective. Payors are increasingly sophisticated in evaluating the indications of surgical technologies and deny claims for off-label or unproven products that may increase the risk of patient complications or add unnecessary costs. Hence, the efforts Kuros has made to broaden indications for MagnetOs in spine and other orthopedic procedures.<sup>2</sup>

## 2 Progress through partnerships

*At Kuros, we employ a stocking distributor-based model outside of the U.S. and sales agents within the U.S. – which brings numerous commercial advantages.*

**Agility:** As Kuros continues its global expansion, our ability to scale quickly and provide innovative solutions to the market as quickly as possible gives the company a critical competitive advantage.

**Cost efficiency:** Recruiting, training and retaining a direct global sales force is an expensive undertaking and would consume significant time and resources outside of the U.S.

**Credibility:** Choosing the right partners is essential. Our distribution partners and sales agents are carefully selected based on their proven success and expertise in their respective markets. Backed by Kuros' highly skilled and trusted sales and marketing team, these partners ensure exceptional support, reliability, and performance in communicating our value and delivering our products.

## 3 Unmatched clinical evidence

*Kuros has one of the most extensive research portfolios of Level 1 human clinical trials in the synthetic bone graft market, with multiple studies completed or underway.*

*In the U.S., for example, the U.S. FDA normally does not require clinical data to grant 510k clearance for a medical device. Ultimately, we invest in clinical data because we strongly believe that surgeons should have access to the best evidence possible when assessing and choosing bone graft products for their patients. Based on the rapid adoption of MagnetOs...surgeons clearly agree.*

**Clinical research:** To date, Kuros has initiated >20 well-controlled Level I–IV clinical trials, including six that are complete. These include the aforementioned Level 1 human clinical trial published in *Spine*.<sup>1</sup>

**Further studies:** MagnetOs is also supported by an extensive library of in vitro and in vivo scientific research, along with case studies and case series.

## 4 Growing surgeon relationships and confidence

*Building a strong and trusted network of practicing clinicians and key opinion leaders remains central to the growing market acceptance of MagnetOs.*

**Education:** Our Kuros Insights Xchange (KIX) program has fast become an invaluable tool for learning exactly what clinicians want and need from a bone graft, while also enabling them to learn first-hand about the value delivered by our technologies. In fact, Kuros supported and trained hundreds of surgeons in 2024 through various outreach initiatives, participated in more than 300 "Meet the Kuros Expert" sessions, and took part in numerous journal clubs, scientific symposia, and surgeon-focused events globally.

**Traction:** The Kuros Strategic Advisory Board (SAB) for spine is now set to be complemented by an Extremities SAB. These highly influential clinicians enable the company to create an independent forum for testing ideas, discussing strategy, and receiving invaluable expert counsel.

# 5 Methodical marketing

*In a marketplace densely crowded with bone grafting product options in spinal indications alone – all competing for clinicians' attention – Kuros has invested in developing a brand identity and marketing strategy that drives preference through clear differentiation and a credible scientific story.*

**Communications:** Kuros markets across a wide range of channels and media – both digital and physical. Moving forward, we will continue to explore new and creative ways of reaching and influencing our core audience of customers, for example, via artificial intelligence.

**Events:** We continue to demonstrate our growing global presence by arranging and attending industry and surgeon-focused events worldwide. This includes regional and national trade shows, Kuros-led webinars, and in-person forums to ensure we remain front-and-center of the bone healing agenda and the needs of our customers.

# What next?

## Our growth ambitions

The global market for safe, efficient and cost-effective bone healing biologics is growing fast, accelerated by an aging population.

Our ambitions are simple: to ensure that MagnetOs™ continues to outpace this growth.

To achieve this ambition, we will continue to invest in research and development and clinical research to bring new products to market and to add to our growing library of meaningful clinical evidence.

### Today

**\$3.9B** total spine market

currently being addressed by MagnetOs more aggressively than ever following the approval of new product indications in 2024 and recent strategic sales agreements. New indications include the intervertebral disc space, which accounts for ~\$1.7M of this \$3.9B total spine market.

**\$1.3B** pelvis & extremities and cranio-maxillofacial markets

now being addressed by MagnetOs following recent clearances/approvals and the newly established Extremities sales and marketing teams.<sup>2</sup>

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**\$5.2B** total addressable market

for MagnetOs.

### Tomorrow

**\$7.7B** total addressable market

for MagnetOs.

# Striving for sustainability

## Our commitment to people & planet

Kuros is deeply committed to a sustainable future for all.

Today, a range of Environmental, Social, and Governance (ESG) principles are embedded within our global operations – including sustainable manufacturing and community engagement.

While we are in the early stages of formalizing our ESG framework, we are actively evaluating and implementing strategies to align our operations with these principles.

A further update will be provided in the 2025 annual report.

# Fit for purpose

A growing company  
with a positive culture

Spine-related pain is taking an enormous toll on our society: more bed days, more days off work, and a huge financial cost to Westernized healthcare.<sup>5</sup> In fact, 1 in 3 lumbar spinal stenosis patients report a failure of treatment according to a major study in *The Spine Journal* (the peer-reviewed publication of the North American Spine Society).<sup>6</sup>

At Kuros, our purpose is to discover, develop, and deliver innovative biologic technologies for musculoskeletal care that drive measurable clinical and financial outcomes – benefiting patients, physicians, hospital systems, and the broader global community.

Every member of our team passionately believes that what we do is important, but what differentiates Kuros from others in the marketplace is how we go about achieving it.



*“As a surgeon, joining Kuros represented a great opportunity. I really liked that the company was founded by a team of scientists, and it was deeply dedicated to research and science. There are many ideas being discussed behind the scenes, and we're working on concepts that are so different from other companies.”*

*Dr. Katherine Sage, MS, DO, FAOAO, FAAOS  
Senior Vice President, Medical and Clinical Affairs  
Kuros Biosciences*

# Behind the microscope

## Growing bone, but not alone

The purpose of an orthobiologic bone graft product is to stimulate,\* and ideally accelerate, natural bone healing, thus promoting bone fusion in patients.

Our flagship product, MagnetOs™, grows bone on its own thanks to its unique, and clinically proven, NeedleGrip™ surface technology.<sup>†7</sup> This submicron surface technology has been shown to induce our body's pro-healing immune cells – leading to predictable bone formation.\*<sup>†4,7</sup> Today, Kuros manufactures MagnetOs in the Netherlands via an end-to-end proprietary process, supported by a robust family of >25 patents and intellectual property that form the commercial bedrock of the company.

Every day, our team works across four continents to grow this platform through our global research, development & technology program: *Project Fusion*. This innovative research engine is unlike any in the industry and remains firmly focused on not only improving the performance of existing MagnetOs products; but also exploring new opportunities and applications, for example in MIS. Furthermore, our Research and Development team supports our manufacturing operation as products are scaled from bench to full-scale manufacturing.



Florence Barrère-de Groot, PhD



Nathan Kucko, PhD

*“When I started 16 years ago, we were a small group with a lot of knowledge on material science and bone repair. From there, it really was just hard work at the bench, with lots of different pre-clinical testing and in vitro testing to first identify the optimal materials for bone formation and then to develop and upscale this into a viable product.*

*We’ve experienced a lot of trial and error with many surprises and unexpected results, but as scientists, we are, above all, resilient! Looking back at all the dedicated scientists I have worked with at Kuros it’s no surprise that we succeeded in bringing MagnetOs to market with such excellent, demonstrated bone healing performance. The qualities that got us here are the same ones that drive us to continue trying to improve this technology even further.”*

Florence de Groot, PhD  
Vice President Research & Development  
Kuros Biosciences

*“R&D really is an exploratory process. Many of our best ideas are motivated and triggered through surgeons via our commercial teams; but also through new literature, studies, conferences, and trade shows – and the strong relationships we have with academia. A huge part of science is building on the shoulders of others, and we are given a lot of freedom to use all the information we gather and analyze to develop new concepts – and then pitch those concepts to surgeons. The other critical aspect of our role is navigating the regulatory pathway – and the claims we can make about MagnetOs. We take great pride in being market-driven, which means that any product we develop must have a clear pathway to the market to advance the standard of care.”*

Nathan Kucko, PhD  
Senior Product Development Scientist  
Kuros Biosciences

# Why Kuros?

## MagnetOs™ gains momentum

Even now, many bone healing products fail to provide the robust evidence needed to substantiate their claims. This leaves surgeons navigating a wide variety of bone graft options with limited evidence to guide their choices in the never-ending quest to improve patient outcomes.

MagnetOs is filling the void (quite literally) with a scientifically validated, evidence-based solution that sets us apart. Backed by an

unprecedented blend of scientific, preclinical and clinical studies, MagnetOs has a proven chemical composition and safety profile, and it's free of human cells, thus alleviating concerns of disease transmission.<sup>#2</sup>

Furthermore, the product features the handling characteristics that surgeons prefer, while also catering to the cost-effectiveness demanded by healthcare systems.

*“Very candidly, when I first met Kuros and saw the MagnetOs product, I was concerned that this was going to end up being another one of those experiences where we get excited, we apply it to clinical practice, and then the reality of outcomes and follow-ups deflates your enthusiasm, but the opposite has been true. The excitement on the front-end science is strong; we apply it to patients for spinal fusion procedures, and we see really robust, solid fusion rates that we never saw with other products.”*

*Dr. Alpesh A. Patel, MD, FACS, MBA  
Co-Director, Northwestern Center for Spine Health  
Professor of Orthopedic Surgery  
Professor of Neurosurgery  
Northwestern Feinberg School of Medicine  
Kuros Strategic Advisory Board Member*



# Evidence means excellence

## Our growing scientific and clinical credibility

With patients' lives literally in their hands, surgeons demand to see clear, credible and data-driven evidence behind any biologic they choose. In 2024, we saw the publication of a landmark independent Level 1 human clinical trial that compared MagnetOs™ to autograft (human harvested bone) for use in a challenging spinal procedure known as a posterolateral fusion (PLF).<sup>1,3</sup>

Published in the widely respected peer-reviewed *Spine* journal, this type of study is rare for a biologic due to both the sheer number of patients recruited (100); and the strict criteria involved (known formally as a prospective, randomized, multi-center, intra-patient-controlled trial).<sup>1</sup>

One year after undergoing their spinal procedures, the 91 patients were evaluated by two independent surgeons using fine-cut

CT scans. The results showed that MagnetOs achieved nearly twice the fusion rate of autograft (79% vs. 47%).<sup>1</sup>

Of huge significance was the fact that the overall fusion rates for smokers in this study (who comprised 19% of the cohort) were 74% for MagnetOs, dropping to just 30% for autograft.<sup>5,8</sup> These data will be invaluable for surgeons attempting to treat patients with comorbidities and underlying health conditions.

While we expect the results of this study to play a significant role in consolidating the clinical case for MagnetOs in 2025 and beyond, this data-driven approach doesn't end there. The company continues to generate a clinical data package that is superior to any other bone graft cleared for use via the same regulatory pathway.

*“Even though the primary aim of the current study was to demonstrate non-inferiority, our findings indicate superiority of MagnetOs.”<sup>1</sup>*

*Prof. Dr. Moyo Kruyt  
Lead study investigator*



# Spine and beyond...

## Growing our portfolio & applications

Much like Kuros itself, our MagnetOs™ family of bone healing products continues to grow and evolve. The product is now produced in four formulations (MagnetOs Granules, MagnetOs Putty, MagnetOs Easypack Putty, and MagnetOs Flex Matrix) – each of which delivers its own unique advantages for surgeons.

The Kuros team has invested significantly to obtain increased regulatory clearance for these products across a broad range of musculoskeletal indications in different geographies. Furthermore, most MagnetOs products can be used "standalone" in spinal

procedures and do not need to be augmented with human autogenous bone and other materials, thus unlocking potential for a procedure that is easier on both surgeons and patients alike.<sup>1#\*\*2</sup>

Meanwhile, existing MagnetOs products have now gained clearance for new indications *outside of the spine*, including the pelvis and extremities.<sup>2</sup> This will continue to be supported by our go-to-market strategy of partnering with specialized, well-established sales agents and distributors that complement the Kuros company culture.

*“While there are some nuances between spine and extremities indications, there’s also a huge opportunity here for Kuros. In my experience, both surgeons and hospital systems are increasingly asking for clinical evidence when assessing biologics for use in extremities – which has been further confirmed by our own recently commissioned quantitative market research. This is a market where high-quality data is incredibly rare, so now we are applying the same robust scientific approach to the extremities as we have to spine. Not only is this the right thing to do, it will also create significant differentiation from our competitors – and ultimately help elevate the expectations of users.”*

Jantzen Cole  
Vice President of New Business Development, Extremities  
Kuros Biosciences



# Embracing expansion

## Growing our sales network

Until now, the U.S. has been by far the largest market for MagnetOs™. The product is gaining increasing traction and acceptance with surgeons, as evidenced by the surging revenues of MagnetOs, and this is now set to reach new heights following a landmark five-year sales agreement with Medtronic.

In 2025, our focus will also continue turning to international opportunities. Our international revenue grew by 276% from 2023 to 2024, and we are poised for further expansion into Asia Pacific, South America, and the Middle East in 2025; while further expanding our presence in Europe, Australia, and New Zealand.

To support this growth, Kuros continues to invest heavily in scalable and sustainable production capabilities, enabling greater supply chain efficiencies, and continuing to build a high-quality global distributor network to drive sales. By putting these important measures in place, we ensure greater cost efficiency for hospital systems and better product availability and accessibility for surgeons, wherever in the world they may be.



*“The primary goal of our partnership with Medtronic is to expand the adoption and accessibility of MagnetOs in spine surgeries across the U.S. By leveraging Medtronic’s extensive sales network and expertise, we aim to accelerate growth, enhance surgeon support, and bring our innovative bone grafting technology to more patients. This collaboration represents a shared commitment to advancing clinical outcomes and broadening the impact of our uniquely differentiated technology.”*

John Griffin, MBA  
Chief Commercial Officer  
Kuros Biosciences

# Total impact

## Improving quality of life

Ultimately, the success of Kuros will be measured by one criterion above all others: has our company and technology made a positive impact on the lives of everyday people?

Our goal is for MagnetOs™ to be a technology that benefits all, including patients with comorbidities and underlying health conditions. This is why we are proud that MagnetOs has continuously shown successful

fusion rates in difficult-to-treat patient populations, such as smokers.<sup>§1,9-11</sup>

As our growing global population continues to get older, the gift of pain-free mobility becomes increasingly precious. If there is one thing we intend to grow in the months and years ahead, it's increased optimism and confidence that when it comes to bone healing...there is a better way.

### **Those we serve: Faye's story**

**I was born in South Carolina**, one of three sisters. Later, we moved to North Carolina, and I eventually ended up in Kansas, where I still live. I was one of those girls who married young (19!). My husband, Warren, and I have been married for 56 years, and we have two wonderful children and six grandkids, ranging from 12 to 26 years of age.

**Tennis was always my great love.** I grew up in the era of Chrissie Evert, and I was an avid tennis player for 45 years – and hope to be again (more on that later). I also spent a few years teaching fitness classes – and I love gardening. So, you could say that I've always been a very active person!

**Then I started getting severe back pain** while walking, playing tennis, you name it. I knew something was really wrong, but I was anxious about going to see the doctor – because I really didn't like the idea of being put to sleep. It just terrified me.

**I had to delay my surgery because my husband had a stroke** (fortunately he's making a great recovery now), but that ultimately sealed it. One of us had to be mobile to keep our household running. For example, Warren needed transportation to his medical appointments.

**Then the most extraordinary coincidence happened!** I was recommended a surgeon, Dr. Justin Davis, by my neighbor. Then a very close friend who we've known for 40 years revealed that not only was Dr. Davis his son-in-law but also that my husband and I had actually been to Dr. Davis' wedding 18 years before!

***I went in to see Dr. Davis at Kansas University Medical Center, and he was fantastic.*** I told him to give it to me straight – and he said that I had three discs that had crushed in my lumbar area that needed to be operated on, and that a "basket"<sup>††</sup> would be put inside me.

***I got through surgery really well, and within a month I was driving again*** and feeling so much better already, and two weeks after that I no longer needed a walker or a cane.

***This surgery has been a miracle for me,*** and I'm taller! I've grown two inches following the surgery – because I can finally stand up and walk straight again. I flew to Nashville to spend Christmas with my daughter's family – which I'd never have been able to do before the surgery.

***I still have some backache,*** but it was recently confirmed that this is related to arthritis rather than my fusion procedure. However, I am determined that I will be on that tennis court again someday soon!

***And I remain, above all, positive.*** Until my husband's stroke, I worked as a volunteer for 22 years at a local hospice, supporting families. It was difficult at times but also very uplifting. That experience – combined with my faith, family, and friends – is what has given me the strength to get through this.

***Finally... THANK YOU Dr. Davis.*** I never imagined 18 years ago that you'd have four beautiful kids – and end up being the person who helped me get mobile again!

***Faye Hannah***

***Patient who underwent a three-level interbody and PLF performed by Dr. Davis using MagnetOs Easypack Putty and MagnetOs Flex Matrix, respectively.***









# Corporate Governance Report **2024**

# Corporate Governance Report 2024

## Preface and Important Information

Kuros Biosciences AG (henceforth called “Kuros” or “Company” or, together with its subsidiaries, collectively the “Group”) is a Swiss-based MedTech company on a mission to discover, develop and deliver innovative biologic technologies. Kuros is listed according to the International Reporting Standard on the SIX Swiss Exchange (“SIX”) under the symbol KURN.

Kuros is incorporated in Switzerland and is the ultimate parent company of the Group since January 18, 2016.

As of December 31, 2024, the total headcount of the Group amounted to 122 employees. The legal domicile of the Company headquarter is Wagistrasse 25, 8952 Schlieren, Switzerland.

The Board of Directors (“Board”) approved this Corporate Governance Report on March 10, 2025.

The information published below conforms to the Corporate Governance Directive (“DCG”) of the SIX. The numbering of the subsections was made based on the Annex to the DCG.

## Group Structure and Shareholders (DCG 1)

### Group structure (DCG 1.1)

Kuros Biosciences AG is a corporation established under Swiss corporate law with its registered office in Schlieren, Switzerland. As of December 31, 2024, the Group consists of the parent company Kuros Biosciences AG and five non-listed subsidiaries. The group structure is as follows:

| Name                                       | Place of business           | Ownership and voting rights           | Share capital     |
|--------------------------------------------|-----------------------------|---------------------------------------|-------------------|
| Kuros Biosciences B.V.                     | Bilthoven, The Netherlands  | 100%                                  | EUR18,000         |
| RevisiOs B.V.                              | Bilthoven, The Netherlands  | 100% (held by Kuros Biosciences B.V.) | EUR22,000         |
| Kuros Biosciences USA Inc.                 | Atlanta (GA), United States | 100%                                  | USD1              |
| Kuros US LLC                               | Delaware, United States     | 100%                                  | –                 |
| Kuros US Royalty Fund (US) LLC             | Delaware, United States     | 100%                                  | –                 |
| Security number - Kuros Biosciences AG     |                             |                                       | 1,102,521         |
| ISIN                                       |                             |                                       | CH0325814116      |
| Ticker symbol                              |                             |                                       | KURN              |
| Market capitalization on December 31, 2024 |                             |                                       | CHF 785.3 million |

Kuros Biosurgery AG, a wholly-owned subsidiary of Kuros Biosciences AG with its registered office in Schlieren, Switzerland and a share capital of CHF 454,726 merged with Kuros Biosciences AG as of July 1, 2024 (date of transaction). Kuros Biosurgery AG has been deregistered from the trade register as of November 13, 2024. All assets and liabilities have been transferred to Kuros Biosciences AG on the date of transaction.

### Significant shareholders (DCG 1.2)

According to disclosure notifications filed with the Company to the SIX, the following Shareholders hold more than 3% of the share capital of the Company as of December 31, 2024.

| Name                                  | Shareholding / Purchase Positions* |
|---------------------------------------|------------------------------------|
| Optiverder BV, Delft, The Netherlands | 25.6 %                             |
| Pegasus Global Opportunity Fund, Ltd. | 4.8 %                              |
| BlackRock Inc.                        | 3.4 %                              |
| UBS Fund Management (Switzerland) AG  | 3.0 %                              |

\* The shareholdings or purchase positions indicated in this table correspond to the amounts as disclosed on the SIX website as of December 31, 2024. Information on disclosure notifications during the year concerning significant shareholders and financial instruments may be found on the SIX website on: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

As of December 31, 2024, the company does not hold any treasury shares and holds sale positions of 4.3% (equity-awards). The Company has not entered into any agreement with any Shareholder regarding the voting or holding of shares. To the knowledge of the Company, no Shareholders are linked by any shareholder agreement.

### Cross-shareholdings (DCG 1.3)

There are no cross-shareholdings.

## Capital Structure as of December 31, 2024 (DCG 2)

The capital structure of the Company is as per the excerpts below from the Articles of Association (the "Articles") as of April 17, 2024, valid as of December 31, 2024, available on the Company's website at: <https://kurosbio.com/resources/articles-of-association/>

### Capital (DCG 2.1)

"Art. 3a Share Capital and Shares

The share capital of the Company is CHF 3,678,413.10 and fully paid-in. It is divided into 36,784,131 registered shares with a nominal value of CHF 0.10 each."

### Conditional capital (DCG 2.2)

"Art. 3b Conditional Share Capital for Bonds or Similar Debt Instruments

<sup>1</sup> The share capital of the Company shall be increased by a maximum amount of CHF 180,000.00 through the issue of a maximum of 1,800,000 registered shares, payable in full, each with a nominal value of CHF 0.10 through the exercise of conversion and/or option rights granted in connection with bonds or similar instruments, issued or to be issued by the Company or by subsidiaries of the Company, including convertible debt instruments. The exercise of the option rights and the waiver of such right shall be made in writing on paper or in electronic form.

<sup>2</sup> Shareholders' subscription rights for these shares are excluded. Shareholders' advance subscription rights with regard to the new bonds or similar instruments may be restricted or excluded by decision of the Board of Directors in order to finance or refinance the acquisition of companies, parts of companies or holdings, or new investments planned by the Company, or in order to issue convertible bonds or similar instruments on the international capital markets or through private placement. If advance subscription rights are excluded, then (1) the instruments are to be placed at market conditions, (2) the exercise period is not to exceed ten years from the date of issue of option rights and twenty years for conversion rights and (3) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing at the date on which the instruments are issued. Shareholders' advance subscription rights with regard to the new bonds or similar instruments may further be restricted or excluded by decision of the Board of Directors in connection with debt financing that is not convertible into equity and which with a prevailing probability would not have been obtainable without such restriction or exclusion.

<sup>3</sup> The acquisition of registered shares through the exercise of conversion or option rights and any transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of Association."

"Art. 3c Conditional Share Capital for Employees, Persons of comparable Positions and Board Members

<sup>1</sup> The share capital of the Company increases in the nominal value of up to CHF 24,838.90 by issuance of up to 248,389 fully paid-in registered Shares with a nominal value of CHF 0.10 each, subject to the exercise of options granted by the Company to employees of the Company or its subsidiaries, persons of a comparable position and Board members under the employee participation plans, in force until the end of the year 2015.

The share capital of the Company furthermore increases in the nominal value of up to CHF 545,682.40 by issuance of up to 5,456,824 fully paid-in registered Shares with a nominal value of CHF 0.10 each, subject to the exercise of options granted by the Company to employees of the Company or its subsidiaries, persons of a comparable position and Board members under the employee participation plans, in force starting from the year 2016.

The exercise of the option rights and the waiver of such rights shall be made in writing on paper or in electronic form.

<sup>2</sup> The pre-emptive rights of the shareholders shall be excluded. The conditions of the grant of the options, as the amount of the issue of the shares, the time of the entitlement for dividends as well as the kind of contribution, shall be determined by the Board of Directors in the form of special rules (Stock Option Plans).

<sup>3</sup> The further transfer of the registered Shares acquired by the exercise of equity-awards under this article shall be subject to the restrictions of Article 4 of these Articles of Association."

### **Capital Band (DCG 2.2)**

<sup>1</sup> The Company has a capital band between CHF 2,942,730.40 (lower limit) and CHF 4,414,095.70 (upper limit). The Board of Directors is authorized to increase the share capital up to the upper limit at any time and as often as required until 16 May 2028 by the issuance of fully paid-in registered shares. A capital reduction is excluded.

If the share capital increases as a result of an increase from conditional capital pursuant to Articles 3b and 3c of these Articles of Association, the upper and lower limits of the capital range shall increase in an amount corresponding to such increase in the share capital.

<sup>2</sup> An increase of the share capital (i) by subscription of shares based on an offer signed by a financial institution, an association, another third party or third parties, followed by an offer to the then existing shareholders of the Company as well as (ii) in partial amounts is permitted.

<sup>3</sup> The Board of Directors shall determine the number of shares to be issued, the date of issue, the subscription price, the method of payment, the date from which the shares entitle the holder to receive a dividend, the conditions for exercising preemptive rights and the allocation of preemptive rights that have not been exercised or withdrawn. With regard to the type of contributions to be made, the Board of Directors is authorized in particular to carry out a capital increase through cash payment, contribution in kind, offsetting payment, conversion of freely usable reserves (including profit carried forward) into share capital. The Board of Directors may allow the preemptive rights that have not been exercised to expire, or it may place with third parties such rights or registered shares, the preemptive rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.

<sup>4</sup> The Board of Directors is authorized to withdraw or limit the preemptive rights of the shareholders and to allot them to third parties:

- a) if the issue price of the new registered shares is determined by reference to the market price; or
- b) for the acquisition of an enterprise, part of an enterprise or participation, or for the financing or refinancing of any of such acquisition, or in the event of share placement for the financing or refinancing of such placement; or
- c) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing or registration of new registered shares on domestic or foreign stock exchanges; or
- d) for purposes of granting an over-allotment option (Greenshoe) or an option to subscribe additional shares to the respective initial purchasers) or underwriter(s) in a placement or sale of registered shares; or
- e) for raising of capital (including private placements) in a fast and flexible way, which probably could not be reached without the exclusion of the statutory pre-emptive right of the existing shareholders; or
- f) for other valid grounds in the sense of article 652b para. 2 CO.

<sup>5</sup> The acquisition of registered shares and any transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of Association.

### Changes in capital (DCG 2.3)

Description of changes in capital that have taken place within the last three financial years:

| in TCHF, IFRS                     | Share capital | Share premium  | Treasury shares | Other reserves | Retained earnings/ accumulated loss | Translation Differences | Total         |
|-----------------------------------|---------------|----------------|-----------------|----------------|-------------------------------------|-------------------------|---------------|
| <b>As of January 1, 2022</b>      | <b>3,281</b>  | <b>154,591</b> | <b>(17)</b>     | <b>20,287</b>  | <b>(101,588)</b>                    | <b>422</b>              | <b>76,976</b> |
| Loss for the period               | –             | –              | –               | –              | (14,595)                            | –                       | (14,595)      |
| Other comprehensive income        | –             | –              | –               | –              | 349                                 | (841)                   | (492)         |
| Capital increase, net             | 375           | 5,566          | –               | –              | –                                   | –                       | 5,941         |
| Share based payment               | –             | –              | –               | 1,030          | –                                   | –                       | 1,030         |
| <b>As of December 31, 2022</b>    | <b>3,656</b>  | <b>160,157</b> | <b>(17)</b>     | <b>21,317</b>  | <b>(115,834)</b>                    | <b>(419)</b>            | <b>68,860</b> |
| <b>As of January 1, 2023</b>      | <b>3,656</b>  | <b>160,157</b> | <b>(17)</b>     | <b>21,317</b>  | <b>(115,834)</b>                    | <b>(419)</b>            | <b>68,860</b> |
| Loss for the period               | –             | –              | –               | –              | (13,727)                            | –                       | (13,727)      |
| Other comprehensive income        | –             | –              | –               | –              | 90                                  | 71                      | 161           |
| Appropriation of accumulated loss | –             | (87,320)       | –               | –              | 87,320                              | –                       | –             |
| Exercise of share options         | 22            | 479            | –               | –              | –                                   | –                       | 501           |
| Share based payment               | –             | –              | –               | 917            | –                                   | –                       | 917           |
| <b>As of December 31, 2023</b>    | <b>3,678</b>  | <b>73,316</b>  | <b>(17)</b>     | <b>22,234</b>  | <b>(42,151)</b>                     | <b>(348)</b>            | <b>56,712</b> |
| <b>As of January 1, 2024</b>      | <b>3,678</b>  | <b>73,316</b>  | <b>(17)</b>     | <b>22,234</b>  | <b>(42,151)</b>                     | <b>(348)</b>            | <b>56,712</b> |
| Loss for the period               | –             | –              | –               | –              | (4,290)                             | –                       | (4,290)       |
| Other comprehensive income        | –             | –              | –               | –              | (117)                               | (625)                   | (742)         |
| Appropriation of accumulated loss | –             | (2,104)        | –               | –              | 2,104                               | –                       | –             |
| Treasury shares sold              | –             | –              | 17              | –              | –                                   | –                       | 17            |
| Exercise of share options         | 109           | 1,815          | –               | –              | –                                   | –                       | 1,924         |
| Share based payment               | –             | –              | –               | 5,127          | –                                   | –                       | 5,127         |
| <b>As of December 31, 2024</b>    | <b>3,787</b>  | <b>73,027</b>  | <b>–</b>        | <b>27,361</b>  | <b>(44,454)</b>                     | <b>(974)</b>            | <b>58,748</b> |

For further information, see the consolidated statements of change in Shareholders' equity.

### Shares and participation certificates (DCG 2.4)

The Company has only one class of shares, i.e., registered shares with a nominal value of CHF 0.10 each. Each share is fully paid-in and carries one vote and equal dividend rights with no privileges. The Company has no outstanding participation certificates.

The Company's shares are not certified. Shareholders are not entitled to request printing and delivery of share certificates; however, any Shareholder may at any time request the Company to issue a confirmation of its shareholding.

### Dividend-right certificates (DCG 2.5)

The Company has not issued any dividend-right certificates.

### Limitations on transferability and nominee registrations (DCG 2.6)

If buyers of registered shares explicitly declare in the request for registration that they have bought the registered shares in their own name and for their own account, they will be registered in the share register as

Shareholders with voting rights. Article 4 of the Articles provides that shareholders may register their shares in the name of a nominee (“Nominee”) and may exercise their voting rights by giving instructions to the Nominee to vote on their behalf. However, a Nominee holding more than 3% of the Company’s share capital may be registered only if the identity of the beneficial owners of shares claiming 0.5% or more of the Company’s share capital is disclosed.

To remove or amend the above-mentioned limitations on transferability and nominee registrations, the approval of (i) at least two-thirds of the votes represented and (ii) the majority of the represented share capital at the respective General Meeting would be required.

#### **Convertible bonds, options and restricted share units (DCG 2.7)**

As of December 31, 2024, the Company has no outstanding convertible loans.

The following table applies to all valid share options outstanding as of December 31, 2024:

| Exercise price (CHF) | Options*<br>(number) | Remaining life<br>(years unless stated<br>otherwise) | Exercisable options<br>(number) |
|----------------------|----------------------|------------------------------------------------------|---------------------------------|
| 18.45                | 20,200               | 4.8                                                  | –                               |
| 6.50                 | 559,643              | 4.3                                                  | –                               |
| 3.88                 | 45,886               | 4.0                                                  | 45,886                          |
| 2.18                 | 374,494              | 3.8                                                  | 74,494                          |
| 2.10                 | 16,750               | 3.8                                                  | 3,625                           |
| 1.40                 | 94,899               | 3.5                                                  | 94,899                          |
| 1.40                 | 890,688              | 3.5                                                  | 231,551                         |
| 1.47                 | 10,069               | 3.0                                                  | 10,069                          |
| 1.73                 | 31,623               | 2.8                                                  | –                               |
| 1.63                 | 10,270               | 2.8                                                  | 874                             |
| 1.73                 | 506,886              | 2.7                                                  | 260,857                         |
| 2.45                 | 3,033                | 2.3                                                  | 3,033                           |
| 1.93                 | 16,788               | 2.3                                                  | 16,788                          |
| 2.45                 | 1,005                | 1.6                                                  | 1,005                           |
| 2.30                 | 3,210                | 1.1                                                  | 3,210                           |
| 2.02                 | 2,494                | 1.1                                                  | 2,494                           |
| 2.00                 | 82,380               | 0.9                                                  | 82,380                          |
| 3.12                 | 4,071                | 0.6                                                  | 4,071                           |
| 2.45                 | 1,550                | 0.6                                                  | 1,550                           |
| 2.30                 | 7,223                | 0.6                                                  | 7,223                           |
| 2.27                 | 2,500                | 0.6                                                  | 2,500                           |
| 2.09                 | 209,224              | 0.2                                                  | 209,224                         |
| 2.45                 | 8,559                | 0.1                                                  | 8,559                           |
| <b>Total</b>         | <b>2,903,445</b>     |                                                      | <b>1,064,292</b>                |

\* Includes all outstanding options within the Group

The total 2,903,445 outstanding options represent CHF 290,344.50 of nominal capital. Each option entitles the option holder to purchase one share. For further details please see note [20](#) to the consolidated financial statements.

The following table applies to all restricted share units (RSUs) outstanding as of December 31, 2024:

| Share price at grant date (CHF) | RSUs* (number)   | Remaining life (years unless stated otherwise) |
|---------------------------------|------------------|------------------------------------------------|
| 6.50                            | 124,503          | 2.3                                            |
| 7.67                            | 10,695           | 2.3                                            |
| 7.67                            | 10,688           | 2.1                                            |
| 2.18                            | 1,816            | 1.8                                            |
| 7.67                            | 10,688           | 1.8                                            |
| 7.67                            | 10,688           | 1.6                                            |
| 1.40                            | 187,631          | 1.5                                            |
| 2.18                            | 1,811            | 1.5                                            |
| 2.18                            | 1,811            | 1.3                                            |
| 7.67                            | 10,688           | 1.3                                            |
| 2.18                            | 19,322           | 1.2                                            |
| 7.67                            | 114,012          | 1.2                                            |
| 7.67                            | 10,688           | 1.1                                            |
| 2.18                            | 1,811            | 1.0                                            |
| 1.63                            | 44,598           | 0.8                                            |
| 2.18                            | 1,811            | 0.8                                            |
| 7.67                            | 10,688           | 0.8                                            |
| 1.73                            | 312,196          | 0.7                                            |
| 7.67                            | 10,688           | 0.6                                            |
| 2.18                            | 1,811            | 0.5                                            |
| 2.18                            | 1,811            | 0.3                                            |
| 7.67                            | 10,688           | 0.3                                            |
| 7.67                            | 10,688           | 0.1                                            |
| 2.18                            | 21,133           | –                                              |
| 7.67                            | 133,242          | –                                              |
| <b>Total</b>                    | <b>1,076,206</b> |                                                |

\* Includes all RSUs outstanding within the Group

The total 1,076,206 outstanding options represent CHF 107,620.60 of nominal capital. Each RSUs entitles the RSUs holder to one share. For further details please see note [20](#) to the consolidated financial statements.

## Board of Directors (DCG 3)

### Members of the Board of Directors (DCG 3.1/3.4)

| Name, Position, Nationality                                | Year of birth | First elected | Elected until | Compensation & Nomination Committee | Audit & Risk Committee | Research & Development Committee |
|------------------------------------------------------------|---------------|---------------|---------------|-------------------------------------|------------------------|----------------------------------|
| Clemens van Blitterswijk, PhD<br>Chairman, The Netherlands | 1957          | 2017          | 2025          | ★                                   |                        | ▲ <sup>5</sup>                   |
| Albert Arp <sup>1</sup> , MSc<br>Member, The Netherlands   | 1969          | 2024          | 2025          | ★                                   | ▲ <sup>3</sup>         |                                  |
| Oliver Walker, MBA<br>Member, Switzerland                  | 1969          | 2018          | 2025          | ▲                                   | ★                      |                                  |
| Chris Fair <sup>1</sup> , BBA<br>Member, USA               | 1970          | 2024          | 2025          |                                     |                        |                                  |
| Joost de Bruijn, PhD<br>Member, The Netherlands            | 1966          | 2018          | 2025          |                                     |                        | ★                                |
| Scott Bruder <sup>2</sup> , MD<br>Member                   | 1962          | 2018          | 2024          |                                     | ★ <sup>4</sup>         | ▲ <sup>6</sup>                   |

<sup>1</sup> member of the Board since April 17, 2024

<sup>2</sup> term as member of the Board ended on April 17, 2024

<sup>3</sup> chair of the Audit & Risk Committee since April 17, 2024

<sup>4</sup> term as member of the Audit & Risk Committee ended on April 17, 2024

<sup>5</sup> chair of the Research & Development Committee since April 17, 2024

<sup>6</sup> term as chair of the Research & Development Committee ended on April 17, 2024

▲ Chairman

★ Member

### Clemens van Blitterswijk

Professor Clemens van Blitterswijk has served Kuros as chairman of the board of directors since 2018 and has been a member of the board since 2017. He is one of only four distinguished professors at Maastricht University and holds the chair of Complex Tissue Regeneration. Professor van Blitterswijk has published over 500 scientific papers, ranks among the top 10-20 scientists worldwide in the fields of tissue engineering and regenerative medicine based on total citations to his work and has received numerous national and international honors and awards, among which most recently, the Klaas de Groot Award of the European Society for Biomaterials and the Acta Biomaterialia gold award, the latter presented at the American Society for Biomaterials in San Diego. He has founded over 10 companies and is an inventor on over 100 patents. He was the founding partner of the LSP/EQT HEF venture funds. Previously, he was a venture partner at EQT Life Science and a board member of Xeltis AG. His work spans from novel biomaterials to synthetic life. He is Dutch citizen.

### Albert Arp

Albert Arp is a senior executive with more than 20 years of experience working with global companies, as a non-executive board member and in executive (CEO) positions. Albert is active in healthcare and other industries where his global expertise in growing and developing innovative technologies and organizations are required. Albert's career beginnings evolved in consulting and he has led several recovery operations, mergers and acquisitions across various sectors.

Currently, Albert is a significant shareholder and executive board member of the Heart for Health Group, a Dutch private and innovative international healthcare and health technology company (600+ employees).

Previously, Albert was a board member of the United Companies of the Zeeman Family: Navitas Capital, Green Real Estate, Zeeman International retail chain of stores. Albert was chairman of the board of directors of a Dutch-Chinese company: VNU-ea (Shanghai) until February 1, 2024. Due to the acquisition by Advent International, one of the largest private equity investors in the world, he stepped down after 8 years. Albert was till 2022 vice chairman of the board of directors of VGZ insurances, a health insurer in the Netherlands with a turnover of EUR13 billion.

Albert holds a degree in Internal and Operational Auditing from Erasmus University Rotterdam and a MSc in Business Administration and Economics from the University of Amsterdam. He has also completed executive programs at INSEAD Business School and Singularity University. He is a Dutch citizen.

### **Oliver Walker**

Oliver Walker is a senior executive with more than 25 years of experience in international companies, both listed and privately-held, and was active in high growth industries and mature industries alike. He is the Managing Partner of a Swiss private equity management company CGS Management AG, and serves on the board of several privately-owned companies.

Amongst other senior positions, he was previously the CEO of Evolva, a Swiss stock listed industrial biotech company, the Executive Vice President and CFO of several leading Life Science Companies, including Sivantos (Singapore), Nobel Biocare, Sonova, and Stratec Medical (all Switzerland). Oliver holds a MSc in Business Administration & Economics from the University of Berne, Switzerland and is a Swiss citizen.

### **Chris Fair**

Chris Fair joined Kuros in 2021. Chris has been a leader in the musculoskeletal and regenerative marketplace for over 25 years. His expertise in commercialization and scaling operations for both biologics and device companies have made him a sought after advisor and investor. Previously Chief Operating Officer, Chris became Chief Executive Officer of Kuros in 2023.

Chris previously served as CEO & President of ControlRad, an innovative radiation reduction technology company based in Atlanta, GA and Kfar Saba, Israel. Prior to that, Chris was the Chief Executive Officer of Spinal Elements, a private equity owned operating company focused in the spinal implant marketplace. Chris has experience as Founder and CEO of Amniox Medical as well as previously operating the University of Miami Tissue Bank through its transaction to a private company. Earlier in his career, Chris served in leadership roles at MedShape Solutions, St. Francis Medical Technologies and DePuy Spine.

Chris currently sits on the Institute for Bioengineering and Bioscience Advisory Board of the Georgia Institute of Technology as well as several privately held medical and regenerative medicine technology companies. Chris graduated from the University of Richmond Robins School of Business and is a US citizen.

### **Joost de Bruijn**

Joost de Bruijn, PhD, FBSE, is the Executive Director and President, Innovation & Strategy Kuros. He held the position of Chief Executive Officer of Kuros from 2017 to 2023. He also holds the position of Professor of Biomaterials at Queen Mary University of London, UK (since 2004) and was Professor of Regenerative Medicine and Entrepreneurship at Twente University, the Netherlands from 2011-2019. Prof. Dr. de Bruijn was the founder and CEO of Xpand Biotechnology B.V. that was acquired by Kuros Biosciences AG early 2017. Prior to this, he was involved with Progentix Orthobiology BV (founder & CEO) that was acquired by NuVasive Inc. (now Globus Medical, Inc.), Scinus Cell Expansion BV (founder & CEO) and IsoTis Orthobiologics NV.

Prof. Dr. de Bruijn has 35 years of experience in academia and the life science industry and, as a serial entrepreneur, has brought several technologies to the clinic. He is the author on close to 200 peer-reviewed publications and an inventor of 35 patents and patent families. Prof. Dr. de Bruijn is the scientific editor of the world's first open-access journal, *European Cells and Materials*, and the reviewer for numerous international biomaterials, tissue engineering and regenerative medicine journals. He received his PhD Cum Laude from Leiden University in 1993 and is a citizen of the Netherlands.

## Former Members

### Scott Bruder

Scott P. Bruder, MD, PhD, has enjoyed a long and distinguished career in the discovery, development and commercialization of products to diagnose and treat patients around the world. He founded the Bruder Consulting & Venture Group in 2014 after 25 years in the industrial sector, serving in the C-Suites of Stryker Corporation as the Chief Medical and Scientific Officer, and at BD, as the Chief Science and Technology Officer. Previously, while at Johnson & Johnson, he and his team built a portfolio of tissue repair products for the DePuy franchise before establishing a new business unit known as J&J Regenerative Therapeutics, LLC.

In addition to his tenure through industry, Dr. Bruder has maintained an active academic presence, serving as a Professor of Biomedical Engineering at Case Western Reserve University since 2011, after 13 years as faculty in the Department of Orthopedic Surgery. Dr. Bruder holds an Honors ScB from Brown University, both an MD and PhD from Case, and received post-graduate clinical training at Albert Einstein Medical Center and the University of Pennsylvania. Dr. Bruder is a US citizen.

#### 1.1.1 Other activities and vested interests (DCG 3.2/3.3)

Other than as described above and in the Compensation Report, none of the members of the Board has any position in governing or supervisory bodies of any major organization, institution, or foundation under private or public law, permanent management or consultancy function for major interest groups, official function, or political mandate.

Pursuant to Article 40 of the Articles of Association, each member of the Board may cumulatively assume not more than the following number of mandates in the board of directors, the superior management, or an administrative body of a legal entity, which is obliged to be registered in the Swiss commercial register or an equivalent foreign register: a) seven mandates for publicly traded companies in the sense art. 727 para. 1 number 1 Code of Obligation (“CO”); b) eight mandates for companies not publicly traded in the sense of art. 727 para. 1 number 2 CO; and c) five mandates for companies which do not fulfill the criteria under a) and b). Mandates held in several legal entities each operating under the same management or same beneficial owner (group) are deemed to be a single mandate. If a legal entity fulfills several of the above-mentioned criteria, it can be freely counted towards any category. Mandates in legal entities which are controlled by the Company or which control the Company and honorary mandates in charitable legal entities are excluded from these restrictions. See Article 40 of the Articles of Association for more details.

#### 1.1.2 Elections and terms of office (DCG 3.4)

The Articles provide in Article 23 that the Board must consist of three to nine board members. As of December 31, 2024, it consisted of five members.

Since January 1, 2014, each member of the Board is elected individually for a maximum term of one year and may be re-elected for a consecutive term at the following General Meeting. The term of office of a Board member is one year as determined by Swiss law.

The Chairman of the Board as well as the members of the Compensation Committee and the independent voting rights representative (“Independent Proxy”) are elected individually by the General Meeting for a one-year term of office.

#### 1.1.3 Internal organizational structure (DCG 3.5)

The functions of the Chairman of the Board include the following:

- Preparing, calling, and chairing the meeting of the Board and the General Meeting
- Supervision of the implementation of resolutions passed by the Board or the General Meeting

- Representation of the Board to the public, public authorities and the Shareholders.

The Board constitutes itself and appoints its chairman, vice-chairman and the secretary, who needs not to be a member of the Board.

The Board has established three permanent committees to carry out specific duties: the Compensation & Nomination Committee, the Audit and Risk Committee as well as the Research & Development Committee, each in general consisting of two or more members of the Board. The Board appoints the members of its committees. Members of the committees were all non-executive directors in 2024.

The Board convened nine times in 2024. In addition, contacts between meetings are as required. Members of senior management regularly attend meetings of the Board to report on areas of the business within their responsibility and to respond to questions. One part of the meetings always takes place with the Executive Committee. No consultants, with the exception of the Company's lawyer, participated in Board meetings in 2024.

Attendance at the Board and committee meetings in 2024:

| Name                     | Board | Compensation & Nomination Committee <sup>1</sup> | Audit & Risk Committee <sup>1</sup> | R&D Committee <sup>1</sup> |
|--------------------------|-------|--------------------------------------------------|-------------------------------------|----------------------------|
| Clemens van Blitterswijk | 9     | 4                                                |                                     | 1                          |
| Albert Arp               | 7     | 2                                                | 2                                   |                            |
| Scott Bruder             | 1     |                                                  | 1                                   |                            |
| Oliver Walker            | 9     | 4                                                | 3                                   |                            |
| Chris Fair               | 7     |                                                  |                                     |                            |
| Joost de Bruijn          | 9     |                                                  |                                     | 1                          |

<sup>1</sup> The majority of conferences were held via telephone

## Compensation & Nomination Committee

The Compensation & Nomination Committee meets as often as business requires. In 2024, the Compensation & Nomination Committee held four meetings. The chairperson of the Committee reports to the Chairman of the Board after each meeting and informs the Board at its next meeting on the activities as well as decisions taken by the Committee and the considerations that led to such decisions. Urgent matters are communicated to the Chairman without delay.

The Compensation Committee has the following duties (excerpt from the Compensation & Nomination Committee Charter of Kuros as approved by the Board on June 22, 2023, and available on the Company's website at <https://kurosbio.com/resources/compensation-committee-charter/> )

### 4.1 Board and Executive Board Compensation Policies

The Committee shall:

4.1.1 prepare and recommend to the Board for approval a compensation policy for the Board (the "Director Compensation Policy"), and thereafter annually review such policy and recommend changes, if any, for approval by the Board;

4.1.2 prepare and recommend to the Board for approval a compensation policy for the executive board, and thereafter annually review such policy and recommend changes, if any, for approval by the Board.

Such compensation policies shall provide for near- and long-term compensation, including variable compensation for the executive board, that (1) is designed to attract, motivate and retain persons with the necessary skills and character, (2) is consistent with market conditions, and in the case of variable compensation, consistent with the Company's and the individual's

performance, and (3) aligns the interests of the members of the Board and the executive board with the interests of the Company.

#### 4.2 General Compensation Policies

The Committee shall periodically review the Company's compensation policies for its employees who are not members of the executive board.

#### 4.3 Board Compensation

The Committee shall review and recommend to the Board for approval any compensation and other payments to present and former non-employee directors of the Company to the extent not already provided for in the Director Compensation Policy.

#### 4.4 Executive Board Compensation and Contracts

The Committee shall:

- 4.4.1. evaluate annually the performance the CEO, and submit such evaluation for review and discussion by the Board, in each case in executive session without the presence of the CEO;
- 4.4.2. review and discuss the annual performance evaluation of the members of the executive board presented by the CEO to the Committee;
- 4.4.3. review and recommend for approval by the Board the annual base salary, incentive compensation and equity compensation of the CEO, and in consultation with the CEO, of the other members of the executive board, and the overall compensation of the CEO and executive board; and
- 4.4.4. review and approve any employment contracts, severance contracts, or other agreements that the Company proposes to enter into with any present, future or former members of the executive board; provided that the key terms of such contracts shall be submitted for approval by the Board.

#### 4.5 Incentive, Equity Compensation and Perquisite Benefits Plans

The Committee shall:

- 4.5.1. establish an incentive compensation plan providing for variable compensation of the members of the executive board based on the achievement of the Company's corporate goals and the individuals' performance, and approve any changes to such plan as may be proposed by the CEO from time to time;
- 4.5.2. approve any incentive compensation plans providing for variable compensation of employees of the Company (other than the members of the executive board) and any changes thereto, as may be proposed by the CEO from time to time;
- 4.5.3. develop and periodically review equity compensation plans, and submit such plans and any changes to such plans to the Board for approval; and
- 4.5.4. review and approve any perquisite benefits plans proposed by the CEO for the members of the executive board.

#### 4.6 Corporate Goals

The Committee shall:

- 4.6.1. review the annual corporate goals proposed by the CEO, and recommend such goals as approved by the Committee for approval by the Board;
- 4.6.2. determine the level of achievement of the corporate goals as approved by the Board upon completion of each calendar year, and apply such achievement level to the determination of the variable compensation of the members of the executive board in accordance with the applicable incentive compensation plan.

#### 4.7 Compensation Report

The Committee shall review and approve the annual compensation report to be published together

with the publication of in the Company's annual report, and any other required public disclosure statements on compensation and benefits.

#### 4.8 Director Qualifications and Nomination

The Committee shall:

4.8.1. establish and periodically review the qualification criteria for Board candidates, with the goal of achieving a composition of the Board that collectively has the skills and experience needed to determine the strategy of the Company and oversee the management in executing the Company's strategy and achieving its objectives; and

4.8.2. conduct the search for Board candidates based on the qualification criteria established by the Committee and any other criteria that the Committee may consider appropriate and recommend suitable candidates to the Board to be nominated for election by the shareholders.

#### 4.9 Board and Committee Governance and Composition

The Committee shall:

4.9.1. periodically review the policies and principles for corporate governance of the Company, including the Internal Regulations, and recommend changes, if any, to the Board for approval;

4.9.2. make recommendations to the Board on Board and committee compositions, including the Board and committee chairpersons and the size of the Board and the committees, taking into account the independence standards established by applicable laws, regulations, the committee charters and corporate governance principles.

#### 4.10 CEO and Executive Board Nominations

The Committee shall be responsible for

4.10.1. for conducting the search for candidates for the position of CEO of the Company, and shall recommend suitable candidates for evaluation and appointment by the Board.

4.10.2. for conducting the search for candidates for executive board positions and shall recommend candidates for evaluation by the Committee. The Committee shall evaluate such candidates and shall recommend suitable candidates for evaluation and appointment by the Board.

#### 4.11 Board Performance Review

The Committee may:

4.11.1. establish a process for, and conduct an annual review of the performance of the Board, its committees, and individual Board members in their role as members of the Board or a committee of the Board;

4.11.2. consider the results of any performance review when determining whether or not to recommend the nomination of a director for an additional term on the Board or a committee, and for developing proposals for improving corporate governance policies and effectiveness of the Board and its committees.

#### 4.12 Succession Plan

The Committee shall prepare and review annually a succession plan for the directors of the Board, the CEO, and the members of the executive board.

#### 4.13 Corporate Governance Disclosures

The Committee shall review and approve the corporate governance report of the Company for inclusion in the annual report as well as any other written public disclosures on corporate governance matters.

#### 4.14 Code of Conduct Review

The Committee shall:

4.14.1 periodically review the Company's code of conduct (the "Code") and recommend changes to the Board for approval as may be appropriate from time to time;

4.14.2 periodically review management's monitoring of the Company's compliance with the Code and ensure that management has the proper system in place to enforce the Code; and

4.14.3 review potential conflicts of interest of Board members and other matters that may be assigned for review by the Committee in the Code.

#### 4.15 Committee Performance Review

The Committee shall evaluate its own performance as part of the Board performance assessment process established by the Committee.

#### 4.16 Committee Charter

The Committee shall review this Charter annually and submit any recommended changes to the Board for approval.

### **Audit & Risk Committee**

The Audit & Risk Committee meets as often as business requires. In 2024, the Audit & Risk Committee held three meetings. The chairperson of the Committee reports to the Chairman of the Board after each meeting and informs the Board at its next meeting on the activities as well as decisions taken by the Committee and the considerations that led to such decisions. Urgent matters are communicated to the Chairman of the Board without delay.

The Audit & Risk Committee has the following duties (excerpt from the Audit & Risk Committee Charter of Kuros as approved by the Board on July 18, 2024, and available on the Company's website at <https://kurosbio.com/resources/audit-committee-charter/> )

#### 4.1 Financial Statements

The Committee shall:

- review and discuss with management and the Auditor the annual and half-year financial statements and reports intended for publication as well as any other financial statements intended for publication;
- approve the financial statements for publication;
- inform the Board on its assessment of the financial statements and decide whether to recommend the statutory and consolidated financial statements to the Board for approval and presentation to the general shareholders' meeting;
- review in cooperation with the Auditor and the management whether the accounting principles applied by the Company and its subsidiaries are appropriate in view of the size and complexity of the Company.

#### 4.2 Interaction with the Company's External Auditor (the "Auditor")

The Committee shall:

- review and assess the qualifications, independence, performance and effectiveness of the Auditor, and recommend to the Board the nomination of the Auditor for the election by the general assembly of shareholders;
- review the scope of the prospective audit by the Auditor, the estimated fees, and any other matters pertaining to such audit as the Committee may deem appropriate;
- approve any audit and non-audit services proposed to be provided by the Auditor to the Company to ensure Auditor independence; provided that the chairperson of the Committee may pre-approve such services between scheduled Committee meetings subject to the ratification of such approvals by the Committee at a subsequent meeting;
- review and assess the Auditor's report, management letters and take notice of all comments of the Auditor on accounting procedures and systems of control;
- review with the Auditors and management the Auditor's reports to the Committee/Board on critical accounting policies and practices used (and any changes therein), on alternative treatments of financial information discussed with management and on other material written communication between the Auditor and management;

- review with the Auditor any audit problems or difficulties and management's response, including any restrictions on the scope of the Auditor's activities or on access to requested information, and any significant disagreements with management.

#### 4.3 Internal Control Over Financial Reporting, Risk Management, Compliance and Contingent Liabilities

The Committee shall:

- at least annually monitor, review and discuss with the Auditor and with management the adequacy and effectiveness of the Company's policies and procedures regarding internal controls over financial reporting and risk assessment, and the Company's compliance therewith;
- periodically review the Company's policies and procedures for risk management and assess the effectiveness thereof;
- periodically review the Company's policies and procedures designed to ensure compliance with laws, regulations and internal rules and policies;
- discuss with management and, if appropriate, the Company's external advisors any legal matters (including the status of pending or threatened litigation) that may have a material impact on the Company's financial statements and any material reports or inquiries from regulatory or governmental agencies which could materially impact the Company's contingent liabilities and risks.

#### 4.4 Annual Committee Performance Review

The Committee shall evaluate its own performance on an annual basis as part of the Board performance assessment process established by the Nomination and Corporate Governance Committee.

#### 4.5 Committee Charter

The Committee shall review this Charter annually and submit any recommended changes to the Board for approval.

### Research and Development Committee

The Research and Development Committee meets as often as business requires, but at least once per year. In 2024 the Research and Development Committee held one meeting. The chairperson of the Committee reports to the Chairman of the Board after each meeting and informs the Board at its next meeting on the activities as well as decisions taken by the Committee and the considerations that led to such decisions. Urgent matters are communicated to the Chairman without delay.

The Research and Development Committee has the following duties (excerpt from the Charter as approved by the Board on March 2, 2020, and available on the Company's website at <https://kurosbio.com/resources/rd-committee-charter/> )

4.1 The Committee shall meet with the Company's chief medical officer and chief development officer or any other member of the executive management of the Company that the Committee deems advisable at least twice per year to review the progress of the Company's product pipeline, including a review and analysis of the progress and results of the Company's studies and trials.

4.2 The Committee shall assess the progress of each of the Company's products against its targets, taking into account the results of the Company's studies and trials.

4.3 The Committee shall review and pre-approve (prior to public release) the Company's material public disclosures related to its product pipeline, research and development efforts, results of studies and trials, status of drug applications, and communications with public authorities or any other competent body.

4.4 The Committee shall make a presentation to the Board at least twice per year, together with written documentation, summarizing all significant findings concerning the progress of the Company's product pipeline, including any material information that impacts the Company's public disclosures regarding those products, the results of related studies and trials, the status of the Company's drug applications, and communications with the with public authorities or any other competent body.

4.5 The Committee shall evaluate its own performance on an annual basis as part of the Board performance assessment process established by the Nomination and Corporate Governance Committee.

4.6 The Committee shall review this Charter annually and submit any recommended changes to the Board for approval.

### **Definitions of areas of responsibility (DCG 3.6)**

The Board has the power to make decisions on all matters which are not vested in the General Meeting or delegated to any other corporate body or person by Swiss law, the respective Articles or the internal regulations of the Company (“Internal Regulations”). The Board supervises, monitors and controls the management. The Board enacts guidelines for business policy and is regularly informed about the course of business. The Board is entitled to pass resolutions concerning all matters, which are not reserved or entrusted to the General Meeting or another organ of the corporation by law, the Articles, or Internal Regulations.

All executive functions within the Company not reserved for the Board or the Chairman as defined by Swiss law or stated in the Articles or the Internal Regulations are delegated to the CEO and the Executive Committee. The CEO chairs the Executive Committee and is responsible for its organization.

In accordance with article 716a of the CO and article 26 of the Articles, the Board has the following non-delegable and inalienable duties (excerpt from the Internal Regulations of Kuros as approved by the Board on July 18, 2024, and available on the Company’s website at <https://kurosbio.com/resources/internal-regulations/>

#### **3.5 Non-transferable and Irrevocable Duties**

Pursuant to the Swiss Code of Obligations, the Board has the following non-transferable and inalienable duties:

- a) overall management of the Company and issuing the required directives;
- b) the determination of the organization of the Company;
- c) the administration of accounting, financial control and financial planning;
- d) the appointment and dismissal the persons entrusted with the management and the representation of the Company and granting of signatures;
- e) the overall supervision of the persons entrusted with the management of the Company, in particular with regard to compliance with the law Articles of Association, operational regulations and directives;
- f) the preparation of the annual report and the General Meeting and implementing the resolutions adopted by the General Meeting;
- g) the preparation of the compensation report and to request approval by the General Meeting regarding compensation of the Board and the Executive Committee; and
- h) the filing of a request for a debt restructuring moratorium and the notification of the court if the Company is overindebted.

#### **3.6 Additional Duties and Competences**

The following business transactions (as also specified in Annex 6.1) need the prior approval of the Board:

- a) Any mergers, acquisitions, partnerships, alliances, licensing transaction with a size and/or Project NPV above CHF 2 million;
- b) adopt a yearly operating budget and investment budget and any material change to any such budget as amended from time to time (material being a decision leading to a projected increase or decrease of 10% or more on total costs or total revenues) and engage in a transaction which would result in such a material deviation from the budget;
- c) hire or dismiss the members of the Executive Committee;
- d) establish principles of employee benefits, employee pension fund, employee insurance;
- e) initiate or pursue legal actions, litigation or other official proceedings of material significance in terms of financial exposure or risk (whereby management may take protective and interim measures regardless of the significance);
- f) approve any borrowing guarantee or any other form of security provided by the Company for any third party, grant any surety or any indemnity to a third party, in each case exceeding CHF 250,000;

- g) approve the establishment or closure of branches, subsidiaries, agencies, administrative or representation offices, both in Switzerland and abroad;
- h) review and approve any arrangement for any joint venture or partnership by the Company or for any acquisition by the Company of any equity interest in another company or undertaking or the acquisition of any business or part thereof from another undertaking exceeding CHF 500,000;
- i) acquire, encumber and sell real estate and approve any lease for real property with yearly costs for the Company of more than CHF 200,000 or nine years of duration;
- j) approve the creation of any mortgage, charge, lien, encumbrance or other third party right over any of the Company's IP assets;
- k) approve and/or ratify all obligations and agreements entered into outside the ordinary course of business;
- l) determine the compensation of the members of the Board within the framework set by the General Meeting;
- m) adopt and amend a stock option plan; and
- n) approve any transactions with a member of the Board, the Executive Committee or a shareholder or a person related thereto.

### **Information and control instruments versus the Executive Committee (DCG 3.7)**

The members of the Board regularly receive comprehensive management reports designed to provide them with an update about business activities in general and developments in clinical trials, regulatory development, finance, and any other matters of importance. These reports are discussed during Board meetings together with the members of the Executive Committee. In addition, strategic discussions are held. A condensed financial statement, drafted on the same financial principles (IFRS) as the annual report, was distributed in 2024 to the members of the Board for the periods of the first six months

### **Insider Trading Policy**

The Company has an Insider Trading Policy to prevent insider trading. Kuros is committed to, and expect its employees, officers, and directors ("Associates") to comply with the provisions to prevent inappropriate insider trading. Specifically, any insider who has knowledge of price-sensitive information is prohibited from trading securities to which such information pertains. Associates shall not disclose such information to third parties or encourage any other person to trade in such securities. The Company applies a quiet period around the release of its financial information, which generally start two weeks prior to the release of Kuros' regular trading updates and at least one month prior to the half-year and yearly financial reporting and lasts until thereafter. A violation of this policy may result in disciplinary action, including termination of employment without notice. In addition, a violation may result in criminal prosecution of the insider based on article 142 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA), which prohibits trading or passing on insider information. All Associates are responsible and accountable for complying with the provisions of this Policy as well as with all applicable laws and regulations. The Insider Trading Policy is available on the Company's website at <https://kurosbio.com/resources/insider-trading-policy/>

### **Code of Conduct**

The Company has a Code of Conduct. Kuros is committed to and expects all its Associates to observe the highest standards of ethical business conduct and to comply with the letter and spirit of all laws and regulations applicable in the countries or regions where the Company engages in business. All Associates are responsible and accountable for complying with the provisions of this Code as well as with all applicable laws and regulations. The Code of Conduct is available on the Company's website at <https://kurosbio.com/resources/code-of-conduct/>

The Company has currently no internal audit function.

In 2024, none of the members of the Board, except for Chris Fair (CEO) and Joost de Bruijn (Executive Director and President of Innovation & Strategy) participated in any meeting of the Executive Committee.

In 2024, the CFO was present at all meetings of the Audit & Risk Committee. If deemed appropriate by any member of the Audit & Risk Committee, parts of the committee meetings take place without the presence of members of the Executive Committee.

## Executive Committee (DCG 4)

### Members of the Executive Committee (DCG 4.1)

| Name                              | Year of birth | Nationality     | Position                                                  |
|-----------------------------------|---------------|-----------------|-----------------------------------------------------------|
| Joost de Bruijn, PhD <sup>1</sup> | 1966          | The Netherlands | Executive Director and President of Innovation & Strategy |
| Chris Fair <sup>2</sup>           | 1970          | USA             | Chief Executive Officer                                   |
| Daniel Geiger <sup>3</sup>        | 1971          | Switzerland     | Chief Financial Officer                                   |
| Sjoerd Musters <sup>4</sup>       | 1980          | The Netherlands | Chief Operating Officer                                   |

<sup>1</sup> former CEO, appointed as Executive Director and President of Innovation & Strategy effective October, 2023

<sup>2</sup> former COO, appointed as CEO effective October, 2023

<sup>3</sup> appointed as CFO effective May, 2023

<sup>4</sup> appointed as COO effective October, 2023

#### Joost de Bruijn

Refer to Board of Directors section (DCG 3).

#### Chris Fair

Refer to Board of Directors section (DCG 3).

#### Daniel Geiger

Daniel Geiger joined Kuros as CFO-ad interim in February 2023 and was appointed as CFO as of May 2023. Daniel is an operational, executive and strategic leader with more than 20 years of international industry experience in life sciences, IT and metals and mining.

Prior to his appointment to Kuros, his career spanned from Senior Audit Manager at EY, where he worked in the international listed and pre-listed sector for clients such as Syngenta, Santhera and Basilea, to CFO EMEA and VP Finance at Kofax, a NASDAQ-listed global software developer based in California, to VP Accounting, Controlling and Investor Relations at Swiss Steel Group, a Swiss-listed multinational company with business units around the world, and finally to Chief Accounting Officer at Autolus Therapeutics plc, a NASDAQ-listed CART company based in London.

During Daniel's career, he advised companies seeking public listings, was responsible for an IPO on NASDAQ and four capital markets transactions (equity and debt) in Switzerland and Luxembourg. Furthermore, he led and oversaw several international M&A transactions including post-merger integrations and a leveraged MBO spin-off. He was responsible for a CFO transition, in charge of finance transformations of processes, systems and data modelling in several companies and built and established a shared service centre for finance in EMEA. On the technical side, Daniel was a member of the Swiss EY IFRS desk, was responsible for several GAAP conversions and has been advising audit committees on all aspects for over 10 years.

Daniel is a Swiss citizen and has spent a large part of his career in the UK and the US. He holds a bachelor's degree in business economics majoring in accounting & controlling and information technology from Fachhochschule Nordwestschweiz (FHNW), an international Executive MBA (EMBA) from the University of Zurich, a certification as Investor Relations Officer (CIRO) from Frankfurt School of Finance & Management, as well as a Swiss Certified Public Accountant (CPA) degree.

## **Sjoerd Musters**

Sjoerd Musters is a strategic leader with more than 20 years of international industry experience in biotechnology, life sciences, consumer goods and logistics services. Sjoerd assumed the role of Chief Operating Officer and General Manager BV at Kuros in October 2023, following his initial position as Vice President of Operations starting in October 2022.

In his previous position as Director Head of Supply Chain in the biotechnology sector, Sjoerd managed global supply chain operations for more than 75 markets and spearheaded multiple successful product launches. He strengthened operations, supply chain and lifecycle management processes and led multiple global cross-functional initiatives. His rich professional journey includes leadership roles at UPS, Philips, Philip Morris, and Amgen.

Sjoerd holds a Master's Degree (MSc) in Business Administration from the University Maastricht. He is certified as a Black Belt with a strong Lean Six Sigma background. It is his passion to build close positive collaboration cross functionally, grow people and drive innovation to bring the business to a next level. Sjoerd is a Dutch citizen.

### **Other activities and vested interests (DCG 4.2 and DCG 4.3)**

Other than described above and in the Compensation Report, none of the members of the Executive Committee have any position in governing or supervisory bodies of any major organization, institution, or foundation under private or public law, permanent management or consultancy function for major interest groups, official function, or political mandate.

Each member of the Executive Committee may cumulatively assume not more than the following number of mandates in the board of directors, the superior management, or an administrative body of a legal entity, which is obliged to be registered in the Swiss commercial register or an equivalent foreign register: a) 2 mandates for publicly traded companies pursuant to art. 727 para. 1 number 1 CO; b) 3 mandates for companies pursuant to art. 727 para. 1 number 2 CO; and c) 5 mandates for companies which do not fulfill the criteria under a) and b). Mandates held in several legal entities each operating under the same management or same beneficial owner (group) are deemed to be a single mandate. If a legal entity fulfills several of the above-mentioned criteria, it can be freely counted towards any category. Mandates in legal entities which are controlled by the Company, or which control the Company and honorary mandates in charitable legal entities are excepted from these restrictions. See Article 41 of the Articles of Association.

### **Management contracts (DCG 4.4)**

There are no management contracts.

### **Gender guidelines (DCG 4.5)**

As of December 31, 2024, the reporting thresholds under Art. 734f CO are not met, therefore Kuros is not required to report on the participation of each gender in the Board.

## **Compensation, Shareholdings and Loans (DCG 5)**

### **Content and method of determining compensation and the shareholding programs (DCG 5.1)**

The compensation of the Board and the Executive Committee is defined and reviewed by the Board and based on the recommendation of the Compensation and Nomination Committee with the involvement of external consultants on benchmarking as deemed appropriate. As prescribed by law, the approval of the compensation is subject to Shareholders' approval at the General Meeting.

For more details on the compensation policy and the compensation elements for the Board and Executive Committee, see the 2024 Compensation Report, which is an integral part of the 2024 Annual Report, and the Articles.

No severance payments were paid to members of the Board or the Executive Committee.

#### **Principles of the compensation of the members of the Board and Executive Committee (DCG 5.2.1)**

The compensation payable to the members of the Board is subject to and within the bounds of the approval of the total compensation by the General Meeting. It comprises a fixed basic remuneration, fixed committee fee for work in a committee of the Board and a lump sum compensation for expenses. The compensation is payable in cash and equity-linked instruments. The Board or, to the extent delegated to it, the Compensation and Nomination Committee determines grant, exercise, vesting and forfeiture conditions of any equity-linked grants. Members of the Board receive no performance-related pay. Subject to the approval by the General Meeting, a member of the Board may receive additional remuneration in cash at customary conditions for advisory services rendered outside his/her capacity as member of the Board. The General Meeting may approve an additional bonus in exceptional cases. See articles 35, 39 and 44 of the Articles.

The compensation payable to the members of the Executive Committee is subject to the approval of the total compensation by the General Meeting. It comprises a fixed basic remuneration payable in cash; a performance-related remuneration in cash (variable); and a number of options or shares under the Company's Option and Restricted Shares Unit Plan. The Board or, to the extent delegated to it, the Compensation and Nomination Committee determines grant, exercise, vesting and forfeiture conditions of the options. The performance-related remuneration depends on the Company's business success and the individual performance-based on the achievement of predetermined targets during a business year. Annually at the beginning of each business year, the Board determines the targets and their weighting upon proposal by the Compensation Committee. The amount of the performance-related remuneration is determined by the Board and may not exceed 100% of the respective individual fixed remuneration for the same year. Within the approved total compensation, the Company may make additional payments into the pension funds for the benefit of members of the Executive Committee. In this context, the Company may conclude life insurance policies on behalf of members of the Executive Committee and pay the insurance premiums, either fully or in part. Expenses not covered by the lump sum compensation pursuant to the Company's expense regulations are reimbursed upon presentation of the supporting receipts. This additional remuneration is not subject to a separate vote by the General Meeting. See Articles 36, 39 and 44 of the Articles for details.

#### **Loans, credit facilities and post-employment benefits for members of the Board and Executive Committee (DCG 5.2.2)**

The members of the Board or the Executive Committee may not be granted loans, credits, or securities. Exceptions from this rule are advances for attorney's fees, court and other similar costs required to defend third party liabilities and for tax liabilities, if any, arising in connection with the issuance of shares as resolved by the Shareholder's Meeting on January 6, 2016. The Company remunerates members of the Board only in respect of the employer's contributions to social insurance. Members of the Executive Committee participate in the Company's pension plans (the Company's pension fund and the management pension plan). The pension plans conform to the legal requirements (BVG). Upon retirement, the Company may also grant a bridging pension to cover the period between early retirement at 62 and the ordinary age of retirement. See Articles 42 and 43 of the Articles for details.

#### **Rules on the vote on pay at the General Meeting (DCG 5.2.3.)**

The compensation payable to the members of the Board and Executive Committee is subject to the approval by the General Meeting. In separate votes, Shareholders decide upon the proposed total non-performance-related compensation and options for the members of the Board for the period up to the next General Meeting. In addition, Shareholders vote on the proposed total non-performance-related compensation for the members of the Executive Committee for the period up to the next General Meeting as well as the proposed total variable compensation and options for the calendar year.

## Shareholders' Participation (DCG 6)

### Voting rights restrictions and representation (DCG 6.1)

All shares have the same voting rights and voting rights may be exercised only after the Board has approved a Shareholder to be recorded in the Company's share register (Aktienregister) as a Shareholder with voting rights. Without such registration, the transferee may not vote at or participate in the General Meetings but will still be entitled to dividends and other rights with a financial value.

At the General Meeting, Shareholders can be represented only by way of written proxy.

### Instructions to the independent proxy and electronic participation in the General Meeting (DCG 6.1.6)

The Independent Proxy may represent each shareholder. The Board determines the requirements regarding proxies and instructions. See Article 17 of the Articles.

The Articles grant the possibility for electronic participation at the General Meeting, however currently the Board does not intend to make use of options such as a hybrid or virtual General Meeting. See Article 14 of the Articles.

### Quorums required by the Articles (DCG 6.2)

There are no provisions in the Articles requiring qualified majorities that differ from the mandatory provisions of Swiss corporate law.

### Convocation of General Meeting (DCG 6.3)

There are no provisions in the Articles regarding the convocation of the General Meeting that deviate from the rules of the CO.

### Inclusion of items on the Agenda (DCG 6.4)

According to the Articles, Shareholders representing at least 0.5% of the share capital may request that an item be included on the agenda of the General Meeting. Such inclusion must be requested in writing at least 45 days prior to the meeting and must specify the agenda items and proposals of the respective Shareholder(s).

### Entries in the share register (DCG 6.5)

Shareholders entered into the share register as shareholders on a specific qualifying day designated by the Board (record date), which is usually less than five business days before the shareholders' meeting, are entitled to attend such meeting and to exercise their votes.

## Changes of control and defense measures (DCG 7)

### Duty to make an offer (DCG 7.1)

The Company has neither an opting-out nor an opting-up provision in its Articles. Therefore, the mandatory bid obligation of the Stock Exchange Act applies.

### Clauses on changes of control (DCG 7.2)

The following members of the Executive Committee are granted a prolonged termination notice period from six to twelve months in the case of a change of control: Chris Fair, Daniel Geiger, Joost de Bruijn.

In case of a change of control, the following members of the Executive Committee shall be granted severance payments in the amount of either (i) 50% of their base salary or (ii) standard severance offers made to similar-level Executives by the newly controlling entity: Joost de Bruijn.

The following members of the Executive Committee are granted an accelerated vesting in case of a change of control: Chris Fair, Daniel Geiger, Joost de Bruijn, Sjoerd Musters.

## Transparency on non-financial reporting (DCG 7a)

As of December 31, 2024, the reporting thresholds under Art. 964a seqq. CO are not met, therefore Kuros is not obliged to and does not issue a non-financial report.

## Auditors (DCG 8)

### Duration of the mandate and term of office of the auditor in charge (DCG 8.1)

PricewaterhouseCoopers AG ("PwC") was appointed as Group and statutory auditors and as independent auditors ("Auditors") at the 2023 General Meeting, having been the Auditors of the Company since 2002 (named Cytos Biotechnology at that time). The appointment is made on an annual basis. Thomas Ebinger is the auditor in charge of the mandate in the 2024 financial year.

### Auditing fees (DCG 8.2)

In 2024, PwC invoiced a total TCHF 397 for auditing the full-year statutory (including existence of the internal control-system) and consolidated financial statements, interim condensed consolidated reports of 2024, compensation report and other agreed audit procedures.

### Additional fees (DCG 8.3)

In 2024, PwC earned no additional fees.

## Information policy (DCG 9)

Kuros mainly communicates with its shareholders through its website (<https://kurosbio.com/media-investors/>), as well as through individual press releases and reports in accordance with Swiss law and SIX reporting guidelines for listed companies, email, newsletter, regular mail and the Swiss Official Gazette of Commerce. On its website, Kuros provides an up to date investor calendar providing information as to when the regular Q1 and Q3 trading update as well as the half year and annual financial reports will be disclosed in a given financial year. All regular and ad hoc press releases are published also on Kuros' website (<https://kurosbio.com/media-investors/>). Further, for each financial report, Kuros provides regular investor updates through webcasts, which are also published on the website together with the associated slide decks ([https://kurosbio.com/resources/?resource\\_type=reports-presentations](https://kurosbio.com/resources/?resource_type=reports-presentations)). Kuros also publishes all information on its governance (Internal Regulations, Code of Conduct,


Articles of Association, Committee Charters and Insider Trading Policy under [https://kurosbio.com/resources/?resource\\_type=corporate-governance](https://kurosbio.com/resources/?resource_type=corporate-governance)) and minutes of the Annual General Meetings through its website ([https://kurosbio.com/resources/?resource\\_type=shareholder-meetings](https://kurosbio.com/resources/?resource_type=shareholder-meetings)). All information is provided in English and, in the case of the minutes of the Annual General Meeting of shareholders, in German.

## **Quiet periods (DCG 10)**

Reference is made to Kuros' Insider Trading Policy as further outlined above in information and control instruments versus the Executive Committee (DCG 3.7). Quiet periods generally start two weeks prior to the release of Kuros' regular trading updates and at least one month prior to the half-year and yearly financial reporting and last until thereafter.



# Compensation Report 2024



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This Compensation Report provides the information required by Art. 734–734f of the Swiss Code of Obligations. It also includes the information required by section 5 of the Annex to the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange and the Swiss Code of Best Practice for Corporate Governance.

## Introductory note from the Compensation and Nomination Committee ("CNC")

We are pleased to present our 2024 Compensation Report for this milestone year in Kuros Biosciences' history. Over the past twelve months, our organization achieved a major breakthrough by exceeding the cash flow breakeven point for the first time. At the same time, our share price increased significantly, reflecting the market's confidence in our strategic direction and long-term growth potential. These accomplishments underscore the hard work and dedication of our global team. As we continue to evolve, our philosophy on compensation remains focused on aligning rewards with sustainable performance, fostering a culture of accountability and excellence, and ensuring our practices support both our people and our shareholders. We look forward to building on this momentum in the coming year and delivering continued value to all our stakeholders.

### CNC Activities

The CNC performed its regular activities throughout the business year, such as proposing compensation for members of the Board of Directors ("the Board") and the Executive Committee, as well as the preparation of the binding say-on-pay votes at the Annual General Meeting (AGM). In addition, the CNC, amongst others, has particularly focused on the following topics:

- Succession planning and retention of our talents in a growth context
- Objectives setting and performance evaluation for the Executive Committee
- Compensation governance processes and disclosure thereof

### Shareholder's feedback

At our 2024 Annual General Meeting (AGM), the shareholders expressed their support of the 2023 Compensation Report with the required legal majority. The Board took the outcome seriously and considered the feedback received. The table below summarizes the main concerns raised by shareholders and the actions we have taken to address them. In addition, the CNC has initiated a review of the disclosure approach with the objective of improving transparency, readability and clarity of this report.

| Concern raised                                                                                                                                                                                        | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The performance conditions and the target bonus of the members of the Executive Management are not disclosed which prevents shareholders from adequately assessing the pay-for-performance connection | The disclosure was enhanced by disclosing the target bonus for the members of the Executive Committee and the performance achievement against targets is described in section short-term variable remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| The peer group used for setting the base salary of the Executive Management is not disclosed                                                                                                          | For comparative purposes, we refer to external compensation studies conducted regularly by recognized providers in the countries where our Executive Committee members are based. These studies include the compensation data of companies active in our sector, including both listed and privately held competitors that are comparable with us in terms of annual revenues, number of employees, and complexity in the relevant geographical markets. Consequently, there is no predefined global peer group of companies. Rather, the benchmark companies vary from country to country based on the database of the provider |

|                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>In 2023, the Board decided to pay a one-time grant of Long-Term Incentive ("LTI") related to the role transitions of the new CEO and the former CEO without providing further explanations</p> | <p>The Board approved a one-time grant to reflect the unique circumstances of the leadership transition. The new CEO took much broader responsibilities as he stepped up from the COO role. The former CEO, while moving to a different role as Executive Director and President Innovation and Strategy, remains a key asset to the company and his expertise is crucial for driving innovation. The grant acknowledges his continued contribution while incentivizing his engagement in this new capacity. It is essential that the remuneration of our executives remains competitive to attract and retain top leadership talent. These decisions supports both leadership stability and long-term business.</p> |
| <p>The annual LTI grant is at discretion of the Board and do not have any performance conditions for vesting</p>                                                                                  | <p>The LTI plan has been designed to align interest of the Executives with those of our shareholders and foster retention. Each member of the Executive Committee is allocated a LTI target expressed as a percentage of their individual annual base salary. The LTI target is converted into a number of Stock Options and RSUs at the time of grant. The LTI plan is described in the section Long-Term Incentive (LTI).</p>                                                                                                                                                                                                                                                                                      |

At the AGM 2025, our shareholders will be asked to prospectively approve the aggregate maximum compensation amounts for the Board for the period until the next AGM. For the Executive Committee, the aggregate amount which our shareholders will be asked to approve will include the non-performance related compensation for the period 01 July 2025 to 30 June 2026, the variable remuneration for the calendar year 2025 as well as the grant of stock options or Company shares. Additionally, the shareholders will have the opportunity to express their opinion about the compensation system and the compensation awarded to the Board and to the Executive Committee in a consultative vote on this Compensation Report.

## Outlook

Considering Kuros' development and shareholder's feedback, the CNC will conduct a thorough review of the compensation programs in business year 2025, to ensure that it continues to be well aligned with the strategic direction, while continuing to drive performance, motivation, and behaviors that are aligned with the values of Kuros. The scope and the outcome of this review will be described in the 2025 Compensation Report.

## Compensation Governance

The baseline for the compensation framework is anchored in the Articles of Association and the Internal Regulations of Kuros Biosciences AG. The provisions of the Articles of Incorporation on compensation include:

- Principles of the Compensation of the Board of Directors (Art. 35).
- Principles of the Compensation of the Executive Committee (Art. 36)
- Binding votes on Compensation (Art. 19)
- Compensation for new Members of the Executive Committee (Art.37)
- Agreements with members of the Board of Directors and the Executive Committee, notice period and post-contractual non-compete for the members of the Executive Committee (Art. 39)
- Loans and Credits (Art. 42)
- Pension Funds (Art. 43)

The Articles of Association and the Internal Regulations can be found on our website (please refer to [https://kurosbio.com/resources/?resource\\_type=corporate-governance](https://kurosbio.com/resources/?resource_type=corporate-governance)).

## Compensation and Nomination Committee

According to Art. 32 of the Articles of Association, the Compensation and Nomination Committee shall comprise at least two members of the Board of Directors who are elected annually and individually by the AGM for a period of one year. At the AGM 2024, the shareholders elected Mr. Oliver Walker, Mr. Clemens van Blitterswijk and Mr. Albert Arp as members of the Compensation Committee. Further information on the Committee members can be found in the Corporate Governance report.

Pursuant to the Articles of Association and the Swiss Code of Obligations, the Board of Directors defined in 2023 the Internal Regulations of Kuros Biosciences AG and extended the duties of the Compensation Committee to assist the Board in its nomination activities. The Compensation Committee is subsequently referred to as the Compensation and Nomination Committee (CNC). Its purpose, composition and duties are described in the Compensation & Nomination Committee Charter which can be found on our website ([https://kurosbio.com/resources/?resource\\_type=corporate-governance](https://kurosbio.com/resources/?resource_type=corporate-governance)).

The main duties of the CNC are:

- Assist the Board in establishing the compensation policy and the compensation of the members of the Board and the Executive Committee
- Provide the Board with a performance assessment of the CEO and the other members of the Executive Committee
- Propose to the Board the maximum aggregate amounts of compensation of the Board and of the Executive Committee to be submitted to the shareholders' vote at the AGM
- Identify and recommend to the Board suitable Board candidates as well as candidates for Executive Committee positions
- Periodically review the policies and principles for corporate governance of the Company
- Review and approve the Compensation Report

The members of the Board shall abstain from voting when their own individual compensation is concerned. No members of the Executive Committee are present in the meetings of the CNC.

## Approval and authority levels

| Decision on                                                                                                                 | Recommended by | Reviewed by | Approval by           |
|-----------------------------------------------------------------------------------------------------------------------------|----------------|-------------|-----------------------|
| Compensation policy for the Board and the Executive Committee                                                               | CNC            |             | Board                 |
| Compensation policies for employees who are not members of the Executive Committee                                          | CEO            |             | CNC                   |
| Annual base salary, incentive compensation, and equity compensation of the CEO                                              | CNC            |             | Board                 |
| Annual base salary, incentive compensation, and equity compensation of other members of the Executive Committee             | CEO            | CNC         | Board                 |
| Overall compensation of the CEO and Executive Committee                                                                     | CNC            |             | Board                 |
| Incentive compensation plan providing for variable compensation of the members of the Executive Committee                   | CNC            |             | Board                 |
| Incentive compensation providing for variable compensation of employees (other than the members of the Executive Committee) | CEO            |             | CNC                   |
| Equity compensation plans and any changes thereto                                                                           | CNC            |             | Board                 |
| Perquisite benefit plans for the Executive Committee                                                                        | CEO            |             | CNC                   |
| Compensation Report                                                                                                         |                | CNC         | Board                 |
| Maximum aggregate compensation amount of Board and Executive Committee                                                      | CNC            | Board       | AGM                   |
| Consultative vote on the Compensation Report                                                                                | CNC            |             | AGM<br>(consultative) |

The CNC meets as often as business requires but at least twice a year. In 2024, the CNC met four times, and all its members were present.

### Role of external advisors

The CNC may decide to consult external advisors from time to time for specific compensation matters. In 2024, no external advisor was consulted.

Further governance-related information, please refer to the Corporate Governance Report.

### Process of determination of Compensation/Benchmarking

The CNC periodically reviews the compensation policy, system and levels of the members of the Board and of the Executive Committee. The actual compensation of the Board is reviewed on a regular basis for appropriateness with the workload and required competencies. The actual compensation of the Executive Committee is reviewed annually considering relevant market value for their role and their respective individual profile in terms of skills, experience and seniority. If appropriate, the CNC recommends changes to the Board.

To assist decision-making on the compensation of the Board and the Executive Committee, benchmarking studies are carried out periodically. In light of the Company growth, the Board decided to conduct the next benchmark analysis for the Board's compensation and for the Executive Committee compensation in 2025. The benchmark analysis will be conducted during the first quarter of the year and will serve as a basis to guide the compensation review process.

### Executive Committee Compensation Benchmarking

For comparative purposes, Kuros refers to external compensation studies conducted regularly by recognized providers in the countries where the respective Executive Committee members are based. These studies include the compensation data of companies active in life science and medical technology sectors, including both listed and privately held companies that are comparable with Kuros in terms of annual revenues, number of employees, and complexity in the relevant geographical markets. Consequently, there is no predefined global peer group of companies. Rather, the benchmark companies vary from country to country based on the database of the provider. The last benchmark analysis was conducted in 2022 by Willis Towers Watson.

## Compensation System for the Board of Directors

The compensation policy for the Board is designed to attract and retain experienced and skilled individuals for the Board. The compensation should ensure the Board's independence in its supervisory capacity of the Executive Committee and the Company and be in an appropriate relation to the market.

The compensation payable to the members of the Board is subject to and within the bounds of approved total compensation by the General Meeting. It comprises of a non-performance related cash compensation (fixed basic fee, fixed fee for work in a committee, and meeting attendance fees) and Restricted Share Units ("RSUs") under the Restricted Share Unit Plan. The Board or, to the extent delegated to it, the CNC determines grant, exercise, vesting and forfeiture conditions of the RSUs. The Company remunerates members of the Board only in respect of the employer's contributions to social insurance.

The executive Board members are paid for their respective executive function and do not receive any additional fees for their Board membership.

As from the term of office 2024 – 2025, the compensation of the Board of Directors is structured as follows:

| In TCHF      | Basic fee | Committee fee | Attendance fee, per meeting                  | RSU allocation              |
|--------------|-----------|---------------|----------------------------------------------|-----------------------------|
| Chairperson  | 48        | 16            | In person meeting: 2.5<br>Virtual meeting: 1 | Based on CNC recommendation |
| Board Member | 30        | 16            | In person meeting: 2.5<br>Virtual meeting: 1 | Based on CNC recommendation |

The cash compensation is paid twice a year, in February and July, for their service in the prior six months. Reasonable expenses incurred to attend meetings of the Board and its committees are reimbursed against receipt.

The RSUs are granted at the beginning of the term of office, after election by the AGM. The RSUs granted to the members of the Board in 2024 are vesting after the first term of office and the resulting shares are subject to a two-year blocking period (2023: three-year vesting period). The blocking period is waived in the case a Board member ceases to be a Board member. In case of a change of control, all RSUs vest immediately.

The pay structure and levels of compensation were set up in 2016 and were reviewed for the first time in 2023. At the AGM 2024, the shareholders approved an increase to the basic fee from TCHF 25 to TCHF 30 for members of the Board and from TCHF 40 to TCHF 48 for the Chairman of the Board. No further increase to the basic fees is planned for the term of office 2025 - 2026. The next benchmark analysis will be conducted in 2025.

## Compensation System for the Executive Committee

### Basic principles of Executive Committee compensation

Kuros' compensation policy reflects its commitment to attract, motivate, and retain the best talent to support the achievement of the Company's strategic goals. It is designed to ensure that the total compensation package is fair and competitive. By combining short- and long-term incentive elements, the Board believes that the compensation policy is designed in a way that the interests of the top management are aligned with the interests of the Company and its shareholders. The compensation elements focus on rewarding outstanding and sustainable results without inappropriate risk-taking. Kuros' compensation system does not set any unintended enticements or contain any components that could be counterproductive to the objectives of the compensation system.

The CNC reviews regularly and monitors Kuros' compensation policy in light of its business strategy, corporate goals and values, to ensure the alignment of employee interests with those of the Company and the shareholders.

### Annual Base Salary

The annual base salary for the members of the Executive Committee is paid in cash, in accordance with the Company's regular payroll schedule in the country of employment.

### Short term variable remuneration

The short-term incentive ("STI") is a performance-related bonus delivered in cash, designed to support our growth trajectory. Each Executive Committee member is allocated a target STI expressed as a percentage of the base salary, corresponding to the amount to be paid if all performance objectives are met.

The table below sets out the STI target payout opportunity expressed as a percentage of the annual base salary:

|                                                                          | CEO | Other Executive Committee Members |
|--------------------------------------------------------------------------|-----|-----------------------------------|
| STI Target as % of the annual base salary                                | 45% | 30% - 45%                         |
| Maximum STI Payout opportunity as a percentage of the annual base salary | 45% | 30% - 45%                         |

At the beginning of the business year, the Board determines the corporate goals, their target and weighting. The corporate goals applicable to the business year 2024 are presented below:

| Corporate Goals    | Commercial                                   | Corporate                     | Operations                                                       | Finance                                          | People                                                                    |
|--------------------|----------------------------------------------|-------------------------------|------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|
| Performance metric | Global Revenue                               | Adjusted EBITDA               | Incremental production site                                      | Secure financing                                 | Talent Management & Development                                           |
| Weighting          | 30%                                          | 25%                           | 15%                                                              | 20%                                              | 10%                                                                       |
| Purpose            | Reward for growing the business              | Measure profitability         | Secure future production plan                                    | Secure cash runway                               | Develop and retain talents                                                |
| Measurement        | Expanded market opportunity and grow revenue | Achieve profitability in 2024 | Double manufacturing capacity while maximizing return on capital | Development of a non-dilutive financing strategy | Launch of global talent management and development programs for employees |

Our target-setting approach is anchored in both absolute values and performance relative to the previous year, ensuring a comprehensive evaluation of progress. These targets are derived from the company's strategic business plan and are closely aligned with an ambitious budget, reflecting our commitment to driving growth and achieving sustainable success. We therefore measure financial key performance indicators (KPI) such as Revenue and EBITDA, as well as non-financial KPIs to track and reward tangible improvements over time. At year-end, the Board uses its judgment to determine the appropriate bonus amounts, ensuring that payouts truly reflect desired behaviors and sustained growth, while maintaining a strong focus on long-term success.

### Long-term incentive plan ("LTI")

The long-term incentive plan ("LTI") is a share-based compensation program designed to incentivize long-term value creation, foster retention and align the interest of the Executive Committee with those of the shareholders. LTI awards are granted in the form of Stock Options and Restricted Share Units ("RSU"). The Board or, to the extent delegated to it, the CNC determines grant, exercise, and forfeiture conditions of the options and the RSU.

Each Executive Committee member is allocated a target LTI expressed as a percentage of the annual base salary. The LTI target is reviewed annually and amounts to 100% of the annual base salary for the CEO and ranges from 30% to 100% for the other Executive Committee members.

The LTI award is granted annually, after the AGM. At grant, 50% of the LTI target is converted in Stock Options and the other 50% is converted in RSUs at Fair Market Value. For the Stock-Options, the strike price is equivalent to the average share price of the last three trading days of April. The Stock Options are subject to a four-year vesting period with 25% of the grant vesting after one year and 6.25% vesting each quarter thereafter, and have a lifetime of five years. The RSUs are subject to a three-year vesting period. Each RSU automatically converts into one ordinary Company share at the end of the vesting period.

The unvested LTI awards forfeit upon termination of service, except in case of disability, illness, retirement or death. In such circumstances, the unvested awards that would have become vested over the twelve months following the participant's termination of service shall vest immediately and stock-options become exercisable on the last day of employment.

### Pension and benefits

Members of the Executive Committee are subject to the standard terms and conditions for Kuros employees. They participate in the Company's pension plans of the country where they are employed. The pension plans conform to the legal requirements. Further, the Company may conclude life insurance policies on behalf of members of the Executive Committee and may pay a lump-sum allowance to cover business travel expenses in lieu of reimbursement of actual expenses against receipt.

### **Employment contracts**

The contracts of employment of the Executive Committee members are concluded for an indefinite period and conform with the legislation where the respective Executive Committee member is employed. Contracts of employment may be terminated with six months' notice and may include post-employment non-compete clause for maximum 24 months following the termination of the employment contract.

### **Corporate Transaction / Change of control**

Outstanding unvested RSUs will fully vest in the event of any Corporate Transaction and may be repurchased by the Company or a third party designated by the Company for a cash consideration equivalent to the economic value at the sole discretion of the Company.

Outstanding unvested stock options will be automatically vested and exercisable on the effective date of a Change of Control. In anticipation of a Change of Control, the Company may cause any and all stock options outstanding under the applicable stock option plan to terminate at a specific time and shall give the Executive Committee member the right to exercise such stock awards during a period of time determined at the sole discretion of the Board.

During a change of control period, the employment agreement of Executive Committee members may be terminated by either party with a notice period of twelve months.

# 2024 Board of Directors and Executive Committee Compensation

## Compensation awarded to the Board of Directors in 2024 (audited)

In 2024, the non-executive members of the Board received a total compensation of TCHF 409.9 (2023: TCHF 274.0) in the form of a retainer in cash of TCHF 108.1 (2023: TCHF 98.7), committee fees in cash of TCHF 78.3 (2023: TCHF 63.6), attendance fee in cash of TCHF 47.5 (2023: TCHF 68.5), social security contributions of TCHF 20.0 (2023: TCHF 9.7), and RSUs of TCHF 156.0 (2023: TCHF 33.5).

### Board of Directors Compensation

| in TCHF                                | Year | Fixed cash |               |                | Value of equity <sup>5</sup> | Social security | Total | Equity granted |
|----------------------------------------|------|------------|---------------|----------------|------------------------------|-----------------|-------|----------------|
|                                        |      | Basic Fee  | Committee fee | Attendance fee | RSU allocation               |                 |       | Number of RSUs |
| Clemens van Bitterswijk                | 2024 | 48.0       | 16.0          | 15.5           | 65.0                         | 9.0             | 153.5 | 10,000         |
| Chairman                               | 2023 | 40.0       | 16.0          | 18.0           | 14.9                         | 3.7             | 92.6  | 10,667         |
| Leanna Caron <sup>1</sup>              | 2024 | –          | –             | –              | –                            | –               | –     | –              |
| Vice Chair                             | 2023 | 8.7        | 5.6           | 5.5            | –                            | 1.5             | 21.3  | –              |
| Oliver Walker                          | 2024 | 30.0       | 32.0          | 15.5           | 45.5                         | 6.8             | 129.8 | 7,000          |
| Member, CNC Chair                      | 2023 | 25.0       | 16.0          | 19.0           | 9.3                          | 4.5             | 73.8  | 6,667          |
| Albert Arp                             | 2024 | 21.3       | 22.7          | 12.0           | 45.5                         | 4.2             | 105.7 | 7,000          |
| Member                                 | 2023 | –          | –             | –              | –                            | –               | –     | –              |
| Prof. Dr. Joost de Bruijn <sup>2</sup> | 2024 | –          | –             | –              | –                            | –               | –     | –              |
| Member                                 | 2023 | –          | –             | –              | –                            | –               | –     | –              |
| Chris Fair <sup>3</sup>                | 2024 | –          | –             | –              | –                            | –               | –     | –              |
| Member                                 | 2023 | –          | –             | –              | –                            | –               | –     | –              |
| Scott Bruder <sup>4</sup>              | 2024 | 8.8        | 7.6           | 4.5            | –                            | –               | 20.9  | –              |
| Member                                 | 2023 | 25.0       | 26.0          | 26.0           | 9.3                          | –               | 86.3  | 6,667          |
| Total                                  | 2024 | 108.1      | 78.3          | 47.5           | 156.0                        | 20.0            | 409.9 | 24,000         |
|                                        | 2023 | 98.7       | 63.6          | 68.5           | 33.5                         | 9.7             | 274.0 | 24,001         |

<sup>1</sup> Term as member of the Board ended on May 8, 2023

<sup>2</sup> The compensation paid to Prof. Dr. de Bruijn for 2024 and 2023 respectively is disclosed with the Executive Committee compensation

<sup>3</sup> The compensation paid to Mr. Fair is disclosed with the Executive Committee compensation

<sup>4</sup> Term as member of the Board ended on April 17, 2024. In 2023, the Group entered into consultancy agreements with Bruder Consulting & Venture Group, a company which Dr. Scott Bruder, a Board Member of the Group, is the ultimate owner. In 2023, consultancy fee of TCHF 79 was payable by the Group under the consultancy agreements and was determined with reference to amounts charged by Bruder Consulting & Venture Group to third parties. The consultancy fees paid to Dr. Bruder until the end of his term of office in 2024 amounted to TCHF 24

<sup>5</sup> The value of the equity allocated reflects the number of RSUs granted on April 30, 2024 for the term of office 2024 – 2025 and on July 3, 2023 for the term of office 2023 – 2024 respectively, at Fair Market Value (FMV). For the grant of July 3, 2023, the FMV is CHF 1.40 and for the grant of April 30, 2024 the FMV is CHF 6.50.

### Comments to the compensation table:

- For sake of clarity, the presentation of the table has been simplified and the compensation awarded to the Executive Directors in 2024 and 2023 (CEO, President of Innovation and Strategy) is now included in the table disclosing the compensation awarded to the Executive Committee.
- The fixed cash remuneration paid and the number or RSUs granted in 2024 reflects the amounts approved by the Annual General meeting 2024

The compensation disclosed in the Compensation Report always includes the respective calendar year (January to December). However, shareholders approve the compensation to be paid for the period between Annual General Meetings. The compensation paid for the periods between Annual General Meetings is disclosed below, including a comparison with the compensation amount approved by the shareholders.

At the Annual General Meeting on 17 April 2024, shareholders approved an aggregate maximum compensation amount of (i) CHF 350,000 and (ii) 30,000 RSUs of an estimated equivalent maximum value of CHF 148,500 for the period up to the next Annual General Meeting. The effective value of the 30,000 RSUs granted on the 30 April 2024 amounted to CHF 156,000. The compensation effectively paid for the portion of this term of office included in this Compensation Report (17 April 2024 until 31 December 2024) and the compensation accrued for the remaining period until AGM 2025 is within the limit approved by the shareholders. A conclusive assessment for the entire period will be included in the Compensation Report 2025.

In accordance with Art. 42 of Articles of Association, the members of the Board of Directors may not be granted loans, credits or securities. Hence, no member of the Board of Directors was granted a loan or a credit during the reporting year and no loans were outstanding at the end of the reporting year.

### Shareholdings, options and Restricted Share Units (RSUs) of members of the Board of Directors (audited)

Detailed information on the number of shares, options and RSUs held by individual members of the Board of Directors as of December 31, 2024 and December 31, 2023 is provided below:

| Name                                              | December 31, 2024 |              |               | December 31, 2023 |               |               |
|---------------------------------------------------|-------------------|--------------|---------------|-------------------|---------------|---------------|
|                                                   | Shares            | Options      | RSUs          | Shares            | Options       | RSUs          |
| Clemens van Blitterswijk <sup>4</sup><br>Chairman | 330,432           | –            | 20,667        | 729,410           | 6,750         | 10,667        |
| Leanna Caron <sup>1</sup><br>Vice Chairman        | –                 | –            | –             | –                 | –             | –             |
| Albert Arp <sup>2,5</sup><br>Member               | 98,350            | –            | 7,000         | –                 | –             | –             |
| Oliver Walker <sup>6</sup><br>Member              | 11,375            | –            | 13,667        | –                 | 4,750         | 6,667         |
| Scott Bruder <sup>3</sup><br>Member               | –                 | 2,375        | –             | –                 | 4,750         | 6,667         |
| <b>Total Board of Directors</b>                   | <b>440,157</b>    | <b>2,375</b> | <b>41,334</b> | <b>729,410</b>    | <b>16,250</b> | <b>24,001</b> |

<sup>1</sup> term as member of the Board ended on May 8, 2023

<sup>2</sup> Elected by the AGM on April 17, 2024

<sup>3</sup> Term as member of the Board ended on April 17, 2024

<sup>4</sup> Shareholdings include 10,000 shares with a three-year blocking period until April 2027

<sup>5</sup> Shareholdings include 7,000 shares with a three-year blocking period until April 2027

<sup>6</sup> Shareholdings include 7,000 shares with a three-year blocking period until April 2027

## Compensation paid to the Executive Committee in 2024 (audited)

For 2024, the members of the Executive Committee received a total compensation of TCHF 7,240.3 (2023: TCHF 3,072.5). This amount comprises fixed salaries of TCHF 1,194.4 (2023: TCHF 1,291.7), variable annual bonus of TCHF 478.5 (2023: TCHF 417.2), long-term incentives of TCHF 5,206.9 (2023: TCHF 1,228.4) and contributions to social security and benefits of TCHF 360.5 (2023: TCHF 135.2).

The highest paid individual in 2024 and 2023 was Chris Fair, CEO.

| in TCHF                       | Year | Fixed base salary | Short-term variable bonus | Long-term incentive |         | Social security and benefits <sup>2</sup> | Total   | RSUs and options granted |                   |
|-------------------------------|------|-------------------|---------------------------|---------------------|---------|-------------------------------------------|---------|--------------------------|-------------------|
|                               |      |                   |                           | RSUs <sup>1</sup>   | Options |                                           |         | Number of RSUs           | Number of options |
| Chris Fair - CEO              | 2024 | 399.3             | 179.7                     | 2,978.1             | 207.2   | 145.6                                     | 3,909.9 | 393,140                  | 56,578            |
|                               | 2023 | 329.2             | 147.7                     | 197.5               | 619.0   | 44.3                                      | 1,337.7 | 108,671                  | 512,439           |
| Other EC Members <sup>3</sup> | 2024 | 795.1             | 298.8                     | 1,182.3             | 839.3   | 214.9                                     | 3,330.4 | 158,802                  | 229,207           |
|                               | 2023 | 962.5             | 269.5                     | 215.8               | 196.1   | 90.9                                      | 1,734.8 | 142,404                  | 268,738           |
| Total                         | 2024 | 1,194.4           | 478.5                     | 4,160.4             | 1,046.5 | 360.5                                     | 7,240.3 | 551,942                  | 285,785           |
|                               | 2023 | 1,291.7           | 417.2                     | 413.3               | 815.1   | 135.2                                     | 3,072.5 | 251,075                  | 781,177           |

<sup>1</sup> The value of the RSUs reported for 2024 includes the value of the 361,265 RSUs granted to the CEO in 2023 and approved by the shareholders at the Annual General Meeting ("AGM") on 17 April 2024, and the one-time award of 150,000 RSUs to Prof. Dr. Joost de Bruijn, of which 21,737 RSUs were granted unconditionally in 2023 and 128,263 RSUs were granted in 2024 after approval by shareholders at the 2024 AGM. These conditionally granted RSUs are included in the 2024 compensation.

<sup>2</sup> Include employer contributions to social security, pension and expenses allowance

<sup>3</sup> Including Prof. Dr. Joost de Bruijn

Explanatory comments to the compensation table:

- There was four members in the Executive Committee in 2024, all of whom served for the full year. This compares to five members in 2023, two of whom served part of the year due to the CFO transition, while another assumed the role of COO following Chris Fair's transition from COO to CEO..
- The total fixed compensation is at comparable level to the previous year and is in line with the fixed remuneration approved by the AGM in April 2024 for the current fiscal year.
- The Short-term variable bonus paid is overall 15% higher compared to previous year, reflecting the performance achieved in 2024. Further details on the performance achieved in 2024 are provided below in the section "Performance in 2024".
- The value of the LTI grants awarded in 2024 is substantially higher than the value of the grants awarded in 2023. This is mainly due to the positive development of our share price, resulting in a higher Fair Market Value at grant in 2024 as well as the one-time grants approved at AGM 2024 in the context of the change of CEO. The parameters of the RSUs and Stock-Options granted in 2024 and 2023 respectively are provided in the section "LTI granted to the members of the Executive Committee in 2024 and 2023".

## Performance in 2024 (not audited)

In 2024, the Company achieved outstanding performance. Overall, all five corporate goals were met, some even overachieved. We successfully entered new international markets and experienced exceptional revenue growth with a year-over-year increase of 125% and moved into profitability with a positive EBITDA of TCHF 2,169. Regarding operations, production upscaling is ongoing to ensure sustainable production capacity. The Group achieved positive operating cash flow in 2024 and has furthermore implemented a financial model that enables the monitoring of financing needs on a rolling 15-month basis. The current conclusion is that the Group is fully financed for the organic growth path. In case of any financial need, a mechanism has been put in place for activation if required. On the People side, the Group remains committed to investing in its employee, with the launch of a global talent management and development program underway.

Consequently, the Board approved a bonus payment on target for all Executive Committee members, including the CEO.

### LTI granted to the members of the Executive Committee in 2024 and 2023

The tables below summarize the parameters of the RSUs and Stock Options granted to the Executive Committee in 2024, under the Long-Term Incentive plan.

#### RSUs granted to the Executive Committee in 2024 and 2023

| Grant date                          | Grant 2024     |                | Grant 2023       |                |
|-------------------------------------|----------------|----------------|------------------|----------------|
|                                     | April 30, 2024 | April 17, 2024 | October 11, 2023 | July 5, 2023   |
| Share price at grant <sup>1</sup>   | CHF 6.50       | CHF 7.67       | CHF 2.18         | CHF 1.40       |
| Vesting period <sup>2</sup>         | 3 years        | 3 years        | 3 years          | 3 years        |
| Number of RSUs granted              |                |                |                  |                |
| Chris Fair                          | 31,875         | 361,265        | 57,966           | 49,630         |
| Other EC Members                    | 30,539         | 128,263        | 21,737           | 121,742        |
| <b>Total number of RSUs granted</b> | <b>62,414</b>  | <b>489,528</b> | <b>79,703</b>    | <b>171,372</b> |

<sup>1</sup> RSUs granted on April 17, 2024 and in 2023: the share price on the date of grant  
RSUs granted on April 30, 2024: share price was at Fair Market Value corresponding to the Volume Weighted Average Price (VWAP) of the shares on the last three trading days of April.

<sup>2</sup> RSUs granted on April 30, 2024 and July 5, 2023 are subject to a 3-year cliff vesting. For the one-time grants made respectively to Mr. Fair and Prof. Dr. de Bruijn, the following vesting conditions apply: Of the 361,265 RSUs granted to Mr. Fair on April 17, 2024, 247,254 RSUs are subject to performance conditions and vest over 3 years depending on target achievement and 114,011 RSUs vested upon grant. The 57,966 RSUs granted to Mr. Fair on October 11, 2023 are subject to performance conditions and vest over 3 years depending target achievement; the RSUs granted to Prof. Dr. de Bruijn (2024: 128,263 RSUs; 2023: 21,737 RSUs) vest quarterly over 3 years.

#### Stock Options granted to the Executive Committee in 2024

| Grant date                             | Grant 2024     | Grant 2023     |                  |
|----------------------------------------|----------------|----------------|------------------|
|                                        | April 30, 2024 | July 5, 2023   | October 11, 2023 |
| Exercise price <sup>1</sup>            | CHF 6.50       | CHF 1.40       | CHF 2.18         |
| Fair value (Black-Scholes)             | CHF 3.66       | CHF 0.73       | CHF 1.34         |
| Expiry date                            | April 30, 2029 | July 5, 2028   | October 11, 2028 |
| Number of options granted              |                |                |                  |
| Chris Fair                             | 56,578         | 112,439        | 400,000          |
| Other EC Members                       | 229,207        | 268,738        | –                |
| <b>Total number of options granted</b> | <b>285,785</b> | <b>381,177</b> | <b>400,000</b>   |

<sup>1</sup> The exercise price for the Stock Options granted in 2024 corresponds to the Volume Weighted Average Price (VWAP) of the shares on the last three trading days of April. (2023: the exercise price for Stock Options granted in 2023 corresponds to the closing price of the shares on the grant date)

## Shareholdings, options and Restricted Share Units (RSUs) of members of the Executive Committee (audited)

Detailed information on the number of shares, options and RSUs held by individual members of the Executive Committee as of December 31, 2024 and December 31, 2023 is provided below:

| Name                             | December 31, 2024 |                  |                | December 31, 2023 |                  |                |
|----------------------------------|-------------------|------------------|----------------|-------------------|------------------|----------------|
|                                  | Shares            | Options          | RSUs           | Shares            | Options          | RSUs           |
| Chris Fair                       | –                 | 538,685          | 403,041        | –                 | 573,774          | 143,234        |
| Joost de Bruijn                  | 445,486           | 304,410          | 271,494        | 1,160,106         | 393,526          | 152,198        |
| Daniel Geiger <sup>1</sup>       | –                 | 220,584          | 44,511         | –                 | 81,661           | 36,667         |
| Sjoerd Musters <sup>2</sup>      | –                 | 90,670           | 12,002         | –                 | 43,792           | 8,960          |
| Michael Grau <sup>3</sup>        | –                 | –                | –              | –                 | –                | –              |
| <b>Total Executive Committee</b> | <b>445,486</b>    | <b>1,154,349</b> | <b>731,048</b> | <b>1,160,106</b>  | <b>1,092,753</b> | <b>341,059</b> |

<sup>1</sup> Joined the Executive Committee in May 2023

<sup>2</sup> Joined the Executive Committee in October 2023

<sup>3</sup> Left the Executive Committee in February 2023

## Activities of the Board of Directors and the Executive Committee at other companies in 2024 and 2023 (audited)

### Activities of the Board of Directors at other companies 2024

| Name, Position                            | Other significant engagement as of December 31, 2024                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Clemens van Blitterswijk, PhD<br>Chairman | Professors at Maastricht University                                                                                                                                                                                                                                                                                                                      |
| Scott Bruder, MD<br>Member                | CEO of Bruder Consulting & Venture Group                                                                                                                                                                                                                                                                                                                 |
| Oliver Walker, MBA<br>Member              | Managing Partner of CGS Management AG<br>Chairman of the Advisory Board of EOL Packaging Experts Group<br>Chairman of the Advisory Board of Photonics Systems Group<br>Chairman of Carpio Partners AG<br>Chairman of Cireva AG<br>Board Member of Nexilis AG<br>Lead member of the Advisory Board of Shopgate GmbH<br>Partner of Sereviso/ Entech SPA AG |
| Albert Arp<br>Member                      | Significant shareholder and executive board member of Heart for Health ICT BV                                                                                                                                                                                                                                                                            |

### Activities of the Board of Directors at other companies 2023

| Name, Position                            | Other significant engagement as of December 31, 2023                                                                                                                                                                                                         |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Clemens van Blitterswijk, PhD<br>Chairman | Venture Partner at EQT Life Sciences<br>Board Member of Xeltis AG<br>Professors at Maastricht University                                                                                                                                                     |
| Scott Bruder, MD<br>Member                | CEO of Bruder Consulting & Venture Group<br>Chairman of the Board of Amendia, Inc.                                                                                                                                                                           |
| Oliver Walker, MBA<br>Member              | Managing Partner of CGS Management AG<br>Chairman of the Advisory Board of EOL Packaging Experts Group<br>Chairman of the Advisory Board of Photonics Systems Group<br>Chairman of Carpio Partners AG<br>Chairman of Cireva AG<br>Board Member of Nexilis AG |
| Joost de Bruijn, PhD<br>Member            | Member of the Scientific Advisory Board of Mechano Therapeutics LLC<br>Professor of Biomaterials at Queen Mary University of London, UK                                                                                                                      |

### Activities of the Executive Committee at other companies 2024

| Name, Position                                                                          | Other significant engagement as of December 31, 2024                                                                                                                                                  |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chris Fair CEO                                                                          | Member of the Advisory Board of Georgia Institute of Technology                                                                                                                                       |
| Joost de Bruijn, PhD<br>Executive Director and<br>President, Innovation &<br>Technology | Member of the Scientific Advisory Board of Mechano Therapeutics LLC<br>Professor of Biomaterials at Queen Mary University of London, UK<br>Member of the AO Technology Transfer Board (AO Foundation) |
| Daniel Geiger<br>CFO                                                                    | Senior Business Consultant of Hoffmann & Partner AG                                                                                                                                                   |
| Sjoerd Musters<br>COO                                                                   | None                                                                                                                                                                                                  |

### Activities of the Executive Committee at other companies 2023

| Name, Position                                                                          | Other significant engagement as of December 31, 2023                                                                                    |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Chris Fair CEO                                                                          | Member of the Advisory Board of Georgia Institute of Technology                                                                         |
| Joost de Bruijn, PhD<br>Executive Director and<br>President, Innovation &<br>Technology | Member of the Scientific Advisory Board of Mechano Therapeutics LLC<br>Professor of Biomaterials at Queen Mary University of London, UK |
| Daniel Geiger<br>CFO                                                                    | Senior Business Consultant of Hoffmann & Partner AG                                                                                     |
| Sjoerd Musters<br>COO                                                                   | None                                                                                                                                    |

### Gender guidelines

Our company is dedicated to fostering gender diversity within both our Board of Directors and our Executive Committee. As of December 31, 2024, our Board of Directors comprises three independent members, all of whom are male and our Executive Committee comprises four members, all of whom are male. The Swiss legal requirement mandated a 30% female representation on the Board and 20% female representation on the Executive Committee, which are subject to transitional period until January 1, 2026 and January 1, 2031 respectively.

#### Reasons for non-compliance

Holistic approach to diversity - as a global company, Kuros strives to build a Board and a leadership team that is diversified not only by gender but also by skills, experience, geographical reach and tenure. This approach to diversity is critical for our continued growth.

Highly competitive market - recruiting top female candidates with our industry expertise remains challenging, given the limited talent pool and strong competition in these specialized fields.

Our Leadership Team comprises 27% of female members, yet we acknowledge the current imbalance on our Board and on our Executive Committee and are actively working to address it through focused recruitment and development of internal talent. We aim to uphold our commitment to a more diverse leadership structure and will report on these efforts in our annual compensation report.

# Report of the statutory auditor to the General Meeting of Kuros Biosciences AG, Schlieren

## Opinion

We have audited the compensation report of Kuros Biosciences AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on pages 66 to 68 and 70 to 71 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 59 to 72) complies with Swiss law and the Company's articles of incorporation.

## Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

## Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Alexandra Wittwer  
Licensed audit expert

Basel, 10 March 2025





# Financial Report **2024**

# Financial Report 2024

## Financial performance and results of operations (IFRS)

### Financial overview – Revenue from product sales increased by 125%

In 2024, Kuros recognized revenues from product sales of CHF 75.6 million (2023: CHF 33.6 million) and increased its revenues by 125% and 132% on a constant currency basis. Cost of goods sold amounted to CHF 13.5 million (2023: CHF 9.6 million) of which CHF 1.6 million (2023: CHF 1.8 million) relate to the amortization of capitalized R&D; and CHF 5.1 million related to impairment of goodwill. (2023: impairment of goodwill and intangible of CHF 4.4 million and CHF 0.1 million respectively).

### Financial position and other asset

Cash and cash equivalents amounted to CHF 18.0 million. Funds available (including trade and other receivables) for financing the operations of Kuros amounted to CHF 34.2 million as of December 31, 2024. This is an increase of CHF 12.4 million from CHF 21.8 million as of December 31, 2023. The increase is mainly driven by higher operating cash flow from increased revenue and proceeds from option exercises.

As of December 31, 2024, total intangible assets amounted to CHF 15.0 million (2023: CHF 16.5 million) and goodwill amounted to CHF 19.4 million (2023: CHF 24.5 million). The impairment of goodwill of CHF 5.1 million was resulting from a delay of expected milestones from Checkmate licensing.

### Operating loss

Net operating costs from continuing operations amounted to CHF 67.0 million, compared to CHF 33.6 million in the prior year. Sales and marketing costs increased from CHF 23.3 million in 2023 to CHF 45.0 million in 2024, primarily driven by an expanded sales force and higher sales and distribution expenses, reflecting the growth in commercial activities (see note 7). Research and development costs increased from CHF 2.0 million in 2023 to CHF 7.0 million in 2024. This is primarily driven by increased R&D activities, clinical trial expenditures, and higher personnel expenses due to an increase in headcount and share-based compensation. General and administrative costs increased from CHF 8.4 million in 2023 to CHF 15.2 million in 2024. The increase was mainly driven by the scaling up of back-office functions to support business growth, including investments in systems and infrastructure. Additionally, higher personnel expenses, resulting from increased headcount and share-based compensation, contributed to the overall cost increase. Other income amounted to CHF 0.1 million (2023: CHF 0.2 million).

In prior years, the Group explored drug-based orthobiologic development, namely Fibrin-PTH. Following an interim analysis and the superior clinical outcomes observed with MagnetOs™, the Group decided in December 2023 not to advance Fibrin-PTH to Phase 3. All operations related to Fibrin-PTH have ceased by the end of 2024, resulting in the classification of Fibrin-PTH as a discontinued operation. In 2024, expenses related to discontinued operation totaled CHF 0.6 million (2023: CHF 3.6 million).

### Net finance income/ expense

Net finance income amounted to CHF 1.6 million (2023: net finance expense of CHF 0.2 million) which mainly comprised of the foreign exchange effect and the gain from the revaluation of the financial liability to XOMA due to the delay of future milestone payments.

## Alternative Key Performance Measurements (APM)

Financial measures presented in the financial information of Kuros which do not inhere a definition by the International Financial Reporting Standards (IFRS) are so called alternative key performance measures (APM). Kuros uses such financial measures to provide valuable supplementary information to investors, stakeholders, and the Group's key decision makers as they enable an assessment of relevant trends of the Group's performance. These financial measures should not be regarded as substitutes for measures defined in the IFRS framework. The APM can differ in methods for calculation and definition of other companies. Therefore, such APM are not limited to direct benchmarking of other companies. The definition and calculation method of APM's used by Kuros are as follows:

### Constant Currency (CCY)

Individual financial information of prior period comparatives is presented at historical and constant currency, in order to assess the period over period evolution of financial indicators without the currency impact. Kuros applies current period average exchange rates to prior period numbers, to present comparable figures.

### Operating profit/loss

- Definition: Profit/loss before financial items and tax
- Relevance: The operating profit/loss is used to measure the profit/loss generated by the operating activities
- The operating loss from continuing operations for the year ended December 31, 2024 amounted to TCHF 4,995 (2023: TCHF 9,621)

### EBITDA and adjusted EBITDA

EBITDA definition: The adjusted operating profit/loss disclosed in our financial highlights and our segment disclosures in note 6 of our consolidated financial statements is provided to assess the underlying financial and operational performance of the Group by segment line excluding the influence of items not directly attributable to operational performance. EBITDA represents the operating profit/loss excluding:

- Amortization charge on intangible assets and depreciation charge on plant and equipment and right-of-use assets
- Impairment loss on intangible assets, plant and equipment and right-of-use assets (if any)
- Impairment loss on goodwill (if any)

Adjusted EBITDA definition: Adjusted EBITDA is used to evaluate the core financial and operational performance run rate of the Group by removing one-time, non-cash and non-recurring expenses. Adjusted EBITDA represents the EBITDA excluding:

- Research and development costs incurred to complete phase 2a of Fibrin-PTH (KUR-113) (discontinued operation)
- Recurring and one-time, non-recurring share-based compensation expenses related to the transition of responsibilities within the Executive Committee that occurred in October 2023
- Social securities contributions related to share-based compensation

The EBITDA is computed as follows:

| In TCHF, year ended December 31                           | 2024           | 2023            |
|-----------------------------------------------------------|----------------|-----------------|
| Operating loss from continuing operations                 | (4,995)        | (9,621)         |
| Loss from discontinued operation, net of tax              | (574)          | (3,571)         |
| <b>Total operating loss</b>                               | <b>(5,569)</b> | <b>(13,192)</b> |
| Amortization and depreciation expenses                    | 2,636          | 2,752           |
| Impairment expenses                                       | 5,102          | 4,535           |
| <b>EBITDA</b>                                             | <b>2,169</b>   | <b>(5,905)</b>  |
| Research and development costs - Fibrin-PTH phase 2a      | 574            | 3,571           |
| Recurring share-based compensation                        | 1,914          | 835             |
| One-time share-based compensation                         | 3,213          | 82              |
| Social security contributions of share-based compensation | 1,115          | 16              |
| <b>Adjusted EBITDA</b>                                    | <b>8,986</b>   | <b>(1,401)</b>  |

Cash generation/burn per month

- Definition: net cash outflow from operating activities
- Relevance: The cash burn is used to measure the net cash outflow from operating activities for the defined reporting period

The cash burn derives as follows:

| In TCHF, year ended December 31                    | 2024       | 2023         |
|----------------------------------------------------|------------|--------------|
| Net cash from/ (used in) operating activities      | 3,140      | (8,844)      |
| Reporting period (in months)                       | 12         | 12           |
| <b>Average cash generation/ (burn) (per month)</b> | <b>262</b> | <b>(737)</b> |

# Consolidated Financial Statements **2024**



## Consolidated income statement

| in TCHF, year ended December 31                                       | Note      | 2024            | 2023<br>Restated |
|-----------------------------------------------------------------------|-----------|-----------------|------------------|
| <b>Continuing operations</b>                                          |           |                 |                  |
| Revenue from product sales                                            | 5         | 75,555          | 33,564           |
| <b>Revenue</b>                                                        |           | <b>75,555</b>   | <b>33,564</b>    |
| Cost of goods sold                                                    | 7         | (13,524)        | (9,628)          |
| <b>Gross profit</b>                                                   |           | <b>62,031</b>   | <b>23,936</b>    |
| Sales and marketing costs                                             | 7         | (44,964)        | (23,328)         |
| Research and development costs                                        | 7         | (6,984)         | (2,030)          |
| General and administrative costs                                      | 7         | (15,196)        | (8,447)          |
| Other income                                                          | 7         | 118             | 248              |
| <b>Net operating costs</b>                                            |           | <b>(67,026)</b> | <b>(33,557)</b>  |
| <b>Operating loss</b>                                                 |           | <b>(4,995)</b>  | <b>(9,621)</b>   |
| Finance income                                                        |           | 2,881           | 3,778            |
| Finance expense                                                       |           | (1,232)         | (3,933)          |
| <b>Net finance result</b>                                             | <b>26</b> | <b>1,649</b>    | <b>(155)</b>     |
| <b>Loss before tax</b>                                                |           | <b>(3,346)</b>  | <b>(9,776)</b>   |
| Income taxes                                                          | 9         | (370)           | (380)            |
| <b>Net loss from continuing operations</b>                            |           | <b>(3,716)</b>  | <b>(10,156)</b>  |
| <b>Discontinued operation</b>                                         |           |                 |                  |
| Loss from discontinued operation, net of tax                          | 27        | (574)           | (3,571)          |
| <b>Net loss for the period</b>                                        |           | <b>(4,290)</b>  | <b>(13,727)</b>  |
| Basic and diluted net loss per share from continuing operations (CHF) | 10        | (0.10)          | (0.28)           |
| Basic and diluted net loss per share (CHF)                            | 10        | (0.12)          | (0.38)           |

See accompanying notes, which are an integral part of these consolidated financial statements.

## Consolidated statement of comprehensive income

| in TCHF, IFRS, year ended December 31                                 | Note | 2024           | 2023            |
|-----------------------------------------------------------------------|------|----------------|-----------------|
| Net loss                                                              |      | (4,290)        | (13,727)        |
| <b>Items that will not be reclassified to profit or loss:</b>         |      |                |                 |
| Remeasurements of post-employment benefit obligations                 | 21   | (145)          | 90              |
| Tax effects                                                           |      | 28             | —               |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |      |                |                 |
| Currency translation differences arising during the year              |      | (625)          | 71              |
| <b>Other comprehensive (loss)/ income</b>                             |      | <b>(742)</b>   | <b>161</b>      |
| <b>Total comprehensive loss</b>                                       |      | <b>(5,032)</b> | <b>(13,566)</b> |

See accompanying notes, which are an integral part of these consolidated financial statements.

## Consolidated balance sheet

| in TCHF, as of December 31                        | Note  | 2024          | 2023<br>Restated |
|---------------------------------------------------|-------|---------------|------------------|
| <b>Non-current assets:</b>                        |       |               |                  |
| Property and equipment                            | 11    | 1,510         | 718              |
| Right-of-use assets                               | 12    | 1,514         | 1,924            |
| Intangible assets                                 | 13    | 14,991        | 16,508           |
| Goodwill                                          | 13,14 | 19,433        | 24,469           |
| Defined benefit asset                             | 21    | –             | 14               |
| Deferred tax assets                               | 9     | 2,336         | 637              |
| <b>Total non-current assets</b>                   |       | <b>39,784</b> | <b>44,270</b>    |
| <b>Current assets:</b>                            |       |               |                  |
| Inventories                                       | 15    | 9,443         | 4,856            |
| Prepayments and other assets                      | 16    | 1,150         | 513              |
| Trade receivables                                 | 17    | 13,395        | 6,411            |
| Other receivables                                 | 17    | 2,745         | 1,206            |
| Cash and cash equivalents                         | 18    | 18,021        | 14,208           |
| <b>Total current assets</b>                       |       | <b>44,754</b> | <b>27,194</b>    |
| <b>Total assets</b>                               |       | <b>84,538</b> | <b>71,464</b>    |
| <b>Shareholders' equity:</b>                      |       |               |                  |
| Share capital                                     | 19    | 3,787         | 3,678            |
| Share premium                                     | 19    | 73,027        | 73,316           |
| Treasury shares                                   | 19    | –             | (17)             |
| Other reserves                                    | 19    | 27,361        | 22,234           |
| Accumulated loss                                  |       | (45,427)      | (42,499)         |
| <b>Total shareholders' equity</b>                 |       | <b>58,748</b> | <b>56,712</b>    |
| <b>Non-current liabilities:</b>                   |       |               |                  |
| Pension liabilities                               | 21    | 140           | –                |
| Deferred tax liabilities                          | 9     | 331           | –                |
| Non-current lease liabilities                     | 12    | 1,264         | 1,565            |
| Financial liabilities from collaborations         | 23    | 3,156         | 3,375            |
| <b>Total non-current liabilities</b>              |       | <b>4,891</b>  | <b>4,940</b>     |
| <b>Current liabilities:</b>                       |       |               |                  |
| Current lease liabilities                         | 12    | 529           | 578              |
| Accrued expenses                                  | 22    | 13,458        | 7,933            |
| Trade and other payables                          |       | 6,912         | 1,301            |
| <b>Total current liabilities</b>                  |       | <b>20,899</b> | <b>9,812</b>     |
| <b>Total shareholders' equity and liabilities</b> |       | <b>84,538</b> | <b>71,464</b>    |

See accompanying notes, which are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows

| in TCHF, year ended December 31                                                           | Note      | 2024           | 2023           |
|-------------------------------------------------------------------------------------------|-----------|----------------|----------------|
| <b>Cash flows from operating activities:</b>                                              |           |                |                |
| Loss before tax from continuing operations                                                |           | (3,346)        | (9,776)        |
| Loss before tax from discontinued operation                                               | 27        | (574)          | (3,571)        |
| Loss before tax                                                                           |           | (3,920)        | (13,347)       |
| <b>Adjustments to reconcile loss before tax to net cash used in operating activities:</b> |           |                |                |
| Depreciation and amortization                                                             | 11,12,13  | 2,636          | 2,752          |
| Impairment of intangible assets and goodwill                                              | 13,14     | 5,102          | 4,535          |
| Net finance result                                                                        | 26        | (1,189)        | 2,085          |
| Share-based compensation                                                                  | 20        | 5,127          | 917            |
| Changes in retirement benefit obligation                                                  | 21        | 9              | 76             |
| Fair value adjustment to financial liabilities from collaborations                        | 23        | (460)          | (1,931)        |
| Other non-cash items                                                                      |           | (51)           | (3)            |
| <b>Changes in operating assets and liabilities:</b>                                       |           |                |                |
| Increase in trade and other receivables                                                   |           | (7,885)        | (4,572)        |
| (Increase)/ decrease in prepayments and other assets                                      |           | (627)          | 12             |
| Increase in inventories                                                                   |           | (4,647)        | (2,477)        |
| Increase in trade and other payables                                                      |           | 5,562          | 55             |
| Increase in accrued expenses                                                              |           | 4,292          | 3,434          |
| Decrease in provisions                                                                    |           | –              | (101)          |
| Interest received                                                                         |           | 83             | 328            |
| Interest paid                                                                             |           | (24)           | (61)           |
| Income tax paid                                                                           |           | (868)          | (546)          |
| <b>Net cash from/ (used in) operating activities</b>                                      |           | <b>3,140</b>   | <b>(8,844)</b> |
| <b>Cash flows from investing activities:</b>                                              |           |                |                |
| Purchase of plant and equipment                                                           | 11        | (1,095)        | (317)          |
| Purchase of intangible assets                                                             | 13        | (17)           | (9)            |
| <b>Net cash used in investing activities</b>                                              |           | <b>(1,112)</b> | <b>(326)</b>   |
| <b>Cash flows from financing activities:</b>                                              |           |                |                |
| Proceeds from sales of treasury shares                                                    | 19        | 17             | –              |
| Proceeds from exercise of share options                                                   | 19        | 1,924          | 501            |
| Principal elements of lease payments                                                      | 12        | (604)          | (672)          |
| <b>Net cash from/ (used in) financing activities</b>                                      |           | <b>1,337</b>   | <b>(171)</b>   |
| Cash and cash equivalents, at the beginning of the year                                   |           | 14,208         | 24,065         |
| Net change in cash and cash equivalents                                                   |           | 3,365          | (9,341)        |
| Net effect of currency translation on cash                                                |           | 448            | (516)          |
| <b>Cash and cash equivalents, at the end of the periods</b>                               | <b>18</b> | <b>18,021</b>  | <b>14,208</b>  |

See accompanying notes, which are an integral part of these consolidated financial statements.

## Consolidated statement of change in shareholders' equity

| in TCHF, IFRS                                  | Note | Share capital | Share premium  | Treasury shares | Other reserves | Retained earnings/ accumulated loss | Translation Differences | Total         |
|------------------------------------------------|------|---------------|----------------|-----------------|----------------|-------------------------------------|-------------------------|---------------|
| <b>January 1, 2023</b>                         |      | <b>3,656</b>  | <b>160,157</b> | <b>(17)</b>     | <b>21,317</b>  | <b>(115,834)</b>                    | <b>(419)</b>            | <b>68,860</b> |
| Loss for the period                            |      | –             | –              | –               | –              | (13,727)                            | –                       | (13,727)      |
| Other comprehensive income                     |      | –             | –              | –               | –              | 90                                  | 71                      | 161           |
| Appropriation of accumulated loss              | 19   | –             | (87,320)       | –               | –              | 87,320                              | –                       | –             |
| Exercise of share options                      | 19   | 22            | 479            | –               | –              | –                                   | –                       | 501           |
| Share based payment                            | 20   | –             | –              | –               | 917            | –                                   | –                       | 917           |
| <b>December 31, 2023</b>                       |      | <b>3,678</b>  | <b>73,316</b>  | <b>(17)</b>     | <b>22,234</b>  | <b>(42,151)</b>                     | <b>(348)</b>            | <b>56,712</b> |
| <b>January 1, 2024</b>                         |      | <b>3,678</b>  | <b>73,316</b>  | <b>(17)</b>     | <b>22,234</b>  | <b>(42,151)</b>                     | <b>(348)</b>            | <b>56,712</b> |
| Loss for the period                            |      | –             | –              | –               | –              | (4,290)                             | –                       | (4,290)       |
| Other comprehensive income                     |      | –             | –              | –               | –              | (117)                               | (625)                   | (742)         |
| Appropriation of accumulated loss              | 19   | –             | (2,104)        | –               | –              | 2,104                               | –                       | –             |
| Treasury shares allocated for option exercised | 19   | –             | –              | 17              | –              | –                                   | –                       | 17            |
| Exercise of share options                      | 19   | 109           | 1,815          | –               | –              | –                                   | –                       | 1,924         |
| Share based payment                            | 20   | –             | –              | –               | 5,127          | –                                   | –                       | 5,127         |
| <b>December 31, 2024</b>                       |      | <b>3,787</b>  | <b>73,027</b>  | <b>–</b>        | <b>27,361</b>  | <b>(44,454)</b>                     | <b>(974)</b>            | <b>58,748</b> |

See accompanying notes, which are an integral part of these consolidated financial statements.

# Notes

## 1. General information

The consolidated financial statements of Kuros Biosciences AG (henceforth called "Company") and its subsidiaries (collectively referred to as "Kuros" or "Group") for the year ended December 31, 2024 were authorized for publication in accordance with a resolution of the Board of Directors ("Board") on March 10, 2025.

The company is a stock corporation, incorporated and domiciled in Switzerland, whose shares are publicly traded at the SIX Swiss Exchange ("SIX") with valor symbol: KURN. The registered office is located at Wagistrasse 25, 8952 Schlieren, Switzerland. The Group operates in the commercialization and development of innovative biologic technologies for musculoskeletal care.

As of December 31, 2024, Kuros Biosciences AG, the parent company of the Group, owns the following subsidiaries:

| Name of entity                 | Place of business           | Ownership held |      | Share Capital |             |
|--------------------------------|-----------------------------|----------------|------|---------------|-------------|
|                                |                             | 2024           | 2023 | 2024          | 2023        |
| Kuros Biosurgery AG            | Schlieren, Switzerland      | –              | 100% | –             | CHF 454,726 |
| Kuros Biosciences B.V.         | Bilthoven, The Netherlands  | 100%           | 100% | EUR 18,000    | EUR 18,000  |
| RevisOs B.V.                   | Bilthoven, The Netherlands  | 100%           | 100% | EUR 22,000    | EUR 22,000  |
| Kuros Biosciences USA, Inc.    | Atlanta (GA), United States | 100%           | 100% | USD 1         | USD 1       |
| Kuros US LLC                   | Delaware, United States     | 100%           | 100% | –             | –           |
| Kuros US Royalty Fund (US) LLC | Delaware, United States     | 100%           | 100% | –             | –           |

Kuros Biosurgery AG, with its registered office in Schlieren, Switzerland and a share capital of CHF 454,726 merged with Kuros Biosciences AG as of July 1, 2024 (date of transaction). Kuros Biosurgery AG has been deregistered from the trade register as of November 13, 2024. All assets and liabilities have been transferred to Kuros Biosciences AG on the date of transaction. Since Kuros Biosurgery AG was a wholly owned subsidiary of Kuros Biosciences AG, the merger had no impact on the consolidated financial statements.

In 2023, no changes occurred in the subsidiaries and ownership percentage.

As of December 31, 2024, the Group employed 122 employees (2023: 80 employees).

### Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the IASB (IFRS Accounting Standards). The accounting policies set forth below have been consistently applied to all years presented.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 "Critical accounting estimates and judgements."

The consolidated financial statements are presented in Swiss Francs (CHF) and values are rounded to the nearest thousand (TCHF), except when otherwise indicated.

## Uncertainties and ability to continue operations (going concern)

### Profitability, operational cash flow and sources of funds

Kuros faces various risks and uncertainties, primarily related to achieving sustainable profitability and the challenges of product registration and commercialization. However, the Group's strategic shift to a pure MedTech business and the decision end of 2023 not to proceed to Phase 3 for KUR-113, a drug-based bone graft orthobiologic product candidate, have significantly reduced the risks associated with clinical trials and regulatory approvals. This enables the Group to focus exclusively on advancing its medical device portfolio, which presents lower development risks than pharmaceutical products and aligns with its long-term growth strategy.

Since inception, the Group has incurred recurring net operating losses, a pattern that may continue in the near term as it further invests in product innovation, commercialization, and operational excellence and digitalization. Achieving and sustaining profitability will depend on its ability to expand market presence and deepen the market penetration, introduce new products to maintain competitiveness, strengthen sales and marketing capabilities, obtain regulatory approvals, and enhance its operational excellence resulting in an increased operating leverage. While success is not guaranteed, these efforts are critical to driving sustainable revenue growth and strengthening financial performance. Therefore continued investment will be required to achieve all of the above.

While internal operational cash flow serves as a key funding source, its ability to fully support future capital expenditures and working capital needs will depend on market conditions and operational performance, potentially influencing the need for additional external financing.

Historically, the Group has financed its operations through a combination of product sales, milestone payments, equity and debt financing, and strategic collaborations. Although revenue from product sales continues to grow, other funding sources are not guaranteed to be recurring.

### Product pipeline and clinical trials

The Group's product pipeline is centered on advanced bone graft substitutes that offer strong commercial potential in high-growth markets. Our lead technology platform, MagnetOs™, is an orthobiologic with a unique, sub-micron needle-like surface structure that has demonstrated strong clinical performance backed by published, Level-1 evidence, and continues to gain regulatory approvals and market adoption.

In previous years, the Group explored drug-based orthobiologic development, namely Fibrin-PTH containing KUR-113 for spinal indications. However, following an interim analysis, and having observed the superior clinical outcomes observed with MagnetOs, the Group decided in 2023 not to advance KUR-113 to Phase 3, or start any other clinical studies with Fibrin-PTH product candidates. This strategic shift has enabled the Group to focus entirely on advanced bone graft technology, thus reducing development risks and regulatory complexities, while aligning with its MedTech strategy.

The Group continues to expand regulatory approvals and commercial clearances, and has secured additional product certifications and distributor agreements across key markets. Recently, published clinical evidence has further validated the effectiveness of MagnetOs as a viable alternative to autograft in spinal fusion procedures. These advancements enhance the Group's competitive position, supporting market penetration, revenue growth, and long-term sustainability.

### License agreements, royalties, and commercial milestones

Kuros licensed its product candidate CYT003, and the related VLP technology, to Checkmate Pharmaceuticals (now part of Regeneron Pharmaceuticals) under a 2015 license agreement. Checkmate is investigating CMP-001, now known as vidutolimod, as an add-on therapy to checkpoint inhibitor immunotherapies for cancer treatment. Under this license agreement, the Group is eligible for pre-commercial milestone payments and royalties on future sales. To date, this agreement has generated significant milestone payments, including USD 6 million (CHF 5.5 million) in 2021.

In July 2021, XOMA Corporation acquired a portion of the potential future pre-commercial milestone payments and all royalties due under this license agreement with Checkmate. Under the Royalty Purchase Agreement, the Group received an initial payment of USD 7 million (CHF 6.4 million) from XOMA. The Group retains the right

to receive up to USD 21.3 million in pre-commercial milestones from Checkmate and is eligible to receive up to USD 142.5 million in sales milestones from XOMA.

Following Checkmate's acquisition by Regeneron Pharmaceuticals in May 2022, the Group received a USD 5 million change-of-control milestone payment, and has paid half of it to XOMA as per the Royalty Purchase Agreement. Following the acquisition of Checkmate, Regeneron has closed the enrollment in the ongoing phase 2 and phase 2/3 study in melanoma and is elaborating its own clinical development strategy.

By deciding not to proceed to Phase 3 for KUR-113, a drug-based bone graft orthobiologic product candidate, the company has significantly improved its financial profile. This is reflected in exceeding the break-even cash flow point in the third quarter of 2024 and an increased debt capacity, as it currently has no interest-bearing liabilities on the balance sheet other than leases. Therefore, the Group is in a much stronger position in terms of its financial viability. As a result the group has, for the first time, generated cash over the last 12 months as a whole.

Taking into consideration cash and cash equivalents on the balance sheet as well as the respective cash generation in combination with the product pipeline and revenue outlook, the Board and the Executive Committee believe that it is appropriate to prepare these financial statements on a going concern basis in accordance with IAS 1 "Presentation of Financial Statements".

### **New accounting standards and IFRIC interpretations**

The group has applied the following amendments for the first time for its annual reporting period commencing January 1, 2024:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

As a result of the adoption of the amendments to IAS 1, the group changed its accounting policy for the classification of financial liabilities from collaborations:

"Financial liabilities from collaborations are classified as non-current liabilities unless at the end of the reporting period, the contractual due date falls within 12 months after end of reporting period."

The Group previously classified the financial liabilities from collaborations as current liabilities. The amendments to IAS 1 clarify certain requirements for determining whether a liability should be classified as current or non-current. Following the amendments, the Group has reclassified the financial liabilities from collaborations as non-current liabilities. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. As a result, the 2023 comparative information was restated to reflect the change in classification. The Group's other liabilities were not impacted by the amendments.

Several other amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

### **New standards and interpretations not yet adopted**

Certain amendments to accounting standards have been published that are not mandatory for December 31, 2024, reporting periods and have not been early adopted by the Group.

*IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)*

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the consolidated income statement, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profits subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profits subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### *Other accounting standards*

The following new and amended accounting standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS7)

### **Significant events in the current year**

The financial reporting and performance of the Group was particularly affected by following events and transactions during the reporting period:

- **Impairment:** The Company recognized a goodwill impairment charge of CHF 5.1 million for the Checkmate license cash generating unit. The impairment of goodwill was resulting from a delay of expected milestones from Checkmate licensing. Further information is provided in note [14](#).
- **MAXA and STRUCTURE trial:** In the MAXA trial, standalone MagnetOs demonstrated a 79% fusion rate in challenging posterolateral spinal fusions, nearly doubling the 47% fusion rate of autograft in a difficult-to-treat patients of current and former smokers (n=19 and 35 respectively) with primary outcome analysis even indicating MagnetOs superiority. In the STRUCTURE trial, interim analysis showed that MagnetOs mixed with autograft achieved posterolateral fusion rates comparable to autograft in the less challenging interbody space. In the same study, Fibrin-PTH did not outperform autograft for interbody fusion, though patients showed excellent clinical outcomes.

Considering the outstanding clinical results of MagnetOs in the MAXA and STRUCTURE trials, along with FDA interbody clearance, Kuros has decided in 2023 not to proceed to Phase 3 development of Fibrin-PTH and focus its resources on MagnetOs. During 2024, Phase 2a study of Fibrin-PTH was completed. Since Fibrin-PTH belongs to the Pharmaceuticals segment, this segment is presented as a discontinued operation in 2024. This segment was not previously classified as a discontinued operation. The comparative consolidated income statement has been re-presented to show the discontinued operation separately from continuing operations. For further details, please refer to note [27](#) on discontinued operation.

- **Global political conflict:** As the political conflict between Russia and Ukraine turned into a military crisis in the first quarter of 2022, the Group continues reviewing the macro-economic implications carefully. In the absence of revenue activity with countries affected by the crisis as well as the absence of employees and suppliers from the respective region, the Group assesses the direct implications on its business activity to be immaterial. Although global market conditions have affected market confidence and spending patterns, the Group remains well placed and could significantly grow its MagnetOs revenues compared to 2023. Additionally, the Group's manufacturing of MagnetOs has sufficient capacity to support the commercial growth.

## **2. Summary of material accounting policies**

### **Consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The Group uses the purchase method of accounting to account for the acquisition of a subsidiary. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Costs directly attributable to acquisitions are directly expensed. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement.

All intercompany balances, transactions and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The board of Kuros Biosciences AG has appointed an Executive Committee which assesses the financial performance and position of the Group and makes strategic decisions. The Executive Committee, which has been identified as being the CODM, consists of the Executive Director and President of Innovation & Strategy, the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer.

### Foreign currency translation and transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss Francs ("CHF"), which is Kuros Biosciences AG's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or an average rate as an approximation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

|     | 2024 Income statement | Balance sheet as of December 31, 2024 | 2023 Income statement | Balance sheet as of December 31, 2023 |
|-----|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| EUR | 0.9638                | 0.9495                                | 0.9857                | 0.9424                                |
| USD | 0.8872                | 0.9119                                | 0.9146                | 0.8513                                |

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities measured at fair value are recognized in the other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity investments measured at fair value through OCI which included in other comprehensive income.

Assets and liabilities of companies whose functional currency is other than CHF are included in the consolidation by translating the assets and liabilities into the presentation currency at the exchange rates applicable at the end of the reporting period. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing at the dates of transaction, in which case income and expenses are translated at the dates of the transaction). All resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and from borrowings are recognized in shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

For the consolidated financial statements, the applicable exchange rates are based on the exchange rates published by the Swiss Federal Tax Association (ESTV).

### **Impairment of non-financial assets**

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. The Group estimates the asset's recoverable amount, when an annual impairment test is required or if there is a triggering event or existing indication for impairment. The recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Unless an asset or CGU is largely dependent on other (group of) asset's generated cash-flows, the recoverable amount is determined for the smallest aggregation of asset. An impairment loss and corresponding write-down of the asset to the recoverable amount occurs when the carrying value exceeds the recoverable amount.

The value in use is estimated by the present value of discounted future cash flows, using a pre-tax discount rate that is based on current market conditions (including risks and time value of money). Recent market transactions are considered, when determining the fair value less costs of disposal. If no such transactions have taken place, an appropriate valuation model is used (multiples, quoted share prices or other available financial modelling tools). The Group's impairment model is based on budgets and financial forecasts.

Previous impairments of assets excluding goodwill are reviewed at the reporting date to determine whether the previous impairment losses remain valid, shall be reversed, or further impairment loss is necessary. The basis for the reversal or increasing impairment losses is the recoverable amount. Previously recognized impairment losses are reversed only when there are significant changes in the assumptions and estimates used to determine the underlying recoverable amount since the recognition of an impairment loss.

Goodwill and intangible assets with an indefinite useful life are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. An impairment is recognized in case that the recoverable amount of a CGU is lower than its carrying value. Impairment losses on goodwill cannot be reversed in future periods.

### **Cash and cash equivalents**

The Group considers all short-term, highly liquid investments that can be converted into known amounts of cash with original maturities of three months or less at the date of purchase to be cash equivalents. The cash flow statement is based on cash and cash equivalents.

### **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-60 days and are therefore classified as current assets. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them at amortized cost using the effective interest method. Details about the Group's calculation of the loss allowance are provided in note [25](#).

### **Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost includes direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Depreciation on machinery and equipment used in production of inventory is allocated as part of production overheads and forms part of costs of conversion. Costs are assigned to individual items of inventories based on the first-in, first-out (FIFO) principle. Unallocated overheads are expensed in the

period in which they are incurred. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete the sale.

### **Property, plant and equipment**

Property, plant and equipment are stated at historical costs less accumulated depreciation and impairment losses, if any. Historical costs include expenditures directly attributable to the acquisition of assets. Depreciation is calculated on a straight-line basis over the expected useful lives of the individual assets or asset categories.

The applicable estimated useful lives are as follows:

- a) Research and development fixtures (incl. clean room): 5–10 years
- b) Leasehold improvements: 5–10 years
- c) Machinery and equipment: 5–10 years
- d) Office equipment, furniture, and others: 3–10 years

Leasehold improvements and research and development fixtures (incl. clean room) are depreciated over the estimated useful life. If the lease term is shorter than the useful life, the lease term can be used instead. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Cost and accumulated depreciation related to assets retired or otherwise disposed are removed from the accounts at the time of retirement or disposal and any resulting gain or loss is included in the income statement in the period of disposition.

### **Leases**

The Group assesses whether contracts qualify as a lease or contains leases by determining whether they provide the right to control the use of an identified asset for a period of time in exchange for consideration. To identify if a contract inheres a lease, the Group assesses whether:

- the contract inheres the use of an identified asset
- the Group has the right to obtain substantially all economic benefits from the use of the asset throughout the period of use
- the Group has the right to direct the use of the asset

### **As a lessee**

The Group recognizes a right-of-use asset and a lease liability at the date the underlying contract is effective. Initially the right-of-use asset is measured at cost and subsequently depreciated using the straight-line method over the useful life of the right-of-use asset or the lease term. The right-of-use asset is periodically reduced by impairment losses -if applicable- and adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the value of discounted lease payments. The applicable discount rate is represented by a weighted average incremental borrowing rate determined by the Group, if not stated in the contract. Lease payments included in the lease liability may include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate
- amounts expected to be payable under a residual value guarantee; and
- if the Group is reasonably certain, the exercise price or payments in relation to a purchase or renewal option and penalties for early termination.

Subsequently the lease liability is measured at amortized cost using the effective interest method and subject to a remeasurement when future lease payments change due to a change in index or rate, as well if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of underlying contractual components (e.g., purchase, extension, or termination). In case of a remeasurement of the lease liability, the corresponding right-of-use asset changes simultaneously in its carrying value. Changes of the lease liability are recognized in profit and loss, for the amount that exceeds the right-of-use asset's carrying value.

The Group does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes expenses from short-term or low value leases on a straight-line basis over the lease term.

## Intangible assets

Intangible assets with **infinite** useful lives

### (i) Goodwill

Goodwill is initially measured at historical costs from a business combinations' excess of the purchase price over the fair value of the net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but tested for impairment annually, or more frequently if triggering-events indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units are identified at the lowest level at which goodwill is monitored.

Intangible assets with **finite** useful lives:

### (ii) Licensing agreements

Licensing agreements are initially measured at historical cost. Licensing agreements acquired in a business combination are recognized at fair value at the acquisition date and have a finite useful life. Subsequently, licensing agreements are measured at cost less accumulated amortization and/or impairment charges. Amortization and/or impairment charges are recognized as cost of goods sold. The amortization is calculated using the straight-line method based on the useful life of the intangible asset. The estimated useful live for the licensing agreement (Checkmate) is 11 years.

### (iii) Currently marketed products

Currently marketed products ("CMP") are initially measured at historical cost. CMP acquired in a business combination are recognized at fair value at the acquisition date. Costs associated with research & development that are directly attributable to a product enhancement are recognized as intangible assets, if recognition criteria are met:

- The technical feasibility of completing the asset so that it will be available for use or sale;
- The intention to complete the asset and use or sell it;
- The ability to use or sell the asset;
- The asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell it; and
- The ability to measure reliably the expenditure attributable to the intangible asset.

Costs that do not meet the recognition criteria are recognized as research and development costs. Subsequently, CMP are measured at cost less accumulated amortization and/or impairment charges. Amortization and/or impairment charges are recognized as cost of goods sold. The amortization is calculated using the straight-line method based on the useful life of the intangible asset. The estimated useful lives for CMP are based on the patent lifetime.

### (iv) Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets if the recognition criteria (see ii. CMP above) are met. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use using the straight-line method. Amortization costs are recognized as general and administrative costs. The estimated useful live for software is three years.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost.

### **Financial liabilities from collaborations**

The initial fair value of the liability represents XOMA's share of future pre-commercial milestones which is measured based on a contractually agreed pre-commercial milestones due from Checkmate under the Checkmate Licensing Agreement. The liability is subsequently measured at fair value and remeasurements are recognized in the financial results. Financial liabilities from collaborations are classified as non-current liabilities unless at the end of the reporting period, the contractual due date falls within 12 months after end of reporting period.

### **Income taxes**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in the Group's subsidiary and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **Pension assets/liabilities**

The Group provides retirement benefits to its employees. The net defined asset/liability of the performance-oriented pension plans as recognized in the balance sheet comprises of the present value of the defined pension obligation less the fair value of plan assets at the reporting date. In respect of defined benefit plans, liabilities and service costs are determined by management annually, based on actuarial valuation techniques, using the projected unit credit method and related assumptions. The pension obligation is the actuarial computed present value of the estimated future net cash outflow, using interest rate assumptions in line with high quality corporate bonds. Regarding the pension costs, they correspond with the sum of current service costs inclusive net interest expenses on the defined benefit liabilities at the beginning of the period. In case of events leading to a settlement, the related gains and losses are added to the yearly pension costs when the settlement occurs. In case of events leading to a past service cost, the related costs are immediately added to the yearly pension costs. The actuarial gains and remeasurements, the differences between the return on plan assets are recognized in other comprehensive income.

## Share-based compensation

The Group recognizes expenses for share-based compensation based on grant date fair value for each of the long-term incentive plans (Options and RSU's). For equity awards with service conditions, expenses are recognized on a straight-line basis over the requisite service period. Kuros accounts for forfeited equity awards, when they occur.

For RSU's the Group uses the fair value of ordinary shares to determine the value of restricted share awards at grant date. One RSU is equivalent to 1 Kuros share.

The Black-Scholes option pricing model is used to estimate the fair value of share options, which requires various subjective assumptions. The fair value of each share option grant is estimated on the date of grant using the Black-Scholes model, and assumptions include expected volatility, expected term, risk-free interest rate, and fair value of ordinary shares. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## Shareholders' equity

All shares of the Group are registered shares and classified as part of shareholders' equity.

Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

Where the Group purchases the Group's share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from total shareholders' equity as treasury shares until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effect is included in shareholders' equity.

The Group has not paid any dividends since its inception and does not anticipate paying dividends in the foreseeable future.

## Revenue from contracts with customers

The Group has two main sources of revenue. The first source relates to product sales and the second source of revenue is based on collaborative long-term research and development agreements where the Group grants access to technologies to a third party.

### (a) Product sales

Revenue from the sale of goods in the normal course of business is recognized at a point in time when the performance obligation is satisfied and it is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration to which the company expects to be entitled in exchange for transferring the promised goods to the customer. The Group's contracts for product sales generally include one performance obligation. Revenue for the sale of goods is recognized when control of the good is transferred to the buyer. Transfer of control varies depending on the individual terms of the contract of sale. Generally, control is transferred when the product is shipped and delivered to the customer and title and risk have passed to the customer (depending on the delivery conditions). Examples of delivery conditions are 'Delivery at Place (DAP)' and 'Ex Warehouse (EXW)', where the point of delivery may be the shipping warehouse or any other point of destination as agreed in the contract with the customer and where control is transferred to the customer.

### **Principal versus agent considerations**

The Group has contracts with distributors, where distributors act either as principal or as agent. Based on the contractual agreements, the Group determines whether the distributor acts as a principal, if the distributor bears the inventory risk, credit risk and pricing risk.

### **Collaborative agreements**

Collaborative agreements contain success and milestone payments for development activities and royalty fees on net sales from successfully developed and approved products. Milestone payments are contractually agreed and based on pre-defined performance goals. The Group provides the collaboration partner with a right to use the product as it exists at the point in time at which the access to the product is granted. In these cases, the respective performance obligations are satisfied at this point in time. The accomplishment of milestones by the counterparty cannot be specified upfront, therefore revenue is recognized when the counterparty confirms accomplishment of a milestone. Royalty payments are recognized as revenue at the time that the performance goal for product sales have been met.

### **Cost of goods sold**

Cost of goods sold includes direct materials, direct labor and all direct production overheads including depreciation and impairment of property, plant and equipment and indirect overheads that can reasonably be allocated to the production function. In addition, the position includes unallocated costs for production overhead (idle costs) and costs for abnormal amounts of production. Furthermore, cost of goods sold includes amortization and impairment charge of licensing, currently marketed products and inventory write-downs.

### **Research and development costs**

Research and development (“R&D”) costs consist primarily of compensation and other expenses related to functions of R&D and Quality Assurance personnel; costs associated with pre-clinical testing and clinical trials of the Group’s product candidates, including the costs of manufacturing the product candidates; expenses for research and services under collaboration agreements; outsourced R&D at research institutions, and relevant facility expenses. R&D expenses are fully charged to the income statement as incurred. Kuros considers that regulatory and other uncertainties inherent in the development of its key new products preclude it from capitalizing development costs under IFRS. Development costs are capitalized when the following criteria are met: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) its intention to complete the intangible asset and use or sell it; (c) its ability to use or sell the intangible asset; (d) the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development. That means that projects which have achieved technical feasibility, usually signified by a market approval from the US Food and Drug Administration or the European Medicines Agency or a comparable regulatory authority, would be capitalized because it is probable that the costs will give rise to future economic benefits.

## **3. Critical accounting estimates and judgements**

The preparation of the Group’s consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent liabilities as of the reporting date. Although these estimates and assumptions are made based on all available information and in greatest diligence, the actual results may differ. This applies primarily to estimates and assumptions made with regard to the items set out below.

### **Going concern (note 1)**

In accordance with IAS 1, Kuros has performed an assessment of its ability to continue as a going concern. The Group considers liquidity and capital in conjunction with the Group’s current plans, budgets and forecasts.

The Group is loss making as expenses currently exceed revenues, however the Group is expected to generate substantial revenues in the future from product sales or licensing of its intellectual properties. As of the reporting period the consolidated financial statements are prepared on a going concern basis.

#### **Carrying value of goodwill (note 14)**

Goodwill are tested for impairment at least once a year. This involves estimating the value in use of the cash-generating unit (CGU) to which goodwill are allocated to. It also requires a forecast of expected future cash flows as well as the application of an appropriate discount rate to calculate the present value of these cash flows. Future cash inflows from revenues are subject to a certain degree of uncertainty as they depend on future events beyond control of Kuros such as the achievement of pre-defined milestones which in turn depend, among others, on regulatory approvals.

#### **Estimations of employee post-employment benefits obligations (note 21)**

The costs of the employee benefit plans, and the related obligations recognized in the balance sheet, representing the present value of the defined benefit obligation, are calculated annually by independent actuaries. These actuarial valuations include assumptions such as discount rates, salary progression rates and mortality rates. These actuarial assumptions applicable to the Group vary according to the prevailing economic and social conditions.

#### **4. Change in scope of consolidation**

Kuros Biosurgery AG, with its registered office in Schlieren, Switzerland and a share capital of CHF 454,726 was merged with Kuros Biosciences AG as of July 1, 2024 (date of transaction). Since Kuros Biosurgery AG was a wholly owned subsidiary of Kuros Biosciences AG, the merger had no impact on the consolidated financial statements.

There was no change in the scope of consolidation in 2023.

#### **5. Revenue from contracts with customers**

In 2024, Kuros recognized revenues from product sales of TCHF 75,555 (2023: TCHF 33,564) and increased its revenues by 125% and on a constant currency basis 132%.

#### **6. Segment and geographic information**

##### **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Board of Kuros Biosciences AG has appointed an Executive Committee that assesses the financial performance and position of the Group and makes strategic decisions. The Executive Committee has been identified as the CODM.

In 2024, the Group has restructured its segment reporting to reflect the discontinuation of the Pharmaceuticals segment following the decision to cease further development of Fibrin-PTH. Consequently, Pharmaceuticals is now presented as a discontinued operation, with any costs related to the Phase 2a study being reported under the Legacy Portfolio in both the current and prior year.

Furthermore, the Corporate Function, which was previously presented separately, has been integrated into the Medical Devices segment. This change reflects the realignment of support functions, as the Corporate Function primarily serves the Medical Devices business.

Following these changes, the Group now has two reportable segments:

- Medical Devices: This segment includes products such as MagnetOs and Attrax, which are biphasic calcium phosphate ("BCP") bone grafts that mimic the porous, trabecular structure of cancellous bone. These

products are produced in the same facility. The segment now also includes the Corporate Function, which supports the Group's business operations.

- Legacy Portfolio: This segment includes all non-core products (including Checkmate licensing) that are outside the Group's primary therapeutic focus. The Pharmaceuticals segment, previously reported separately, has been discontinued, with any costs related to the Phase 2a study being reported within this segment in both the current and prior year.

The revised segment reporting structure ensures that financial reporting aligns with the Group's strategic focus following the discontinuation of Fibrin-PTH. The CODM examines the Group's performance from both a product and geographic perspective.

To ensure consistency in financial presentation, comparative figures for 2023 have been restated accordingly to align with the updated segment reporting.

## Measurement

The Executive Committee primarily uses a measure of adjusted earnings before interest, tax, depreciation, and amortization (EBITDA) to assess the performance of the operating segments. However, the Executive Committee also receives information about the segments' revenue on a monthly basis but does not review the assets and liabilities of each segment.

## EBITDA

| in TCHF, year ended December 31,<br>2024                           | Medical Devices | Legacy Portfolio | Total           |
|--------------------------------------------------------------------|-----------------|------------------|-----------------|
| Revenue                                                            | 75,555          | –                | 75,555          |
| Cost of goods sold <sup>1</sup>                                    | (6,507)         | –                | (6,507)         |
| <b>Gross profit <sup>1</sup></b>                                   | <b>69,048</b>   | <b>–</b>         | <b>69,048</b>   |
| Sales and marketing costs                                          | (44,964)        | –                | (44,964)        |
| Research and development costs                                     | (6,863)         | (121)            | (6,984)         |
| General and administrative costs <sup>1</sup>                      | (14,451)        | (24)             | (14,475)        |
| Other income                                                       | 25              | 93               | 118             |
| <b>Net operating costs from continuing operations <sup>1</sup></b> | <b>(66,253)</b> | <b>(52)</b>      | <b>(66,304)</b> |
| <b>Loss from discontinued operation, net of tax</b>                | <b>–</b>        | <b>(574)</b>     | <b>(574)</b>    |
| <b>EBITDA</b>                                                      | <b>2,795</b>    | <b>(626)</b>     | <b>2,169</b>    |
| Depreciation and amortization expenses                             | (2,502)         | (134)            | (2,636)         |
| Impairment expenses                                                | –               | (5,102)          | (5,102)         |
| <b>Operating income/(loss)</b>                                     | <b>293</b>      | <b>(5,862)</b>   | <b>(5,569)</b>  |

<sup>1</sup> Amounts are adjusted for depreciation, amortization and impairment expenses

| in TCHF, year ended December 31,<br>2023 Restated                 | Medical Devices | Legacy Portfolio | Total           |
|-------------------------------------------------------------------|-----------------|------------------|-----------------|
| Revenue                                                           | 33,564          | –                | 33,564          |
| Cost of goods sold <sup>1</sup>                                   | (3,028)         | –                | (3,028)         |
| <b>Gross profit<sup>1</sup></b>                                   | <b>30,536</b>   | <b>–</b>         | <b>30,536</b>   |
| Sales and marketing costs                                         | (23,328)        | –                | (23,328)        |
| Research and development costs                                    | (1,897)         | (133)            | (2,030)         |
| General and administrative costs <sup>1</sup>                     | (7,746)         | (14)             | (7,760)         |
| Other income                                                      | 156             | 92               | 248             |
| <b>Net operating costs from continuing operations<sup>1</sup></b> | <b>(32,815)</b> | <b>(55)</b>      | <b>(32,870)</b> |
| Loss from discontinued operation, net of tax                      | –               | (3,571)          | (3,571)         |
| <b>EBITDA</b>                                                     | <b>(2,279)</b>  | <b>(3,626)</b>   | <b>(5,905)</b>  |
| Depreciation and amortization expenses                            | (2,477)         | (275)            | (2,752)         |
| Impairment expenses                                               | (46)            | (4,489)          | (4,535)         |
| <b>Operating income/(loss)</b>                                    | <b>(4,802)</b>  | <b>(8,390)</b>   | <b>(13,192)</b> |

<sup>1</sup> Amounts are adjusted by depreciation, amortization and impairment expenses

### Geographic information

The entity is domiciled in Switzerland. The amount of its revenue from customers and collaborations, broken down by location of the customers, is shown in the table below.

The following table disaggregates the Group's revenue by geography:

| in TCHF                  | 2024          | 2023          |
|--------------------------|---------------|---------------|
| United States of America | 72,840        | 32,841        |
| European Union           | 746           | 580           |
| Other                    | 1,970         | 143           |
| <b>Total</b>             | <b>75,555</b> | <b>33,564</b> |

In 2024, the Group's non-current assets were attributed to Switzerland (33%), the Netherlands (65%) and USA (2%). In 2023, the Group's non-current assets were attributed to Switzerland (36%), the Netherlands (63%) and USA (1%).

### Major customers

Revenue from product sales is entirely attributable to the medical devices segment and primarily from commercialization of MagnetOs (Granules, Putty, Easypack and Flex Matrix) in the United States of America, Europe and other international market. Although revenue from product sales is sourced from a diverse customer base, there are three significant customers that represent 4.6% (TCHF 3,479), 4.4% (TCHF 3,292), and 4.3% (TCHF 3,231) of the Group's revenue from product sales respectively for 2024. In 2023, there were three significant customers that represented 8.7% (TCHF 2,929), 6.0% (TCHF 2,014), and 5.4% (TCHF 1,819) of the Group's revenue from product sales respectively.

## 7. Costs by nature

### Cost of goods sold

| in TCHF                                 | 2024            | 2023           |
|-----------------------------------------|-----------------|----------------|
| Depreciation and amortization of assets | (1,915)         | (2,065)        |
| Impairment of assets                    | (5,102)         | (4,535)        |
| Production costs                        | (6,507)         | (3,028)        |
| <b>Total cost of goods sold</b>         | <b>(13,524)</b> | <b>(9,628)</b> |

### Sales and marketing costs

| in TCHF                | 2024            | 2023            |
|------------------------|-----------------|-----------------|
| Employee benefits      | (8,784)         | (6,194)         |
| Sales and distribution | (33,604)        | (15,209)        |
| Other general costs    | (2,576)         | (1,925)         |
| <b>Total</b>           | <b>(44,964)</b> | <b>(23,328)</b> |

### Research and development costs

| in TCHF               | 2024           | 2023<br>Restated |
|-----------------------|----------------|------------------|
| Employee benefits     | (4,867)        | (1,282)          |
| Professional services | (806)          | (259)            |
| Other general costs   | (1,311)        | (489)            |
| <b>Total</b>          | <b>(6,984)</b> | <b>(2,030)</b>   |

### General and administrative costs

| in TCHF                                 | 2024            | 2023<br>Restated |
|-----------------------------------------|-----------------|------------------|
| Depreciation and amortization of assets | (663)           | (687)            |
| Employee benefits                       | (9,456)         | (4,205)          |
| Professional services                   | (2,263)         | (1,811)          |
| IT and ERP costs                        | (1,617)         | (832)            |
| Other general costs                     | (1,197)         | (912)            |
| <b>Total</b>                            | <b>(15,196)</b> | <b>(8,447)</b>   |

## Other income

| in TCHF                 | 2024       | 2023       |
|-------------------------|------------|------------|
| Reimbursed patent costs | 93         | 92         |
| Other income            | 25         | 156        |
| <b>Total</b>            | <b>118</b> | <b>248</b> |

Other income mainly includes rental income from a sublease contract.

## 8. Employee benefits

| in TCHF                                       | 2024            | 2023            |
|-----------------------------------------------|-----------------|-----------------|
| Salaries                                      | (13,349)        | (10,736)        |
| Social security costs                         | (2,016)         | (763)           |
| Social security costs related to the LTI      | (1,115)         | (16)            |
| Pension costs, defined benefit plan (note 21) | (576)           | (366)           |
| Share-based compensation (note 20)            | (5,026)         | (848)           |
| Other costs related to employees*             | (1,569)         | (587)           |
| <b>Total</b>                                  | <b>(23,651)</b> | <b>(13,316)</b> |

\* Other costs mainly consist of expenses for recruitment (TCHF 711), training (TCHF 364) and contract labor (TCHF 200).

In 2024, TCHF 1,057 (2023: TCHF 561) of personnel expenses were capitalized as part of inventory valuation and expensed through the cost of goods sold once the inventory items were sold.

In 2024, Kuros Biosciences B.V. received subsidies from the Dutch government (WBSO tax credit program) and the European Union (cmRNABone and Interlynk project) in relation to research and development activities, which amounted to TCHF 229 (2023: TCHF 212). These were recognized as a deduction from salaries.

## 9. Income taxes

| in TCHF                                                        | 2024         | 2023         |
|----------------------------------------------------------------|--------------|--------------|
| Current income tax expense                                     | (1,680)      | (546)        |
| Deferred tax income                                            | 1,310        | 166          |
| <b>Total income tax expense recognized in income statement</b> | <b>(370)</b> | <b>(380)</b> |

Composition of deferred tax assets and liabilities:

| in TCHF                                                   | Assets       |              | Liabilities    |                | Net          |            |
|-----------------------------------------------------------|--------------|--------------|----------------|----------------|--------------|------------|
|                                                           | 2024         | 2023         | 2024           | 2023           | 2024         | 2023       |
| Intangible assets                                         | –            | –            | (3,644)        | (4,014)        | (3,644)      | (4,014)    |
| Unrealized profit on inventories                          | 1,888        | –            | –              | –              | 1,888        | –          |
| Tax losses                                                | 3,242        | 4,595        | –              | –              | 3,242        | 4,595      |
| Others                                                    |              |              |                |                |              |            |
| <i>Property, plant and equipment</i>                      | –            | –            | (57)           | –              | (57)         | –          |
| <i>Leasing</i>                                            | 417          | 484          | (346)          | (428)          | 71           | 56         |
| <i>Loss allowance for financial assets</i>                | 249          | –            | –              | –              | 249          | –          |
| <i>Loss allowance for inventories</i>                     | 169          | –            | –              | –              | 169          | –          |
| <i>Retirement benefit obligations</i>                     | 28           | –            | –              | –              | 28           | –          |
| <i>Other employee benefits</i>                            | 58           | –            | –              | –              | 58           | –          |
| <i>Others</i>                                             | 1            | –            | –              | –              | 1            | –          |
| Total others                                              | 922          | 484          | (403)          | (428)          | 519          | 56         |
| <b>Deferred tax assets/ (liabilities) prior to offset</b> | <b>6,052</b> | <b>5,079</b> | <b>(4,047)</b> | <b>(4,442)</b> | <b>2,005</b> | <b>637</b> |
| Offset of deferred tax assets and liabilities             | (3,716)      | (4,442)      | 3,716          | 4,442          | –            | –          |
| <b>Deferred tax assets/ (liabilities)</b>                 | <b>2,336</b> | <b>637</b>   | <b>(331)</b>   | <b>–</b>       | <b>2,005</b> | <b>637</b> |

Movements in deferred taxes:

| in TCHF                                              | Intangible assets | Unrealized profit on inventories | Tax losses   | Others     | Total        |
|------------------------------------------------------|-------------------|----------------------------------|--------------|------------|--------------|
| <b>As of January 1, 2024</b>                         | <b>(4,014)</b>    | <b>–</b>                         | <b>4,595</b> | <b>56</b>  | <b>637</b>   |
| Deferred tax credit/(charge) in the income statement | 408               | 1,888                            | (1,410)      | 424        | 1,310        |
| Deferred tax credit in other comprehensive income    | –                 | –                                | –            | 28         | 28           |
| Exchange differences                                 | (38)              | –                                | 57           | 11         | 30           |
| <b>As of December 31, 2024</b>                       | <b>(3,644)</b>    | <b>1,888</b>                     | <b>3,242</b> | <b>519</b> | <b>2,005</b> |

| in TCHF                                              | Intangible assets | Tax losses   | Others    | Total      |
|------------------------------------------------------|-------------------|--------------|-----------|------------|
| <b>As of January 1, 2023</b>                         | <b>(4,664)</b>    | <b>5,095</b> | <b>73</b> | <b>504</b> |
| Deferred tax credit/(charge) in the income statement | 451               | (270)        | (15)      | 166        |
| Deferred tax credit in other comprehensive income    | –                 | –            | –         | –          |
| Exchange differences                                 | 199               | (230)        | (2)       | (33)       |
| <b>As of December 31, 2023</b>                       | <b>(4,014)</b>    | <b>4,595</b> | <b>56</b> | <b>637</b> |

The Group's income tax expense differed from the amount computed by applying the statutory Swiss income tax rate as summarized in the following table:

| in TCHF                                                          | 2024           | 2023            |
|------------------------------------------------------------------|----------------|-----------------|
| Loss from continuing operations before tax                       | (3,346)        | (9,776)         |
| Loss from discontinuing operation before tax                     | (574)          | (3,571)         |
| <b>Loss before tax</b>                                           | <b>(3,920)</b> | <b>(13,347)</b> |
| Expected income tax rate (%)                                     | 19.3%          | 19.3%           |
| <b>Expected income tax credit</b>                                | <b>757</b>     | <b>2,576</b>    |
| Expenses not deductible for tax purposes                         | (2,064)        | (1,084)         |
| Effect of tax charges related to prior years                     | –              | (93)            |
| Effect of deferred tax assets not recognized in the current year | (639)          | (1,517)         |
| Changes in recognized deferred tax assets                        | 74             | –               |
| Recognition of previously unrecognized deferred tax assets       | 2,157          | –               |
| Effect of different tax rates in other countries                 | (645)          | (262)           |
| Other                                                            | (10)           | –               |
| <b>Total income tax expense recognized in income statement</b>   | <b>(370)</b>   | <b>(380)</b>    |
| Income tax attributable to continuing operations                 | (370)          | (380)           |
| Income tax attributable to discontinued operation                | –              | –               |
| <b>Total income tax expense</b>                                  | <b>(370)</b>   | <b>(380)</b>    |

Using Swiss income tax rate, the Group's expected tax rate is 19.3% for 2024 and 2023, which is the statutory tax rate of the holding company.

Expenses not deductible for tax purposes mainly related to share-based payment expenses, amortization and impairment expenses related to goodwill and intangibles recognized in the respective period. Deferred tax assets not recognized mainly consist of tax losses in Switzerland.

In 2024, the Group achieved a positive EBITDA for the first time. By deciding not to proceed to Phase 3 for KUR-113, a drug-based bone graft orthobiologic product candidate, the company has significantly improved its financial profile. Consequently, management revised its estimates of future taxable profits and the Group recognized the tax effect of CHF 2.2 million of previously unrecognized deferred tax assets on deductible temporary differences because management considered it probable that future taxable profits will be available to offset these differences.

### Tax loss carry-forwards

As of December 31, 2024 the Group's total gross operating loss carry-forwards amounted to CHF 60.5 million (2023: CHF 59.8 million), which relate to Switzerland and the Netherlands. Utilization of recognized deferred tax assets depend on future taxable profits. Recognition is supported by historical revenue growth, revenue and earnings projections and the Dutch tax regime where tax losses do not expire.

Tax loss carry-forwards, which are not recognized, are summarized by year of expiry as follows:

| in TCHF      | 2024          | 2023          |
|--------------|---------------|---------------|
| 2024         | –             | 11,097        |
| 2025         | 4,746         | 7,518         |
| 2026         | 3,399         | 5,715         |
| 2027         | 2,891         | 4,722         |
| 2028         | –             | 2,486         |
| 2029         | 827           | 4,217         |
| 2030         | 33,352        | 5,756         |
| 2031         | 1,968         | –             |
| <b>Total</b> | <b>47,183</b> | <b>41,511</b> |

Recognition of the unrecognized tax loss carry-forwards and deductible temporary differences would have led to an increase in deferred tax assets of CHF 9.1 million in 2024 (2023: CHF 8.0 million). In the course of the merger of Kuros Biosurgery AG with Kuros Biosciences AG as of July 1, 2024, the tax loss carry-forwards of Kuros Biosurgery AG could not be transferred to Kuros Biosciences AG, resulting in a reduction of tax loss carry-forwards from previous years.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The Group partially recognized deferred tax assets relating to tax loss carry-forwards and deductible temporary differences in 2023 and 2024 to the extent that there are suitable taxable temporary differences and expected future profits.

## 10. Net loss per share

To compute basic earnings per share, the consolidated profit for the period is divided by the weighted average number of shares issued during the same period, after excluding any treasury shares. On the other hand, diluted earnings per share takes into account the impact of potential dilution from equity-settled share-based payment plans and arrangements for ordinary shares. For this calculation, awards granted under such long-term incentive plans are included, as well as their dilutive potential. Awards with only a service condition are included to the extent of their dilutive effect. The potentially dilutive effect is mainly driven by the company's long-term incentive plans. The table below presents the weighted average number of shares outstanding, both before and after adjustments for the effect of dilutive potential shares. For shares issued in 2024 and 2023 please refer to note [19](#).

Weighted average number of shares used as denominator:

| Number                                                       | 2024              | 2023              |
|--------------------------------------------------------------|-------------------|-------------------|
| Issued ordinary shares as of January 1                       | 36,784,131        | 36,561,378        |
| Effect of treasury shares held                               | –                 | (17,244)          |
| Effect of share options exercised                            | 414,394           | 37,881            |
| <b>Weighted average number of ordinary shares</b>            | <b>37,198,525</b> | <b>36,582,015</b> |
| Effect of share based payment plans (options and RSUs)       | –                 | –                 |
| <b>Weighted average number and potential ordinary shares</b> | <b>37,198,525</b> | <b>36,582,015</b> |

## Basic and diluted earnings per share

| in CHF                          | 2024          | 2023          |
|---------------------------------|---------------|---------------|
| From continuing operations      | (0.10)        | (0.28)        |
| From discontinued operation     | (0.02)        | (0.10)        |
| <b>Total net loss per share</b> | <b>(0.12)</b> | <b>(0.38)</b> |

## Reconciliation of net loss used in calculating net loss per share:

| in T CHF                                                    | 2024           | 2023            |
|-------------------------------------------------------------|----------------|-----------------|
| Net loss from continuing operations                         | (3,716)        | (10,156)        |
| Net loss from discontinued operation                        | (574)          | (3,571)         |
| <b>Net loss attributable to the ordinary equity holders</b> | <b>(4,290)</b> | <b>(13,727)</b> |

## Information concerning the classification of securities

### (a) Options

Options granted to employees under the Employee Option Plan are considered as potential ordinary shares. These options are not included in the calculation of basic and diluted net loss per share because they are antidilutive for the year ended December 31, 2024 and December 31, 2023. If Kuros reports a profit in the future, these options could potentially dilute basic earnings per share and will need to be considered for the purpose of this calculation. Details relating to the options are set out in note [20](#).

### (b) Restricted Share Units

Restricted Share Units (“RSUs”) granted to employees under the Group’s Restricted Share Unit Plan are considered as potential ordinary shares. These RSUs are not included in the calculation of basic and diluted net loss per share as they are antidilutive for the year ended December 31, 2024 and December 31, 2023. If Kuros reports a profit in the future, these RSUs could potentially dilute earnings per share and will need to be considered for the purpose of this calculation. Details relating to the RSUs are set out in note [20](#).

## 11. Property, plant and equipment

| in TCHF                                       | Leasehold Improvement | Machinery and Equipment | Office Equipment, Furniture and Others | Total          |
|-----------------------------------------------|-----------------------|-------------------------|----------------------------------------|----------------|
| <b>Cost</b>                                   |                       |                         |                                        |                |
| As of January 1, 2024                         | 41                    | 1,481                   | 267                                    | 1,789          |
| Additions                                     | 23                    | 963                     | 109                                    | 1,095          |
| Exchange differences                          | –                     | (4)                     | 1                                      | (3)            |
| <b>As of December 31, 2024</b>                | <b>64</b>             | <b>2,440</b>            | <b>377</b>                             | <b>2,881</b>   |
| <b>Accumulated depreciation</b>               |                       |                         |                                        |                |
| As of January 1, 2024                         | (37)                  | (833)                   | (201)                                  | (1,071)        |
| Depreciation charge                           | (5)                   | (264)                   | (30)                                   | (299)          |
| Exchange differences                          | –                     | (1)                     | –                                      | (1)            |
| <b>As of December 31, 2024</b>                | <b>(42)</b>           | <b>(1,098)</b>          | <b>(231)</b>                           | <b>(1,371)</b> |
| <b>Net book value as of December 31, 2024</b> | <b>22</b>             | <b>1,342</b>            | <b>146</b>                             | <b>1,510</b>   |

| in TCHF                                       | Leasehold Improvement | Machinery and Equipment | Office Equipment, Furniture and Others | Total          |
|-----------------------------------------------|-----------------------|-------------------------|----------------------------------------|----------------|
| <b>Cost</b>                                   |                       |                         |                                        |                |
| As of January 1, 2023                         | 43                    | 1,262                   | 251                                    | 1,556          |
| Additions                                     | –                     | 293                     | 24                                     | 317            |
| Disposals                                     | –                     | (1)                     | –                                      | (1)            |
| Exchange differences                          | (2)                   | (73)                    | (8)                                    | (83)           |
| <b>As of December 31, 2023</b>                | <b>41</b>             | <b>1,481</b>            | <b>267</b>                             | <b>1,789</b>   |
| <b>Accumulated depreciation</b>               |                       |                         |                                        |                |
| As of January 1, 2023                         | (36)                  | (636)                   | (177)                                  | (849)          |
| Depreciation charge                           | (4)                   | (234)                   | (28)                                   | (266)          |
| Disposals                                     | –                     | 1                       | –                                      | 1              |
| Exchange differences                          | 3                     | 36                      | 4                                      | 43             |
| <b>As of December 31, 2023</b>                | <b>(37)</b>           | <b>(833)</b>            | <b>(201)</b>                           | <b>(1,071)</b> |
| <b>Net book value as of December 31, 2023</b> | <b>4</b>              | <b>648</b>              | <b>66</b>                              | <b>718</b>     |

## 12. Leases

The Group has rental contract (lease) for office and production premises as lessee. The following amounts relating to leases are recognized in the balance sheet as of December 31:

| in TCHF                           | 2024  | 2023  |
|-----------------------------------|-------|-------|
| Right-of-use assets for buildings | 1,514 | 1,924 |
| Lease liabilities                 |       |       |
| Current                           | 529   | 578   |
| Non-current                       | 1,264 | 1,565 |

The Group leases office and production premises which are fully recognized as lease liabilities and right-of-use assets. The rental period entered is for a fixed period of 10 years (ending 2027) in the Netherlands and 3 years in the US (ending 2026) and includes variable lease payments that depend on an index. An extension of the contract has not been accounted for based on management judgement.

In 2024, remeasurements resulting from changes in the price index and space expansions in the Netherlands led to an increase of TCHF 191 in right-of-use assets and lease liabilities (2023: TCHF 671). Further, the renewal of a lease contract in the US resulted in an addition of TCHF 29 to right-of-use assets and lease liabilities (2023: TCHF 354 from a new lease contract).

The statement of profit and loss shows the following amounts of lease expenses:

| in TCHF                                           | 2024  | 2023  |
|---------------------------------------------------|-------|-------|
| Depreciation of right-of-use assets for buildings | (663) | (608) |
| Interest expense                                  | (46)  | (53)  |
| Expense relating to short-term leases             | (67)  | (67)  |
| Expenses relating to lease of low-value           | (11)  | (11)  |

The total cash outflow for leases in 2024 was TCHF 728 (2023: TCHF 803).

### 13. Goodwill and intangible assets

| in TCHF                                | Goodwill | Licensing | Currently Marketed Products | Software | Total    |
|----------------------------------------|----------|-----------|-----------------------------|----------|----------|
| <b>Cost</b>                            |          |           |                             |          |          |
| As of January 1, 2024                  | 32,438   | 4,730     | 24,625                      | 277      | 62,070   |
| Additions                              | –        | –         | –                           | 17       | 17       |
| Exchange differences                   | 66       | –         | 184                         | –        | 250      |
| As of December 31, 2024                | 32,504   | 4,730     | 24,809                      | 294      | 62,337   |
| <b>Accumulated amortization</b>        |          |           |                             |          |          |
| As of January 1, 2024                  | (7,969)  | (3,926)   | (8,945)                     | (253)    | (21,093) |
| Amortization charge                    | –        | (134)     | (1,516)                     | (24)     | (1,674)  |
| Impairment charge                      | (5,102)  | –         | –                           | –        | (5,102)  |
| Exchange differences                   | –        | –         | (44)                        | –        | (44)     |
| As of December 31, 2024                | (13,071) | (4,060)   | (10,505)                    | (277)    | (27,913) |
| Net book value as of December 31, 2024 | 19,433   | 670       | 14,304                      | 17       | 34,424   |

In 2024, the Group recognized an impairment loss of TCHF 5,102 on goodwill. Please refer to note [14](#) for details.

| in TCHF                                | Goodwill | Licensing | Currently Marketed Products | Software | Total    |
|----------------------------------------|----------|-----------|-----------------------------|----------|----------|
| <b>Cost</b>                            |          |           |                             |          |          |
| As of January 1, 2023                  | 32,914   | 4,730     | 25,960                      | 268      | 63,872   |
| Additions                              | –        | –         | –                           | 9        | 9        |
| Exchange differences                   | (476)    | –         | (1,335)                     | –        | (1,811)  |
| As of December 31, 2023                | 32,438   | 4,730     | 24,625                      | 277      | 62,070   |
| <b>Accumulated amortization</b>        |          |           |                             |          |          |
| As of January 1, 2023                  | (3,600)  | (3,658)   | (7,683)                     | (205)    | (15,146) |
| Amortization charge                    | –        | (268)     | (1,562)                     | (48)     | (1,878)  |
| Impairment charge                      | (4,369)  | –         | (166)                       | –        | (4,535)  |
| Exchange differences                   | –        | –         | 466                         | –        | 466      |
| As of December 31, 2023                | (7,969)  | (3,926)   | (8,945)                     | (253)    | (21,093) |
| Net book value as of December 31, 2023 | 24,469   | 804       | 15,680                      | 24       | 40,977   |

In order to focus in its core business, the Group has decided to withdraw Neuroseal from its market approval in the EU and to terminate the distribution of OsOpia, a product with dental indication in 2023. As a result, the Group recognized an impairment loss of TCHF 166, representing the remaining carrying amount of Neuroseal and OsOpia in Currently Marketed Products.

#### 14. Impairment test of goodwill

Goodwill is tested annually for impairment, or more frequently if there are indications of impairment.

The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As of December 31, 2024 and December 31, 2023, there are no indications of potential goodwill or asset impairment within the operating segment, as the Group's market capitalization exceeds the book value of its net assets.

For impairment testing, goodwill is allocated to the Group's CGUs. In 2023, the Group identified four CGUs, namely MagnetOs, Fibrin-PTH, Neuroseal and Checkmate Licensing. Following the decision in 2023 to withdraw Neuroseal from its market approval in the EU, the management determined that, as of 2024, the Group consists of three CGUs, namely MagnetOs, Fibrin-PTH and Checkmate Licensing. Goodwill are tested for impairment on the level of the individual CGU.

Carrying amount of goodwill allocated to each of the CGUs is presented below:

| in TCHF                          | 2024          | 2023          |
|----------------------------------|---------------|---------------|
| MagnetOs                         | 8,787         | 8,721         |
| Checkmate Licensing              | 10,646        | 15,748        |
| <b>Balance as of December 31</b> | <b>19,433</b> | <b>24,469</b> |

##### MagnetOs CGU

The recoverable amount of the CGU is determined based on a value-in-use calculation using a discounted cash flow model from financial plan approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

|                                                    | 2024  | 2023  |
|----------------------------------------------------|-------|-------|
| Pre-tax discount rate (note (i))                   | 13.0% | 14.3% |
| Growth rate beyond the forecast period (note (ii)) | 2.1%  | 2.4%  |

(i) Discount rate is derived from the current market assessment of the risks specific to the CGU, considering the present value of future cash flows and individual risks of the underlying assets that are not addressed in the cash flow estimates. Basis for the discount rate is the weighted average cost of capital (WACC), which estimates the individual financing costs for debt and equity financing. The cost of equity is derived from the shareholder return expectations. The cost of debt is derived from interest-bearing payables the Group is or would be obliged to service. By applying additional beta factors, the WACC incorporates industry specific risks. The beta factor is evaluated on the basis of publicly available data of a selected peer group.

(ii) Management adopted a planning period of five-year in the financial plan considering the broadening of the commercial reach and the continuous growth in revenue in the CGU. Cash flows beyond the five-year period are extrapolated using a 2.1% (2023: 2.4%) growth rate which corresponds to the long-term US inflation rate.

The recoverable amount of the MagnetOs CGU is estimated to exceed the carrying amount of the CGU as of December 31, 2024 by CHF 230 million (2023: CHF 57 million). Consequently management did not recognize an impairment.

The calculation of value-in-use for the MagnetOs CGU is most sensitive to the discount rate, the probability of future cash flows from product sales and cash out in relation to the commercialization activities, production, and general & administrative costs and the growth rate beyond the forecast period. The Group considers that a reasonably possible change in these key assumptions (i.e. discount rate increases by 2% or future cash flows reduce by 10%) would not cause the CGU's carrying amount on December 31, 2024 and December 31, 2023 to exceed its recoverable amount.

## Checkmate Licensing CGU

The recoverable amount of the CGU is determined based on a value-in-use calculation using a discounted cash flow model deriving from contractually agreed milestone payments. No terminal value was applied in calculating the value-in-use as the future cash flows primarily comprise of future milestone payments as per the Checkmate Licensing and the Royalty Purchase Agreement. For details of the Licensing Agreement with Checkmate and the Royalty Purchase Agreement with XOMA, please refer to note 1. The key assumptions used in estimating the recoverable amount are as follows:

|                                                      | 2024          | 2023          |
|------------------------------------------------------|---------------|---------------|
| Pre-tax discount rate (note (i))                     | 13.7%         | 13.2%         |
| Probability of future milestone payments (note (ii)) | 27.4% - 29.8% | 27.4% - 29.8% |

(i) Discount rate is derived from the current market assessment of the risks specific to the CGU and individual risks of the underlying assets that are not addressed in the cash flow estimates. Basis for the discount rate is the weighted average cost of capital (WACC), which estimates the individual financing costs for debt and equity. The cost of equity is derived from the shareholder return expectations. The cost of debt is derived from interest-bearing payables the Group is or would be obliged to service. By applying additional beta factors, the WACC incorporates industry specific risks. The beta factor is evaluated on basis of publicly available data of a selected peer group.

(ii) Revenue projections are derived from contractually agreed milestone payments and the probability of reaching events which will trigger the milestone payments. Probabilities between 27.4% and 29.8% have been applied to reflect uncertainty of timing and extend of cash-flows in 2024 and 2023. Following the acquisition of Checkmate, Regeneron has closed the enrollment in the ongoing phase 2 and phase 2/3 study in melanoma and is elaborating its own clinical development strategy. The probability is primarily based on an industry peer comparison of products in a similar development stage factoring in management assessment.

Revenue projections are also dependent on the timing of reaching events triggering the contractually agreed milestone payments. Given the current status of the study, the Group considers that the timing of reaching such triggering events will be delayed.

As a result of the increase in discount rate and delay in reaching the events which will trigger the milestone payments, an impairment loss of CHF 5.1 million is recognized in 2024. As of December 31, 2024, the carrying amount of the CGU has been reduced to its recoverable amount which amounted to CHF 11.3 million. In 2023, an impairment loss of CHF 4.4 million was recognized as a result of the increase in pre-tax discount rate, adjustment in probability and delay in reaching the events which will trigger the milestone payments.

The sensitivity analysis for the CGU was based on a reduction in future cash flows by 10% and an increase in discount rates by 1%. The parameters for the sensitivity analysis were chosen based on historic trends and assumed projected volatilities. Therefore, the parameters are considered reasonably possible.

A decrease in the future cash flows by 10% and a rise in the pre-tax discount rate to 14.7% (i.e., +1.0%) would result in further impairment of CHF 1.1 million and CHF 0.9 million respectively in the Checkmate Licensing CGU.

## 15. Inventories

| in TCHF                  | 2024         | 2023         |
|--------------------------|--------------|--------------|
| Raw materials            | 2,909        | 1,201        |
| Work in progress         | 1,439        | 344          |
| Finished goods           | 5,095        | 3,311        |
| <b>Total inventories</b> | <b>9,443</b> | <b>4,856</b> |

In 2024, an inventory reserve of TCHF 207 (2023: TCHF 63) was recognized.

## 16. Prepayments and other assets

Prepayments and other assets mainly included prepayments of general liability insurance, subscription to publications and cost of services as of December 31, 2024 and December 31, 2023.

## 17. Trade and other receivables

| in TCHF                                   | 2024          | 2023         |
|-------------------------------------------|---------------|--------------|
| Trade receivables:                        |               |              |
| Trade receivables – gross carrying amount | 14,321        | 7,081        |
| Loss allowance                            | (926)         | (670)        |
| Trade receivables – net carrying amount   | 13,395        | 6,411        |
| Other receivables:                        |               |              |
| Value added taxes (VAT)                   | 746           | 439          |
| Income tax receivable                     | 462           | –            |
| Accrued income                            | 860           | 620          |
| Other                                     | 677           | 147          |
| Other receivables - net carrying amount   | 2,745         | 1,206        |
| <b>Total trade and other receivables</b>  | <b>16,140</b> | <b>7,617</b> |
| Thereof non-current                       | –             | –            |

The fair values of trade and other receivables do not differ from the carrying amounts. Accrued income represents revenue that has been recognized but yet invoiced. The Group calculates the loss allowance based on an expected credit loss model. The maximum exposure to credit risk at the reporting date is the net carrying amount of trade and other receivables mentioned above. The Group does not hold any collateral as security. The credit quality of the Group's debtors is high, since they are composed of health care providers, leading pharmaceutical companies and tax authorities. The aging for the trade receivables is disclosed in note [25](#).

Trade and other receivables are denominated as follows:

| Trade and other receivables in Thousands | 2024   | 2023  |
|------------------------------------------|--------|-------|
| CHF                                      | 291    | 328   |
| USD                                      | 15,272 | 7,475 |
| EUR                                      | 2,024  | 983   |

## 18. Cash and cash equivalents

| in TCHF                                | 2024          | 2023          |
|----------------------------------------|---------------|---------------|
| Cash at bank and on hand               | 18,021        | 9,303         |
| Deposits at call                       | –             | 4,905         |
| <b>Total cash and cash equivalents</b> | <b>18,021</b> | <b>14,208</b> |

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of initiation. TCHF 561 is restricted as guarantees for lease agreements and corporate credit cards (2023: TCHF 342). In 2024, the Group recorded TCHF 83 interest income from cash and cash equivalents (2023: TCHF 328).

## 19. Shareholders' equity

### Issued share capital and treasury shares

|                                     | Shares<br>(number) | Share capital<br>(in TCHF) | Treasury shares<br>(in TCHF) |
|-------------------------------------|--------------------|----------------------------|------------------------------|
| <b>January 1, 2023</b>              | <b>36,561,378</b>  | <b>3,656</b>               | <b>(17)</b>                  |
| Share issued at exercise of options | 222,753            | 22                         | –                            |
| <b>December 31, 2023</b>            | <b>36,784,131</b>  | <b>3,678</b>               | <b>(17)</b>                  |
| <b>January 1, 2024</b>              | <b>36,784,131</b>  | <b>3,678</b>               | <b>(17)</b>                  |
| Share issued at exercise of options | 1,084,758          | 109                        | –                            |
| Treasury shares sold                | –                  | –                          | 17                           |
| <b>December 31, 2024</b>            | <b>37,868,889</b>  | <b>3,787</b>               | <b>–</b>                     |

| Number of shares        | Issued and fully paid shares | Treasury shares | Total shares |
|-------------------------|------------------------------|-----------------|--------------|
| As of December 31, 2023 | 36,784,131                   | (17,244)        | 36,766,887   |
| As of December 31, 2024 | 37,868,889                   | —               | 37,868,889   |

## Share premium

|                                   | in TCHF        |
|-----------------------------------|----------------|
| <b>As of January 1, 2023</b>      | <b>160,157</b> |
| Cash on exercise of share options | 479            |
| Appropriation of accumulated loss | (87,320)       |
| <b>As of December 31, 2023</b>    | <b>73,316</b>  |
| <b>As of January 1, 2024</b>      | <b>73,316</b>  |
| Cash on exercise of share options | 1,815          |
| Appropriation of accumulated loss | (2,104)        |
| <b>As of December 31, 2024</b>    | <b>73,027</b>  |

Under the Swiss Code of Obligations (“CO”), shareholders approved to offset the accumulated loss carried forward against share premium.

## Conditional capital

As stated in articles 3b and 3c of the Articles of Association of Kuros Biosciences AG (available on the Company’s website), the Company has conditional capital that is designated for bonds or similar debt instruments (article 3b) and for use as equity-based compensation for employees, persons of comparable positions and board members (article 3c).

The Company's unissued conditional capital for use as equity-based compensation showed the following movement:

|                                                                        | 2024             |                  | 2023             |                  |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                        | Number of shares | Par value in CHF | Number of shares | Par value in CHF |
| <b>As of January 1</b>                                                 | <b>4,132,460</b> | <b>413,246</b>   | <b>3,995,213</b> | <b>399,521</b>   |
| Increase in conditional capital approved at the Annual General Meeting | 1,572,753        | 157,275          | 360,000          | 36,000           |
| Increase in capital (options exercised and RSUs vested)                | (1,084,758)      | (108,476)        | (222,753)        | (22,275)         |
| <b>As of December 31</b>                                               | <b>4,620,455</b> | <b>462,046</b>   | <b>4,132,460</b> | <b>413,246</b>   |

As of December 31, 2024 and December 31, 2023, the unissued conditional capital for bonds or similar debt instruments totaled 1,800,000 shares with a par value of CHF 180,000.

Under the Swiss Code of Obligations (“CO”), new share capital can be created by way of ordinary or conditional capital increase.

## Capital band

As stated in article 2d of the Articles of Association of Kuros Biosciences AG (available on the Company’s website), the Company has a capital band between CHF 2,942,730.40 (lower limit) and CHF 4,414,095.70 (upper limit). The board of directors is authorized to increase the share capital up to the upper limit at any time and as often as required until 16 May 2028 by the issuance of fully paid-in registered shares. A capital reduction is excluded.

## Treasury shares

During 2024, the Group allocated 17,244 treasury shares for TCHF 42 to settle exercised options. As of December 31, 2024, the Groups does not hold any treasury shares. (December 31, 2023: 17,244 units of treasury shares).

## Other reserves

Other reserves include the recognition of the value of equity-settled share-based payments granted to the Board, the Executive Committee, employees, and consultants as part of their remuneration. Please refer to note [20](#) for further details of these plans.

## Options and Restricted Share Units (RSUs)

In 2024, 1,084,758 options ( 2023: 222,753) granted to employees of the Group were exercised. As a result, the nominal share capital of Kuros increased from CHF 3,678,413.10 to CHF 3,786,888.90 and is divided into 37,868,889 registered common shares with a par value of CHF 0.10 each. Information relating to the Group's Stock Option Plan and Restricted Share Unit Plan, including details of options and RSUs issued, exercised and lapsed during the financial years and options and RSUs outstanding at the end of the reporting period is set out in note [20](#).

## 20. Share based payments

The Group grants share options and restricted share units (RSU) to the members of the Board, the members of the Executive Committee, as well as to employees and consultants of the Group.

The fair value of the options is determined at the date of grant based on the market price using the Black-Scholes model. The fair value of the RSU is based on the share price at the date of grant. All stock options and RSUs are issued by the Company.

In 2024, share-based payment expenses of TCHF 5,127 (2023: TCHF 917) is recognized for outstanding options and RSUs granted in the long-term incentive plans. The expense of forfeited options and RSUs was reversed in the year when the options and RSUs are forfeited.

The movements in the number of all outstanding share options are as follows:

|                                                    | Options<br>(number) | Weighted average<br>exercise price<br>(CHF) |
|----------------------------------------------------|---------------------|---------------------------------------------|
| <b>Balance outstanding as of January 1, 2023</b>   | <b>2,439,844</b>    | <b>2.73</b>                                 |
| Granted                                            | 1,566,543           | 1.61                                        |
| Exercised                                          | (222,753)           | 2.25                                        |
| Forfeited                                          | (215,352)           | 1.79                                        |
| Lapsed                                             | (203,645)           | 10.33                                       |
| <b>Balance outstanding as of December 31, 2023</b> | <b>3,364,637</b>    | <b>1.84</b>                                 |
| <b>Balance outstanding as of January 1, 2024</b>   | <b>3,364,637</b>    | <b>1.84</b>                                 |
| Granted                                            | 639,029             | 6.69                                        |
| Exercised                                          | (916,049)           | 2.11                                        |
| Forfeited                                          | (138,778)           | 2.14                                        |
| Lapsed                                             | (45,394)            | 2.74                                        |
| <b>Balance outstanding as of December 31, 2024</b> | <b>2,903,445</b>    | <b>2.79</b>                                 |

The weighted average share price at the date of exercise for options exercised during the year ended December 31, 2024 was CHF 15.40 (2023: CHF 2.94).

The movements in the number of all outstanding RSUs are as follows:

|                                                    | RSUs<br>(number) | Weighted average<br>exercise price<br>(CHF) |
|----------------------------------------------------|------------------|---------------------------------------------|
| <b>Balance outstanding as of January 1, 2023</b>   | <b>489,942</b>   | <b>1.73</b>                                 |
| Granted                                            | 275,076          | 1.62                                        |
| Forfeited                                          | (96,636)         | 1.73                                        |
| <b>Balance outstanding as of December 31, 2023</b> | <b>668,382</b>   | <b>1.68</b>                                 |
| <b>Balance outstanding as of January 1, 2024</b>   | <b>668,382</b>   | <b>1.68</b>                                 |
| Granted                                            | 639,271          | 7.40                                        |
| Vested                                             | (185,953)        | 6.73                                        |
| Forfeited                                          | (45,494)         | 1.81                                        |
| <b>Balance outstanding as of December 31, 2024</b> | <b>1,076,206</b> | <b>4.20</b>                                 |

The weighted average share price at the date of vesting for RSUs during the year ended December 31, 2024 was CHF 7.87.

The following table shows all share options outstanding as of December 31, 2024:

| Exercise price (CHF) | Options* (number) | Remaining life (years unless stated otherwise) | Exercisable options (number) |
|----------------------|-------------------|------------------------------------------------|------------------------------|
| 18.45                | 20,200            | 4.8                                            | –                            |
| 6.50                 | 559,643           | 4.3                                            | –                            |
| 3.88                 | 45,886            | 4.0                                            | 45,886                       |
| 2.18                 | 374,494           | 3.8                                            | 74,494                       |
| 2.10                 | 16,750            | 3.8                                            | 3,625                        |
| 1.40                 | 94,899            | 3.5                                            | 94,899                       |
| 1.40                 | 890,688           | 3.5                                            | 231,551                      |
| 1.47                 | 10,069            | 3.0                                            | 10,069                       |
| 1.73                 | 31,623            | 2.8                                            | –                            |
| 1.63                 | 10,270            | 2.8                                            | 874                          |
| 1.73                 | 506,886           | 2.7                                            | 260,857                      |
| 2.45                 | 3,033             | 2.3                                            | 3,033                        |
| 1.93                 | 16,788            | 2.3                                            | 16,788                       |
| 2.45                 | 1,005             | 1.6                                            | 1,005                        |
| 2.30                 | 3,210             | 1.1                                            | 3,210                        |
| 2.02                 | 2,494             | 1.1                                            | 2,494                        |
| 2.00                 | 82,380            | 0.9                                            | 82,380                       |
| 3.12                 | 4,071             | 0.6                                            | 4,071                        |
| 2.45                 | 1,550             | 0.6                                            | 1,550                        |
| 2.30                 | 7,223             | 0.6                                            | 7,223                        |
| 2.27                 | 2,500             | 0.6                                            | 2,500                        |
| 2.09                 | 209,224           | 0.2                                            | 209,224                      |
| 2.45                 | 8,559             | 0.1                                            | 8,559                        |
| <b>Total</b>         | <b>2,903,445</b>  |                                                | <b>1,064,292</b>             |

\* Includes all outstanding options within the Group

The following table shows all RSUs outstanding as of December 31, 2024:

| Share price at grant date<br>(CHF) | RSUs*<br>(number) | Remaining life<br>(years unless stated<br>otherwise) |
|------------------------------------|-------------------|------------------------------------------------------|
| 6.50                               | 124,503           | 2.3                                                  |
| 7.67                               | 10,695            | 2.3                                                  |
| 7.67                               | 10,688            | 2.1                                                  |
| 2.18                               | 1,816             | 1.8                                                  |
| 7.67                               | 10,688            | 1.8                                                  |
| 7.67                               | 10,688            | 1.6                                                  |
| 1.40                               | 187,631           | 1.5                                                  |
| 2.18                               | 1,811             | 1.5                                                  |
| 2.18                               | 1,811             | 1.3                                                  |
| 7.67                               | 10,688            | 1.3                                                  |
| 2.18                               | 19,322            | 1.2                                                  |
| 7.67                               | 114,012           | 1.2                                                  |
| 7.67                               | 10,688            | 1.1                                                  |
| 2.18                               | 1,811             | 1.0                                                  |
| 1.63                               | 44,598            | 0.8                                                  |
| 2.18                               | 1,811             | 0.8                                                  |
| 7.67                               | 10,688            | 0.8                                                  |
| 1.73                               | 312,196           | 0.7                                                  |
| 7.67                               | 10,688            | 0.6                                                  |
| 2.18                               | 1,811             | 0.5                                                  |
| 2.18                               | 1,811             | 0.3                                                  |
| 7.67                               | 10,688            | 0.3                                                  |
| 7.67                               | 10,688            | 0.1                                                  |
| 2.18                               | 21,133            | –                                                    |
| 7.67                               | 133,242           | –                                                    |
| <b>Total</b>                       | <b>1,076,206</b>  |                                                      |

The following table shows all share options outstanding as of December 31, 2023:

| Exercise price (CHF) | Options* (number) | Remaining life (years unless stated otherwise) | Exercisable options (number) |
|----------------------|-------------------|------------------------------------------------|------------------------------|
| 3.12                 | 4,071             | 1.6                                            | 4,071                        |
| 3.12                 | 3,118             | 1.4                                            | 3,118                        |
| 3.12                 | 1,217             | 0.9                                            | 1,217                        |
| 2.95                 | 136,888           | 0.8                                            | 136,888                      |
| 2.76                 | 54,278            | 0.2                                            | 54,278                       |
| 2.45                 | 5,308             | 3.3                                            | 5,308                        |
| 2.45                 | 1,005             | 2.6                                            | 1,005                        |
| 2.45                 | 1,550             | 1.6                                            | 1,550                        |
| 2.45                 | 2,422             | 1.4                                            | 2,422                        |
| 2.45                 | 8,559             | 1.1                                            | 8,559                        |
| 2.42                 | 14,063            | 0.8                                            | 14,063                       |
| 2.42                 | 12,875            | 0.4                                            | 12,875                       |
| 2.30                 | 3,210             | 2.1                                            | 3,210                        |
| 2.30                 | 10,968            | 1.6                                            | 10,968                       |
| 2.27                 | 2,500             | 1.6                                            | 2,500                        |
| 2.18                 | 400,000           | 4.8                                            | –                            |
| 2.10                 | 23,000            | 4.8                                            | –                            |
| 2.09                 | 515,877           | 1.2                                            | 492,757                      |
| 2.03                 | 50,000            | 3.1                                            | 21,875                       |
| 2.02                 | 2,494             | 2.1                                            | 2,494                        |
| 2.00                 | 229,473           | 1.9                                            | 229,473                      |
| 1.93                 | 18,362            | 3.3                                            | 18,362                       |
| 1.90                 | 5,000             | 3.3                                            | 1,875                        |
| 1.73                 | 63,243            | 3.8                                            | 15,810                       |
| 1.73                 | 654,229           | 3.7                                            | 215,965                      |
| 1.63                 | 18,792            | 3.8                                            | 4,698                        |
| 1.47                 | 17,467            | 4.0                                            | 17,467                       |
| 1.40                 | 94,899            | 4.5                                            | 94,899                       |
| 1.40                 | 1,009,769         | 4.5                                            | –                            |
| <b>Total</b>         | <b>3,364,637</b>  |                                                | <b>1,377,707</b>             |

\* Includes all options granted within the Group

The following table shows all RSUs outstanding as of December 31, 2023:

| Share price at grant date (CHF) | RSUs* (number) | Remaining life (years unless stated otherwise) |
|---------------------------------|----------------|------------------------------------------------|
| 2.18                            | 79,703         | 3.8                                            |
| 1.40                            | 194,298        | 3.5                                            |
| 1.63                            | 43,523         | 2.8                                            |
| 1.73                            | 1,075          | 2.8                                            |
| 1.73                            | 349,783        | 2.7                                            |
| <b>Total</b>                    | <b>668,382</b> |                                                |

Fair value and assumptions of options and RSUs granted

The following table shows the range of assumptions applied to the share-based payment arrangements:

Options granted in 2024:

|                                              | (a) New Kuros options granted | (b) New Kuros options granted                                                                | (c) New Kuros options granted                                                             |
|----------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Grant date                                   | January 3, 2024               | April 30, 2024                                                                               | September 30, 2024                                                                        |
| Number of options                            | 45,886                        | 572,943                                                                                      | 20,200                                                                                    |
| Exercise price                               | CHF 3.88                      | CHF 6.50                                                                                     | CHF 18.45                                                                                 |
| Share price at grant date                    | CHF 3.88                      | CHF 6.50                                                                                     | CHF 18.45                                                                                 |
| Contractual life                             | 5 years                       | 5 years                                                                                      | 5 years                                                                                   |
| Vesting period                               | 45,886 shares vest upon grant | 143,236 options vest after 1 year. 429,707 options vest quarterly over the following 3 years | 5,050 options vest after 1 year. 15,150 options vest quarterly over the following 3 years |
| Settlement                                   | Shares                        | Shares                                                                                       | Shares                                                                                    |
| Expected volatility at grant date            | 68.39%                        | 68.26%                                                                                       | 62.55%                                                                                    |
| Expected option life at grant date           | until maturity                | until maturity                                                                               | 4.3 years                                                                                 |
| Risk-free interest rate p.a.                 | 0.92%                         | 0.78%                                                                                        | 0.34%                                                                                     |
| Expected dividend                            | Zero                          | Zero                                                                                         | Zero                                                                                      |
| Estimated fair value of option at grant date | CHF 2.20                      | CHF 3.66                                                                                     | CHF 8.99                                                                                  |
| Expiry date                                  | January 3, 2029               | April 30, 2029                                                                               | September 30, 2029                                                                        |
| Valuation model                              | Black Scholes                 | Black Scholes                                                                                | Black Scholes                                                                             |

## RSUs granted in 2024:

|                           | (a) New Kuros RSUs granted                                                                                                             | (b) New Kuros RSUs granted                                                     |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Grant date                | April 17, 2024                                                                                                                         | April 30, 2024                                                                 |
| Number of RSUs            | 489,528                                                                                                                                | 149,743                                                                        |
| Share price at grant date | CHF 7.67                                                                                                                               | CHF 6.50                                                                       |
| Contractual life          | 5 years                                                                                                                                | 5 years                                                                        |
| Vesting period            | 114,011 RSUs vest upon grant. 247,254 RSUs vest over 3 years and dependent on target achievement. 128,263 vest quarterly over 3 years. | 24,000 RSUs vest on grant date. 125,743 RSUs with cliff vesting after 3 years. |
| Settlement                | Shares                                                                                                                                 | Shares                                                                         |
| Expiry date               | April 17, 2027                                                                                                                         | April 30, 2027                                                                 |

## Options granted in 2023:

|                                              | (a) New Kuros options granted | (b) New Kuros options granted                                                                                               | (c) New Kuros options granted                                                             | (d) New Kuros options granted                                                                |
|----------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Grant date                                   | January 2, 2023               | July 5, 2023                                                                                                                | October 2, 2023                                                                           | October 11, 2023                                                                             |
| Number of options                            | 17,467                        | 1,126,076                                                                                                                   | 23,000                                                                                    | 400,000                                                                                      |
| Exercise price                               | CHF 1.47                      | CHF 1.40                                                                                                                    | CHF 2.10                                                                                  | CHF 2.18                                                                                     |
| Share price at grant date                    | CHF 1.47                      | CHF 1.40                                                                                                                    | CHF 2.10                                                                                  | CHF 2.18                                                                                     |
| Contractual life                             | 5 years                       | 5 years                                                                                                                     | 5 years                                                                                   | 5 years                                                                                      |
| Vesting period                               | 17,467 shares vest upon grant | 94,899 shares vest upon grant. 322,143 options vest after 1 year. 709,034 options vest quarterly over the following 3 years | 5,750 options vest after 1 year. 17,250 options vest quarterly over the following 3 years | 100,000 options vest after 1 year. 300,000 options vest quarterly over the following 3 years |
| Settlement                                   | Shares                        | Shares                                                                                                                      | Shares                                                                                    | Shares                                                                                       |
| Expected volatility at grant date            | 54.63%                        | 61.84%                                                                                                                      | 77.62%                                                                                    | 76.35%                                                                                       |
| Expected option life at grant date           | until maturity                | until maturity                                                                                                              | until maturity                                                                            | until maturity                                                                               |
| Risk-free interest rate p.a.                 | 1.44%                         | 1.02%                                                                                                                       | 1.07%                                                                                     | 0.91%                                                                                        |
| Expected dividend                            | Zero                          | Zero                                                                                                                        | Zero                                                                                      | Zero                                                                                         |
| Estimated fair value of option at grant date | CHF 0.70                      | CHF 0.73                                                                                                                    | CHF 1.32                                                                                  | CHF 1.34                                                                                     |
| Expiry date                                  | January 2, 2028               | July 5, 2028                                                                                                                | October 2, 2028                                                                           | October 11, 2028                                                                             |
| Valuation model                              | Black Scholes                 | Black Scholes                                                                                                               | Black Scholes                                                                             | Black Scholes                                                                                |

RSUs granted in 2023:

|                              | (a) New Kuros RSUs granted     | (b) New Kuros RSUs granted                                                                        |
|------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------|
| Grant date                   | July 5, 2023                   | October 11, 2023                                                                                  |
| Number of RSUs               | 195                            | 80                                                                                                |
| Share price at date of grant | CHF 1.40                       | CHF 2.18                                                                                          |
| Contractual life             | 5 years                        | 5 years                                                                                           |
| Vesting period               | 195,373 RSUs vest over 3 years | 21,737 RSUs vest over 3 years. 57,966 RSUs vest over 3 years and dependent on targets achievement |
| Settlement                   | Shares                         | Shares                                                                                            |
| Expiry date                  | July 5, 2027                   | October 11, 2027                                                                                  |

## 21. Employee benefit plans

### Defined benefit plan

The Group operates a defined benefit retirement plan ("the Plan") covering employees in Switzerland through the PKG Pensionskasse, a collective foundation ("the Foundation") that offers coverage for retirement, long-term disability, death and termination.

The Foundation is managed by the Board of Trustees, the highest governing body, who oversees pension scheme management. Additionally, a Pension Fund Commission, composed of equal employee and employer representatives, safeguards the interests of insured members and sets pension-related provisions. The Foundation currently has excess coverage according to the regulations.

Minimum levels of benefits are prescribed by law. Contribution levels are set as a percentage of the insured portion of employees' pay. Retirement benefits are based on accumulated pension savings, including interest, and a predefined conversion rate. Risk benefits are determined in relation to pensionable salary.

Kuros bears risks related to potential investment underperformance and valuation assumption adjustments, such as interest rates, salary increases, and pension adjustments. Sensitivity analyses are conducted to assess these factors.

#### *Plan amendment/Settlement*

There is no plan amendment in 2024.

In 2023, the pension fund has informed that the retirement age for women will increase to age 65 and that the conversion rate will be reduced to 5.2%. Originally, the conversion rate is to be reduced to 5.00% by 2026 (at age 65 for men and age 64 for women) and the impact of this reduction was considered in the financial statements in prior years. This plan amendment resulted in a higher expected defined benefit obligation and an expense of TCH 90 in 2023.

#### *Defined benefit assets*

In 2023, defined benefit assets of TCHF 14 is recognized as the future service cost is higher than the sum of the employer contributions and thus, resulting in an economic benefit for the company.

As of December 31, 2024, the Company has a net defined benefit liability position.

### Change in benefit obligation

| in TCHF                              | 2024           | 2023           |
|--------------------------------------|----------------|----------------|
| <b>Balance as of January 1</b>       | <b>(5,275)</b> | <b>(3,087)</b> |
| Service cost                         | (127)          | (86)           |
| Employee contributions               | (118)          | (102)          |
| Interest cost                        | (79)           | (72)           |
| Plan amendment                       | –              | (90)           |
| Actuarial loss on benefit obligation | (547)          | (460)          |
| Benefit payments                     | 712            | (1,378)        |
| <b>Balance as of December 31</b>     | <b>(5,434)</b> | <b>(5,275)</b> |

| in TCHF                                             | 2024         | 2023         |
|-----------------------------------------------------|--------------|--------------|
| Actuarial (loss)/ gain arising from plan experience | (185)        | 99           |
| Actuarial loss arising from financial assumptions   | (362)        | (559)        |
| <b>Total actuarial (loss)/ gain</b>                 | <b>(547)</b> | <b>(460)</b> |

### Change in plan assets

| in TCHF                             | 2024         | 2023         |
|-------------------------------------|--------------|--------------|
| <b>Fair value as of January 1</b>   | <b>5,289</b> | <b>3,330</b> |
| Interest income                     | 80           | 78           |
| Employer contributions              | 118          | 102          |
| Employee contributions              | 118          | 102          |
| Benefit payments                    | (712)        | 1,378        |
| Administrative expense              | (1)          | (2)          |
| Actuarial gain on plan assets       | 402          | 301          |
| <b>Fair value as of December 31</b> | <b>5,294</b> | <b>5,289</b> |

### Assets breakdown

| December 31, 2024            | Quoted market price | Not quoted market price | Total       |
|------------------------------|---------------------|-------------------------|-------------|
| Cash                         | –                   | 1%                      | 1%          |
| Bonds                        | 40%                 | –                       | 40%         |
| Equities                     | 38%                 | –                       | 38%         |
| Property                     | 19%                 | –                       | 19%         |
| Other                        | –                   | 2%                      | 2%          |
| <b>Total value of assets</b> | <b>97%</b>          | <b>3%</b>               | <b>100%</b> |

| December 31, 2023            | Quoted market price | Not quoted market price | Total       |
|------------------------------|---------------------|-------------------------|-------------|
| Cash                         | –                   | 1%                      | 1%          |
| Bonds                        | 41%                 | –                       | 41%         |
| Equities                     | 36%                 | –                       | 36%         |
| Property                     | 20%                 | –                       | 20%         |
| Other                        | –                   | 2%                      | 2%          |
| <b>Total value of assets</b> | <b>97%</b>          | <b>3%</b>               | <b>100%</b> |

#### Funded status

| in TCHF                                                                       | 2024         | 2023      |
|-------------------------------------------------------------------------------|--------------|-----------|
| (Unfunded) /Funded status                                                     | (140)        | 14        |
| <b>Net defined benefit (liability)/ asset recognized in the balance sheet</b> | <b>(140)</b> | <b>14</b> |

#### Defined benefit costs

| in TCHF                                                                     | 2024         | 2023         |
|-----------------------------------------------------------------------------|--------------|--------------|
| Service cost                                                                | (127)        | (86)         |
| Interest cost                                                               | (79)         | (72)         |
| Administrative expense                                                      | (1)          | (2)          |
| Interest income on assets                                                   | 80           | 72           |
| Plan amendment                                                              | –            | (90)         |
| <b>Defined benefit cost for the year recognized in the income statement</b> | <b>(127)</b> | <b>(178)</b> |

The pension expenses are included in the income statement in research and development costs, general and administrative costs and sales and marketing costs. (see note 7).

#### Net defined benefit asset/(liability)

| in TCHF                                                                       | 2024         | 2023      |
|-------------------------------------------------------------------------------|--------------|-----------|
| Pension assets as of December 31                                              | 5,294        | 5,289     |
| Defined benefit obligation as of December 31                                  | (5,434)      | (5,275)   |
| <b>Net defined benefit (liability)/ asset recognized in the balance sheet</b> | <b>(140)</b> | <b>14</b> |

The table below provides the weighted average assumptions as of December 31 used to develop net periodic benefit cost and the actuarial present value of projected benefit obligations:

## Assumptions

|                                                                            | 2024        | 2023        |
|----------------------------------------------------------------------------|-------------|-------------|
| Discount rate                                                              | 1.00%       | 1.50%       |
| Interest credit rate                                                       | 2.00%       | 2.00%       |
| Average future salary increases                                            | 1.00%       | 1.75%       |
| Future pension increases                                                   | 0.0%        | 0.0%        |
| Mortality tables used                                                      | BVG 2020 GT | BVG 2020 GT |
| Average retirement age                                                     | 65/65       | 65/65       |
| Turn over                                                                  | BVG 2020    | BVG 2020    |
| Capital option                                                             | 40%         | 40%         |
| Expected life experience at regular retirement age 65 / 65 (2023: 65 / 65) | 23.07/24.81 | 22.95/24.70 |
| Weighted average duration of employee benefit obligations                  | 16.3 years  | 13.3 years  |

## Sensitivity analysis

The sensitivity analysis was performed by recalculating the defined benefit obligation (DBO) and the service cost with the following assumption, which was deemed to be the key assumptions used in the actuarial calculation. Reasonably possible changes at the reporting date to the discount rate, holding all other assumptions constant, would have affected the DBO by the amounts shown below:

| in TCHF, increase/ (decrease) in DBO | December 31, 2024 | December 31, 2023 |
|--------------------------------------|-------------------|-------------------|
| Discount rate +0.25%                 | (201)             | (179)             |
| Discount rate -0.25%                 | 214               | 190               |

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

## Future cash flows

| in TCHF                                                 | 2024 | 2023 |
|---------------------------------------------------------|------|------|
| Expected annual employee contribution in following year | 116  | 107  |
| Expected annual employer contribution in following year | 116  | 107  |

## Defined contribution retirement plan

The Group also administers defined contribution plans in the Netherlands and the United States, funded through fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognized in the current period in relation to these contributions was TCHF 448 (cost of goods sold: TCHF48; sales and marketing: TCHF184; research and development: TCHF136; general and administrative: TCHF80) (2023: TCHF 289, cost of goods sold: TCHF25 ; sales and marketing: TCHF132 ; research and development: TCHF84; general and administrative: TCHF47). As of December 31, 2024, and December 31, 2023, there are no outstanding contributions.

## 22. Accrued expenses

| in TCHF                       | 2024          | 2023         |
|-------------------------------|---------------|--------------|
| Accrued payroll and bonuses   | 4,725         | 2,879        |
| Accrued operating expenses    | 8,733         | 5,054        |
| <b>Total accrued expenses</b> | <b>13,458</b> | <b>7,933</b> |

Accrued operating expenses mainly included purchase of materials, consumables, as well as sales and distribution expenses and professional services accrued as of December 31, 2024 and 2023.

## 23. Reconciliation of movements of liabilities to cash flows arising from financing activities

| in TCHF                            | Note | Leases       | Financial liability from collaboration | Total        |
|------------------------------------|------|--------------|----------------------------------------|--------------|
| <b>As of January 1, 2024</b>       |      | <b>2,143</b> | <b>3,375</b>                           | <b>5,518</b> |
| Changes in fair values             |      | –            | (460)                                  | (460)        |
| Payment of lease liabilities       | 12   | (604)        | –                                      | (604)        |
| Remeasurement of lease liabilities | 12   | 191          | –                                      | 191          |
| New lease                          | 12   | 29           | –                                      | 29           |
| Exchange difference                |      | 34           | 241                                    | 275          |
| <b>As of December 31, 2024</b>     |      | <b>1,793</b> | <b>3,156</b>                           | <b>4,949</b> |

| in TCHF                            | Note | Leases       | Financial liability from collaboration | Total        |
|------------------------------------|------|--------------|----------------------------------------|--------------|
| <b>As of January 1, 2023</b>       |      | <b>1,912</b> | <b>5,812</b>                           | <b>7,724</b> |
| Changes in fair values             |      | –            | (1,931)                                | (1,931)      |
| Payment of lease liabilities       | 12   | (672)        | –                                      | (672)        |
| Remeasurement of lease liabilities | 12   | 671          | –                                      | 671          |
| New lease                          | 12   | 354          | –                                      | 354          |
| Exchange difference                |      | (122)        | (506)                                  | (628)        |
| <b>As of December 31, 2023</b>     |      | <b>2,143</b> | <b>3,375</b>                           | <b>5,518</b> |

## 24. Financial instruments by category

Financial assets:

| in TCHF                                          | 2024          | 2023          |
|--------------------------------------------------|---------------|---------------|
| Financial assets at amortized costs              |               |               |
| Trade receivables                                | 13,395        | 6,411         |
| Other receivables                                | 2,745         | 1,206         |
| Cash and cash equivalents                        | 18,021        | 14,208        |
| <b>Total financial assets at amortized costs</b> | <b>34,161</b> | <b>21,825</b> |

Trade and other receivables reported in 2024 and 2023 include VAT receivables.

Financial liabilities:

| in TCHF                                                                 | 2024          | 2023          |
|-------------------------------------------------------------------------|---------------|---------------|
| Financial liabilities at amortized costs                                |               |               |
| Trade and other payables                                                | 6,912         | 1,301         |
| Accrued expenses                                                        | 11,813        | 7,183         |
| Lease liabilities                                                       | 1,793         | 2,143         |
| <b>Total financial liabilities at amortized costs</b>                   | <b>20,518</b> | <b>10,627</b> |
| Financial liabilities at fair value through profit or loss              |               |               |
| Financial liabilities from collaborations                               | 3,156         | 3,375         |
| <b>Total financial liabilities at fair value through profit or loss</b> | <b>3,156</b>  | <b>3,375</b>  |

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as of December 31, 2024 and December 31, 2023 as they are short-term in nature. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The financial liabilities from collaborations is measured at fair value and subsequent remeasurements are recognized in the financial result. It represents XOMA's entitlement to future pre-commercial milestones due from the Licensing Agreement with Checkmate Pharmaceuticals. XOMA obtained this entitlement from an initial payment in July 2021 under the Royalty Purchase Agreement.

The initial fair value of the liability represents XOMA's share of future pre-commercial milestones which is measured based on a contractually agreed pre-commercial milestones due from Checkmate under the Checkmate Licensing Agreement. The fair value of the liability is not based on observable market data (Level 3 hierarchy) but is primarily determined based on the probability assumption to reach the events triggering milestone payments. Probability rates of 27.4% to 29.8% (2023: 27.4% to 29.8%) were applied to determine the fair value of the financial liabilities from collaborations. The probability to reach the pre-commercial milestone triggering events has been updated in 2023 because Regeneron has closed the enrollment in the ongoing phase 2 and phase 2/3 study in melanoma and is elaborating its own clinical development strategy. Furthermore, a corresponding timing effect has been recognized given the decision by Regeneron. As a result of the remeasurement of fair value of the liability, a finance income of TCHF 460 is recognized in 2024 (2023: TCHF 1,931).

For details of the Licensing Agreement with Checkmate and the Royalty Purchase Agreement with XOMA, please refer to note [1](#).

The financial liability's sensitivity is dependent on changes in timing and probability of the contractually agreed future milestone payment. The movement of financial liability from collaboration recognized in the balance sheet is set out in note [23](#).

## 25. Financial risk management

The Group is subject to risks common to companies in the MechTech industry, including, but not limited to, uncertainties regarding the effectiveness and safety of new and unproven technologies, the outcome of clinical trials, rigorous governmental regulation and uncertainty regarding regulatory approvals, long product development cycles, continuing capital requirements to fund research and development, history of operating losses and uncertainty of future profitability, uncertainty regarding commercial success and acceptance, third party reimbursements, uncertainties regarding patents and legally protected products or technologies, uncertainty regarding third party intellectual property rights, dependence on third parties, dependence on publicly available scientific findings and research data, dependence on third party manufacturers and service providers, competition, concentration of operations, product liability, dependence on important employees, the environment, health, data protection and safety, lack of experience in marketing and sales, litigation, currency fluctuation risks and other financial risks, volatility of market value, as well as limited liquidity and shares eligible for future sale.

However, with the strategic shift to a pure MedTech business and the decision at the end of 2023 not to proceed with Phase 3 for KUR-113, the Group has significantly reduced risks associated with clinical trials and regulatory approvals. This transition enables a full focus on its synthetic bone graft technology, which presents lower development risks compared to pharmaceutical products and aligns with its long-term MedTech strategy.

The risk management is carried out centrally under policies approved by the Board of Directors. Furthermore, management controls financial risks, specifically the liquidity risk (refer also to “capital risk management” disclosure).

### Market risk

The Group is exposed to market risks such as currency, interest rate and other price risks.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the translation of the subsidiaries with EUR and USD as functional currency. The Group also has transactions in foreign currency and is exposed to foreign currency risks, which are discussed in the accounting policies section “Foreign currency translation and transactions”.

As of December 31, 2024, if the Swiss Franc had weakened/strengthened by 5% against the EUR and USD with all other variables held constant, the net loss for the period would have been TCHF 641 (2023: TCHF 278) lower/higher, mainly as a result of foreign exchange gains/losses on translation of EUR and USD denominated assets and liabilities. The impact is the same on equity.

Sensitivity analysis:

| December 31, 2024 (in TCHF) | Sensitivity | Effect on profit or loss |
|-----------------------------|-------------|--------------------------|
| EUR/CHF                     | 5% / (5%)   | 106 / (106)              |
| USD/CHF                     | 5% / (5%)   | (747) / 747              |

| December 31, 2023 (in TCHF) | Sensitivity | Effect on profit or loss |
|-----------------------------|-------------|--------------------------|
| EUR/CHF                     | 5% / (5%)   | (11) / 11                |
| USD/CHF                     | 5% / (5%)   | (267) / 267              |

## Interest rate risk

The Group has no outstanding loans, convertible bonds, or convertible bond notes as of December 31, 2024 and December 31, 2023. As a result, the Group is not exposed to changes in interest rates except for rental adjustments and time deposits. If interest rates on time deposits had been 50 basis points higher/lower with all other variables held constant, the net loss for the period would have been TCHF 0 (2023: TCHF 0) lower/higher, because of higher/lower interest income.

## Other price risk

Other price risks are also insignificant as the Group does not hold any investment in equity securities as of December 31, 2024 and December 31, 2023.

## Liquidity risk

The Group manages its liquidity by planning and closely monitoring cash burn, investing in fixed-term time deposits and projecting revenues on an ongoing basis to ensure sufficient liquidity and appropriate interest income. The Group's financial status as of December 31, 2024, provides funds to continue operations, taking into account further revenue streams.

The table below shows the maturities of the liquidity of relevant financial liabilities and commitments as of December 31, 2024:

| in TCHF (undiscounted amounts)                         | Within 1 year | Between 2 to 5 years | Over 5 years |
|--------------------------------------------------------|---------------|----------------------|--------------|
| Trade and other payables                               | 6,912         | –                    | –            |
| Accrued expenses                                       | 11,813        | –                    | –            |
| Lease liabilities                                      | 691           | 1,626                | –            |
| Short-term lease                                       | 67            | –                    | –            |
| Financial liabilities from collaborations <sup>1</sup> | —             | –                    | 3,156        |

<sup>1</sup> Amount and timing of the financial liability's repayment is not fixed (no maturity). Please refer to note 24 for details of financial liabilities from collaborations.

The table below shows the maturities of the liquidity of relevant financial liabilities and commitments as of December 31, 2023:

| in TCHF (undiscounted amounts)                         | Within 1 year | Between 2 to 5 years | Over 5 years |
|--------------------------------------------------------|---------------|----------------------|--------------|
| Trade and other payables                               | 1,301         | –                    | –            |
| Accrued expenses                                       | 7,183         | –                    | –            |
| Lease liabilities                                      | 619           | 1,626                | –            |
| Short-term lease                                       | 67            | –                    | –            |
| Financial liabilities from collaborations <sup>1</sup> | —             | –                    | 3,375        |

<sup>1</sup> Amount and timing of the financial liability's repayment is not fixed (no maturity). Please refer to note 24 for details of financial liabilities from collaborations.

## Credit risk

The Group considers the related credit risk limited to trade receivables for product sales and collaborative agreements, and other receivables. The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The primary concentration of credit risk consists of trade receivables. In the normal course of business, the Group provides credit terms to its customers. Accordingly, the Group performs ongoing credit evaluations of its customers. It maintains allowances for possible losses which, when realized, have been within the range of management's expectations as reflected by its reserves. The expected loss rates are based on current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as of December 31, 2024 and December 31, 2023 was determined as follows:

| December 31, 2024<br>(in TCHF)          | Current      | 1-30 days<br>past due | 31-60<br>days past<br>due | 61-90<br>days past<br>due | 91-120<br>days past<br>due | > 120<br>days past<br>due | Total         |
|-----------------------------------------|--------------|-----------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------|
| Trade receivables                       | 9,320        | 3,081                 | 715                       | 253                       | 117                        | 835                       | 14,321        |
| Accrued income                          | 112          | 467                   | 141                       | 67                        | 17                         | 57                        | 861           |
| Total at gross carrying<br>amount       | 9,432        | 3,548                 | 856                       | 320                       | 134                        | 892                       | 15,182        |
| Loss allowance                          | (199)        | (71)                  | (31)                      | (12)                      | (4)                        | (610)                     | (926)         |
| <b>Total at net carrying<br/>amount</b> | <b>9,233</b> | <b>3,477</b>          | <b>825</b>                | <b>308</b>                | <b>130</b>                 | <b>282</b>                | <b>14,255</b> |

| December 31, 2023 (in<br>TCHF)          | Current      | 1-30 days<br>past due | 31-60<br>days past<br>due | 61-90<br>days past<br>due | 91-120<br>days past<br>due | > 120<br>days past<br>due | Total        |
|-----------------------------------------|--------------|-----------------------|---------------------------|---------------------------|----------------------------|---------------------------|--------------|
| Trade receivables                       | 4,188        | 1,546                 | 376                       | 113                       | 194                        | 664                       | 7,081        |
| Accrued income                          | 147          | 274                   | 38                        | 53                        | 27                         | 81                        | 620          |
| Total at gross carrying<br>amount       | 4,335        | 1,820                 | 414                       | 166                       | 221                        | 745                       | 7,701        |
| Loss allowance                          | (22)         | (25)                  | (18)                      | (17)                      | (60)                       | (528)                     | (670)        |
| <b>Total at net carrying<br/>amount</b> | <b>4,313</b> | <b>1,795</b>          | <b>396</b>                | <b>149</b>                | <b>161</b>                 | <b>217</b>                | <b>7,031</b> |

The loss allowances for trade receivables as of December 31 reconcile to the opening loss allowances as follows:

| in TCHF                                                                    | 2024         | 2023         |
|----------------------------------------------------------------------------|--------------|--------------|
| Opening loss allowance as of January 1                                     | (670)        | (120)        |
| Increase in loss allowance recognized in profit or loss during<br>the year | (203)        | (602)        |
| Exchange differences                                                       | (53)         | 52           |
| <b>Closing allowance as of December 31</b>                                 | <b>(926)</b> | <b>(670)</b> |

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and other receivables mentioned above. The Group does not hold any collateral as security. The credit quality of the Group's debtors is high, since they are primarily composed of health care providers, leading pharmaceutical companies, and tax authorities.

A significant share of cash and cash equivalents and the financial assets are held, with financial institutions with at least an "A" rating (Standard & Poor's) equivalent or financial institutions which deposits are generally backed by local government. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9; however, no impairment loss has been identified.

## Capital risk management

The Group is not regulated and not subject to specific capital requirements. It aims to maintain the specific needs of the Swiss Code of Obligations (“CO”). To maintain statutory capital requirements, the Group monitors capital periodically and may propose capital increases at General or Extraordinary Meetings as needed. As outlined in Article 2d of the Company’s Articles of Association, Kuros Biosciences AG operates within a capital band ranging from CHF 2,942,730.40 to CHF 4,414,095.70, which allows the Board of Directors to increase share capital up to the upper limit until May 16, 2028. This flexibility enables the Company to raise additional capital when needed, while capital reduction is excluded.

## Fair value estimation

The fair value of financial assets and liabilities at amortized costs are assumed to be approximate their carrying amounts due to the short-term nature of these financial instruments. Financial liabilities from collaborations are measured at fair value through profit and loss. The maximum exposure at the end of the reporting period is the carrying amount.

## 26. Net finance result

Finance income

| in TCHF                                                               | 2024         | 2023         |
|-----------------------------------------------------------------------|--------------|--------------|
| Foreign exchange gain                                                 | 2,258        | 1,447        |
| Fair value remeasurement of financial liabilities from collaborations | 460          | 1,931        |
| Other finance income                                                  | 163          | 400          |
| <b>Finance income</b>                                                 | <b>2,881</b> | <b>3,778</b> |

Finance expense

| in TCHF                | 2024           | 2023           |
|------------------------|----------------|----------------|
| Foreign exchange loss  | (1,083)        | (3,747)        |
| Others                 | (149)          | (186)          |
| <b>Finance expense</b> | <b>(1,232)</b> | <b>(3,933)</b> |

Please refer to note [24](#) for details of fair value remeasurement of financial liabilities from collaborations.

## 27. Discontinued operation

In prior years, the Group explored drug-based orthobiologic development, namely Fibrin-PTH, and the Group conducted a randomized and non-randomized controlled Phase 2a clinical trial for KUR-113 in spinal indications in the US. Following an interim analysis and the superior clinical outcomes observed with MagnetOs, the Group decided in December 2023 not to advance KUR-113 to Phase 3. The Group proceeded with KUR-113 Phase 2a study in 2024 until the last patient reached the 1-year follow-up visit in H2 2024. All operations related to Fibrin-PTH including KUR-113 have been ceased by the end of 2024. No intangible or non-current assets have been capitalized in relation to Fibrin-PTH.

Since Fibrin-PTH belongs to the Pharmaceuticals segment, this segment is presented as a discontinued operation in 2024. This segment was not previously classified as a discontinued operation. The comparative consolidated income statement has been re-presented to show the discontinued operation separately from continuing operations.

### Financial performance and cash flow information

The financial performance and cash flow information presented below are for the year ended December 31, 2024 and December 31, 2023.

| in TCHF                                        | 2024           | 2023           |
|------------------------------------------------|----------------|----------------|
| Revenue                                        | –              | –              |
| Expenses                                       | (574)          | (3,571)        |
| <b>Loss from discontinued operation</b>        | <b>(574)</b>   | <b>(3,571)</b> |
| Net cash outflow from operating activities     | (1,721)        | (2,938)        |
| <b>Net cash used by discontinued operation</b> | <b>(1,721)</b> | <b>(2,938)</b> |

### 28. Related party transactions

Key management (including the Board and the Executive Committee) personnel compensation of the Group is as follows:

| in TCHF                                            | 2024         | 2023         |
|----------------------------------------------------|--------------|--------------|
| Short-term employee benefits                       | 1,907        | 1,940        |
| Share-based compensation                           | 5,363        | 1,262        |
| Social securities and pension plan contributions * | 381          | 145          |
| <b>Total</b>                                       | <b>7,651</b> | <b>3,347</b> |

\* Includes contributions to defined contribution plan

In 2023, the Group entered into consultancy agreements with Bruder Consulting & Venture Group, a company which Dr. Scott Bruder, a former Board Member of the Group, is the ultimate owner. In 2024, consultancy fees of TCHF 24 (2023: TCHF 79) were payable by the Group under these consultancy agreements and was determined with reference to rates charged by Bruder Consulting & Venture Group to third parties. No other compensation has been paid to the key management in 2024 and 2023.

### 29. Events occurring after the reporting period

The Group has no significant events after the reporting period and up to the date of this report.

# Report of the statutory auditor

## to the General Meeting of Kuros Biosciences AG, Schlieren

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Kuros Biosciences AG and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2024, the consolidated balance sheet as at 31 December 2024, the consolidated statement of cash flows and the consolidated statement of change in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 81 to 131 ) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall group materiality: TCHF 750

We concluded full scope audit work at one component in Switzerland, one component in the Netherlands and one component in the United States of America. Our audit scope addressed 100% of the Group's consolidated revenue and 99% of the Group's consolidated assets.

As key audit matter, the following area of focus has been identified:

- Recoverability of goodwill

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

|                                                        |                                                                                                                                                                                                           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Overall group materiality</b>                       | TCHF 750                                                                                                                                                                                                  |
| <b>Benchmark applied</b>                               | Total Revenue                                                                                                                                                                                             |
| <b>Rationale for the materiality benchmark applied</b> | We applied the Group's total revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured and it is a generally accepted benchmark. |

### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of four wholly-owned Group companies and two branches located in three countries. We identified three Group companies for which, in our opinion, a full scope audit was necessary because of their size or risk characteristics.

All subsidiaries of the Group are audited by local PwC firms. In order to exercise appropriate direction and supervision of the work of the component auditor abroad, we issued instructions to the component auditors, conducted conference calls during the various phases of the audit and furthermore obtained a memorandum of examination from our component auditors to assess the results and the impact on the Group's consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recoverability of goodwill

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As at 31 December 2024, the carrying value of goodwill amounted to TCHF 19'433 (23.7% of total assets).</p> <p>The recoverable amount of the cash-generating units is calculated on the basis of their value in use, applying discounted cash flow models.</p> <p>The recoverability of goodwill is a key audit matter due to the magnitude of the balances and the significant estimation uncertainty in the assumptions used as part of Management's impairment assessment.</p> | <p>With the involvement of our internal valuation experts, we assessed the model used by Management for the impairment test and challenged and evaluated Management's value in use calculation for the respective CGUs.</p> <p>This included an assessment challenging the key assumptions made by Management.</p> |

Specifically, the assumptions related to timing and magnitude of future cash-flows, the determination of the respective discount rate and the growth rate require a significant level of judgement by Management.

Refer to Note 1 'General information', Note 3 'Critical accounting estimates and judgements', Note 13 'Goodwill and intangible assets' and Note 14 'Impairment test of goodwill'.

- We evaluated the reasonableness of the discount rate, as determined by Management, by assessing the cost of capital for the Group and comparable organizations, as well as considering industry and territory specific factors.
- We challenged Management's cash flow assumptions and the probability-weightings applied to such cashflows by verifying the consistency based on other internal forward-looking documentation and by verifying the consistency of the assumptions with the Group's current commercialization plans.
- We evaluated the reasonableness of the growth rate, as determined by Management, by assessing the long-term inflation rate applicable for the respective CGUs.
- We evaluated the accuracy of Management's forecast model by performing look-back procedures and verified the consistency of Management's cash-flow assumptions by comparing them to the Group's business plan as approved by the Board of Directors.
- We further performed independent sensitivity analyses around the key assumptions to ascertain the extent of changes in those assumptions that either individually or collectively would be required for the goodwill to be impaired.

As a result of our procedures, we determined Management's approach to assess the recoverability of goodwill to be reasonable.

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### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of Directors' responsibilities for the consolidated financial statements**

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern



basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

#### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Alexandra Wittwer  
Licensed audit expert

Basel, 10 March 2025



# Statutory Financial Statements **2024**

# Statutory financial statements 2024

## Income statement

| in TCHF, year ended December 31                                                            | Note | 2024           | 2023            |
|--------------------------------------------------------------------------------------------|------|----------------|-----------------|
| Other income                                                                               | 3    | 2,015          | 1,269           |
| <b>Income</b>                                                                              |      | <b>2,015</b>   | <b>1,269</b>    |
| Research and development expense                                                           |      | (259)          | (94)            |
| Employee expense                                                                           | 4    | (2,528)        | (1,829)         |
| Other operating expense                                                                    | 5    | (3,100)        | (2,571)         |
| Depreciation to fixed assets and valuation adjustments to investment and intercompany loan | 6    | (267)          | (28,774)        |
| <b>Net operating costs</b>                                                                 |      | <b>(6,154)</b> | <b>(33,268)</b> |
| <b>Operating loss</b>                                                                      |      | <b>(4,139)</b> | <b>(31,999)</b> |
| Finance income                                                                             | 7    | 2,551          | 3,986           |
| Finance expense                                                                            | 7    | (328)          | (2,994)         |
| <b>Loss before taxes</b>                                                                   |      | <b>(1,916)</b> | <b>(31,007)</b> |
| Direct taxes                                                                               |      | (52)           | (50)            |
| <b>Net loss</b>                                                                            |      | <b>(1,968)</b> | <b>(31,057)</b> |

## Balance sheet

| in TCHF, December 31                              | Note | 2024          | 2023<br>Restated |
|---------------------------------------------------|------|---------------|------------------|
| Cash and cash equivalents                         |      | 7,886         | 4,457            |
| Other current receivables – third parties         |      | 369           | 191              |
| Prepayments                                       |      | 107           | 103              |
| <b>Total current assets</b>                       |      | <b>8,362</b>  | <b>4,751</b>     |
| Intercompany loans - subsidiaries                 | 8    | 37,741        | 36,301           |
| Investments                                       | 9    | 2,105         | 2,105            |
| Property and equipment                            |      | 3             | 4                |
| Intangible Assets                                 |      | 17            | 24               |
| <b>Total non-current assets</b>                   |      | <b>39,866</b> | <b>38,434</b>    |
| <b>Total assets</b>                               |      | <b>48,228</b> | <b>43,185</b>    |
| Trade payables – third parties                    |      | 258           | 155              |
| Other payables – third parties                    |      | 1,083         | 263              |
| Other payables – subsidiaries                     | 10   | 4,331         | 266              |
| Accrued expenses                                  | 11   | 1,636         | 1,002            |
| <b>Total current liabilities</b>                  |      | <b>7,308</b>  | <b>1,685</b>     |
| Financial liabilities from collaborations         | 12   | 3,233         | 3,692            |
| Non-current liabilities – third parties           | 13   | 80            | 80               |
| <b>Total non-current liabilities</b>              |      | <b>3,313</b>  | <b>3,772</b>     |
| Share capital                                     | 14   | 3,787         | 3,678            |
| Legal reserves:                                   |      |               |                  |
| – Capital contribution reserve                    | 15   | 102,404       | 100,565          |
| – Other legal reserves                            |      | –             | 1,828            |
| Treasury shares                                   | 16   | –             | (17)             |
| Accumulated loss:                                 |      |               |                  |
| – Brought forward                                 |      | (66,616)      | (37,270)         |
| – Loss for the year                               |      | (1,968)       | (31,057)         |
| <b>Total shareholders' equity</b>                 |      | <b>37,607</b> | <b>37,728</b>    |
| <b>Total liabilities and shareholders' equity</b> |      | <b>48,228</b> | <b>43,185</b>    |

# Notes to the statutory financial statements

## 1. Accounting principles applied in the preparation of the financial statements

Kuros Biosciences AG, Schlieren, Switzerland (the “Company”) is the parent company of the Group. Its stand-alone financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (“CO”). As Kuros Biosciences AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on interest bearing liabilities and audit fees in the Notes as well as a cash flow statement in accordance with the law (Art. 961d Para. 1 CO).

Group companies are all companies which are directly or indirectly controlled by the Company.

### Uncertainties and ability to continue operations

The Company faces various risks and uncertainties, primarily related to achieving sustainable profitability and the challenges of product registration and commercialization, and the uncertainty of the outcome of clinical trials and significant regulatory approval requirements of its licensed product.

The Company has incurred net operating losses in most fiscal periods since its inception and anticipates that it will continue to incur substantial operating losses for the foreseeable future. The Company may never achieve or sustain profitability due to the lack of recurring revenue.

However, the Group’s strategic shift to a pure MedTech business and the decision end of 2023 to not to proceed to Phase 3 for KUR-113, a drug-based bone graft orthobiologic product candidate, have significantly reduced the risks associated with clinical trials and regulatory approvals. This enables the Group to focus exclusively on advancing its medical device portfolio, which presents lower development risks than pharmaceutical products and aligns with its long-term growth strategy.

Since inception, the Group has incurred recurring net operating losses, a pattern that may continue in the near term as it further invests in product innovation, commercialization, operational excellence and digitalization. Achieving and sustaining profitability will depend on its ability to expand market presence and deepen the market penetration, introduce new products to maintain competitiveness, strengthen sales and marketing capabilities, obtain regulatory approvals, and enhance its operational excellence resulting in an increased operating leverage. While success is not guaranteed, these efforts are critical to driving sustainable revenue growth and strengthening financial performance. Therefore continued investment will be required to achieve all of the above.

While internal operational cash flow serves as a key funding source, its ability to fully support future capital expenditures and working capital needs will depend on market conditions and operational performance, potentially influencing the need for additional external financing.

Historically, the Group has financed its operations through a combination of product sales, milestone payments, equity and debt financing, and strategic collaborations. Although revenue from product sales continues to grow, other funding sources are not guaranteed to be recurring.

Taking into consideration cash and cash equivalents on the balance sheet as well as the respective cash generation in 2024 in combination with the product pipeline outlook, the Board and the Executive Committee believe that it is appropriate to prepare these financial statements on a going concern basis.

### Trade receivables and other current receivables

Trade receivables and other current receivables are carried at their nominal value. Write off charges from uncollectible or non-performing trade receivables are calculated on an individual basis.

#### *Investments*

Investments are initially recognized at cost. Investments in subsidiaries are assessed annually and adjusted to their recoverable amount.

## Provisions

Provisions are recognized at cost, when the occurrence is more likely than not and the costs are projectable.

## Financial liabilities from collaborations

The initial fair value of the liability represents XOMA's share of future pre-commercial milestones which is measured based on a contractually agreed pre-commercial milestones due from Checkmate under the Checkmate Licensing Agreement. The liability is subsequently measured at fair value and remeasurements are recognized in the financial results. Financial liabilities from collaborations are classified as non-current liabilities unless at the end of the reporting period, the contractual due date falls within 12 months after end of reporting period.

The Group previously classified the financial liabilities from collaborations as current liabilities. As of January 1, 2024, the Group has reclassified the financial liabilities from collaborations as non-current liabilities. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. As a result, the 2023 comparative information was restated to reflect the change in classification. The Group's other liabilities were not impacted by the amendments.

## Treasury shares

Own shares (treasury shares) are recognized at cost. Any gains or losses upon disposal are recognized in equity. Own shares directly held by the Company are deducted from equity.

## Revenue recognition

Revenues under collaborative long-term research and development agreements, i.e. royalties/licenses and technology transfer fees are recognized when earned based upon the substance of the relevant agreements or on the basis of the progress of the project in accordance with the percentage of completion method, respectively. For revenue arrangements with separately identifiable components the revenue recognition criteria are applied separately. The consideration received is allocated among the separate components based on their respective fair values and the applicable revenue recognition criteria are applied to each of the separate components.

## Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

|     | 2024 Income statement | Balance sheet as of December 31, 2024 | 2023 Income statement | Balance sheet as of December 31, 2023 |
|-----|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| EUR | 0.96376               | 0.94947                               | 0.98568               | 0.94237                               |
| USD | 0.88723               | 0.91193                               | 0.91463               | 0.85133                               |

The exchange rates used for balance sheet items are the rates prevailing on December 31, 2024. The exchange rates used for transactions conducted during the year and for items in the income statement are average rates for the financial year.

## 2. Merger with Kuros Biosurgery AG, a wholly own subsidiary

Based on the merger agreement dated November 6, 2024, Kuros Biosurgery AG, Schlieren, a wholly-owned subsidiary of Kuros Biosciences AG, merged into Kuros Biosciences AG AG, transferring all assets and liabilities as of July 1, 2024. The merger resulted in a loss of CHF 117,151, which was absorbed in the accumulated loss. As part of the merger, balances related to "other receivables from group companies", "long-term interest-bearing liability", and "other current receivables due from group companies" involving Kuros Biosurgery AG were fully impaired prior to the merger.

### 3. Other income

| in TCHF, December 31                 | 2024         | 2023         |
|--------------------------------------|--------------|--------------|
| Reimbursement of intragroup services | 1,920        | 1,171        |
| Fees of collaboration agreements     | 93           | 92           |
| Others                               | 2            | 6            |
| <b>Total</b>                         | <b>2,015</b> | <b>1,269</b> |

In 2024 and 2023, the Company was reimbursed for intragroup services.

### 4. Employees

As of December 31, 2024, the Company employed 4 employees (2023: 5).

### 5. Other operating expense

| in TCHF, December 31          | 2024           | 2023           |
|-------------------------------|----------------|----------------|
| Administration and legal fees | (1,799)        | (1,510)        |
| Insurances, public charges    | (306)          | (230)          |
| Marketing expenses            | (251)          | (268)          |
| Rental expenses               | (77)           | (71)           |
| IT and ERP expenses           | (406)          | (313)          |
| Other expenses                | (261)          | (179)          |
| <b>Total</b>                  | <b>(3,100)</b> | <b>(2,571)</b> |

### 6. Depreciation to fixed assets and valuation adjustments to investment and intercompany loan

| in TCHF, December 31                   | 2024         | 2023            |
|----------------------------------------|--------------|-----------------|
| Impairment of investment in subsidiary | –            | (23,761)        |
| Impairment of intercompany loan        | (238)        | (4,959)         |
| Depreciation to fixed assets           | (29)         | (54)            |
| <b>Total</b>                           | <b>(267)</b> | <b>(28,774)</b> |

In 2024, the Company fully impaired the intercompany loan from Kuros Biosurgery AG prior to the merger, as the amount was deemed unrecoverable.

In 2023, the Company fully impaired its investment in a wholly-owned subsidiary, Kuros Biosurgery AG, and its intercompany loan from Kuros Biosurgery AG following the Group's decision of not to proceed to phase 3 of the drug based orthobiologic product candidates KUR-113 in spinal indications.

### 7. Financial result

In 2024, the contingent settlement liability was remeasured as a result of the delay of reaching the pre-commercial milestone triggering events in relation to the Checkmate Licensing Agreement. This resulted in a finance income of TCHF 460 (2023: finance income of TCHF 1,931 as a result of a reassessment of the probability rates to reach the pre-commercial milestone triggering events in relation to the Checkmate Licensing Agreement and the corresponding time effect)

The remaining financial results mainly comprised of exchange results from currency fluctuations in cash and cash equivalents and long-term interest-bearing receivables, and interest income from bank deposits and long-term interest-bearing receivables.

## 8. Intercompany loans - subsidiaries

| in TCHF, December 31        | 2024          | 2023          |
|-----------------------------|---------------|---------------|
| Kuros Biosciences B.V.      | 32,265        | 31,977        |
| Kuros Biosciences USA, Inc. | 5,476         | 4,324         |
| <b>Total</b>                | <b>37,741</b> | <b>36,301</b> |

### *Kuros Biosciences B.V.*

In 2018, the Company entered into a loan contract with Kuros Biosciences B.V. Additions in 2024 (mainly attributable to receivables) amounted to TCHF 288 (2023: TCHF 8,794). In 2024 and 2023, no repayments were made.

### *Kuros Biosciences USA, Inc.*

In 2020, the Company entered into a loan contract with Kuros Biosciences USA, Inc.,. Additions in 2024 (mainly attributable to receivables) amounted to TCHF 1,152 (2023: TCHF 227). In 2024, no repayment were made. (2023: TCHF 76).

### *Kuros Biosurgery AG*

In 2021, the Company entered into a subordinated loan contract with Kuros Biosurgery AG. Additions in 2024 amounted to TCHF 238 (2023: TCHF 767). In 2024 and 2023, the Company fully impaired its intercompany loan from Kuros Biosurgery AG following the Group's decision not to proceed to phase 3 of the drug based orthobiologic product candidates KUR-113 in spinal indications. Following the merger on July 1, 2024, the intercompany receivable was settled as part of the transaction, eliminating the balance.

## 9. Investments and branches

Investments of Kuros Biosciences AG:

|                                                                           | December 31, 2024 | December 31, 2023 |
|---------------------------------------------------------------------------|-------------------|-------------------|
| <b>Kuros Biosurgery AG, Schlieren, Switzerland<sup>1</sup></b>            |                   |                   |
| Purpose: Provider of research and development services                    |                   |                   |
| Share capital (TCHF)                                                      | –                 | 435               |
| Shareholding (%)                                                          | –                 | 100               |
| <b>Kuros Biosciences B.V., Bilthoven, The Netherlands</b>                 |                   |                   |
| Purpose: Provider of research and development services                    |                   |                   |
| Share capital (TEUR)                                                      | 18                | 18                |
| Shareholding (%)                                                          | 100               | 100               |
| <b>RevisiOs B.V., Bilthoven, The Netherlands</b>                          |                   |                   |
| Purpose: Provider of research and development services                    |                   |                   |
| Share capital (TEUR)                                                      | 22                | 22                |
| Shareholding (%)                                                          | 100               | 100               |
| <b>Kuros Biosciences USA, Inc., Boston (MA), United States of America</b> |                   |                   |
| Purpose: Commercialization of Products                                    |                   |                   |
| Share capital (TUSD)                                                      | 1                 | 1                 |
| Shareholding (%)                                                          | 100               | 100               |

<sup>1</sup> Kuros Biosurgery AG, with its registered office in Schlieren, Switzerland and a share capital of CHF 454,726 merged with Kuros Biosciences AG as of July 1, 2024 (date of transaction). Kuros Biosurgery AG has been deregistered from the trade register as of November 13, 2024. All assets and liabilities have been transferred to Kuros Biosciences AG on the date of transaction.

In 2023, the Company fully impaired its investment in Kuros Biosurgery AG following the Group's decision of not to proceed to phase 3 of the drug based orthobiologic product candidates KUR-113 in spinal indications.

Branches of Kuros Biosciences AG:

| Name of entity                 | Place of business       | Ownership held |      |
|--------------------------------|-------------------------|----------------|------|
|                                |                         | 2024           | 2023 |
| Kuros US LLC                   | Delaware, United States | 100%           | 100% |
| Kuros US Royalty Fund (US) LLC | Delaware, United States | 100%           | 100% |

In 2021, Kuros US, LLC and Kuros US Royalty Fund (US) LLC were incorporated for the special purpose of the royalty purchase agreement with XOMA Corporation. Kuros US, LLC is the sole owner of patents CYT003 which are part of the license agreement with Checkmate Pharmaceuticals. Kuros US, LLC is the sole owner and transfer (as a contribution in kind) the right to receive all future license payments under the license agreement with Checkmate Pharmaceuticals to Kuros US Royalty Fund (US) LLC. Both companies are reported in the manner of branch accounting within the statutory financial reporting of Kuros Biosciences AG. Kuros Biosciences AG does not hold shareholdings, as these companies are registered as partnerships.

## 10. Other accounts payable – subsidiaries

| in TCHF, December 31        | 2024         | 2023       |
|-----------------------------|--------------|------------|
| Kuros Biosciences B.V.      | 1,262        | 212        |
| Kuros Biosciences USA, Inc. | 3,069        | 54         |
| <b>Total</b>                | <b>4,331</b> | <b>266</b> |

The payables mainly comprise amounts due for services provided by Kuros Biosciences B.V. and Kuros Biosciences USA, Inc. under a service agreement. In 2024, the payable balance increased as the outstanding payables from Kuros Biosurgery AG were transferred to Kuros Biosciences AG following the merger on July 1, 2024.

## 11. Accrued expenses

| in TCHF, December 31                           | 2024         | 2023         |
|------------------------------------------------|--------------|--------------|
| Accrued payroll, bonuses and social securities | 834          | 344          |
| Other                                          | 802          | 658          |
| <b>Total</b>                                   | <b>1,636</b> | <b>1,002</b> |

Other accrued expenses mainly included costs of services, and legal, accounting and consulting fees accrued as of December 31, 2024 (2023: costs of services, and legal, accounting and consulting fees).

## 12. Financial liabilities from collaborations

The contingent settlement liability represents XOMA's entitlement to future pre-commercial milestones due from the Licensing Agreement with Checkmate Pharmaceuticals. XOMA obtained this entitlement from an initial payment in July 2021 under the Royalty Purchase Agreement.

The financial liabilities from collaborations is measured at fair value and subsequent remeasurements are recognized in the financial result. It represents XOMA's entitlement to future pre-commercial milestones due from the Licensing Agreement with Checkmate Pharmaceuticals. XOMA obtained this entitlement from an initial payment in July 2021 under the Royalty Purchase Agreement.

The initial fair value of the liability represents XOMA's share of future pre-commercial milestones which is measured based on a contractually agreed pre-commercial milestones due from Checkmate under the Checkmate Licensing Agreement. The fair value of the liability is not based on observable market data (Level 3 hierarchy) but is primarily determined based on the probability assumption to reach the events triggering milestone payments. Probability rates of 27.4% to 29.8% (2023: 27.4% to 29.8%) were applied to determine the fair value of the financial liabilities from collaborations. The probability to reach the pre-commercial milestone triggering events has been updated in 2023 because Regeneron has closed the enrollment in the ongoing phase 2 and phase 2/3 study in melanoma and is elaborating its own clinical development strategy. Furthermore, a corresponding timing effect has been recognized given the decision by Regeneron. As a result of the remeasurement of fair value of the liability, a finance income of TCHF 460 is recognized in 2024 (2023: TCHF 1,931).

## 13. Non-current liabilities

This represents liabilities related to the company's long-term incentive plan, for members of the executive team and employees.

#### 14. Capital increase

In 2024, a total of 1,084,758 options and RSUs granted to employees and consultants of the Company and its subsidiaries were exercised. As a result, nominal share capital of the Company increased from CHF 3,678,413.10 to CHF 3,786,888.90, comprising into 37,868,889 registered common shares with a par value of CHF 0.10 each.

In 2023, a total of 222,753 options granted to employees of the Company and its subsidiaries were exercised. As a result, nominal share capital of the Company increased from CHF 36,561,378.00 to CHF 3,678,413.10, comprising into 36,784,131 registered common shares with a par value of CHF 0.10 each.

#### 15. Capital contribution and other legal reserves

The Swiss federal tax department confirmed a capital contribution reserve of TCHF 100,086 in accordance with Art. 5 of Swiss Withholding Tax (WHTA) as of December 31, 2022. The contributions or redemptions for 2023 and 2024 are not yet confirmed.

| Capital contribution reserve            | in TCHF        |
|-----------------------------------------|----------------|
| Starting Balance January 1, 2023        | 100,086        |
| Contributions/(Redemptions) in 2023     | 479            |
| <b>Ending Balance December 31, 2023</b> | <b>100,565</b> |
| Contributions/(Redemptions) in 2024     | 1,839          |
| <b>Ending Balance December 31, 2024</b> | <b>102,404</b> |

#### 16. Treasury shares

During 2024, the Group allocated 17,244 treasury shares for TCHF 42 to settle exercised options. As of December 31, 2024, the Groups does not hold any treasury shares. (December 31, 2023: 17,244 units of treasury shares). These treasury shares were created in February 2018.

#### 17. Conditional capital

As stated in articles 3b and 3c of the Articles of Association of Kuros Biosciences AG (available on the Company's website), the Company has conditional capital that is designated for bonds or similar debt instruments (article 3b) and for use as equity-based compensation for employees, persons of comparable positions and board members (article 3c).

The Company's unissued conditional capital for use as equity-based compensation showed the following movement:

|                                                                        | 2024             |                  | 2023             |                  |
|------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                        | Number of shares | Par value in CHF | Number of shares | Par value in CHF |
| As of January 1                                                        | 4,132,460        | 413,246          | 3,995,213        | 399,521          |
| Increase in conditional capital approved at the Annual General Meeting | 1,572,753        | 157,275          | 360,000          | 36,000           |
| Increase in capital (options exercised and RSUs vested)                | (1,084,758)      | (108,476)        | (222,753)        | (22,275)         |
| <b>As of December 31</b>                                               | <b>4,620,455</b> | <b>462,046</b>   | <b>4,132,460</b> | <b>413,246</b>   |

As of December 31, 2024 and December 31, 2023, the unissued conditional capital for bonds or similar debt instruments totaled 1,800,000 shares with a par value of CHF 180,000.

Under the Swiss Code of Obligations ("CO"), new share capital can be created by way of ordinary or conditional capital increase.

## 18. Capital band

As stated in article 2d of the Articles of Association of Kuros Biosciences AG (available on the Company's website), the Company has a capital band between CHF 2,942,730.40 (lower limit) and CHF 4,414,095.70 (upper limit). The board of directors is authorized to increase the share capital up to the upper limit at any time and as often as required until 16 May 2028 by the issuance of fully paid-in registered shares. A capital reduction is excluded.

## 19. Main shareholders

According to disclosure notifications filed with the Company to the SIX, the following Shareholders hold more than 3% of the share capital of the Company as of December 31, 2024.

| Name                                  | Shareholding / Purchase Positions* |
|---------------------------------------|------------------------------------|
| Optiverder BV, Delft, The Netherlands | 25.6 %                             |
| Pegasus Global Opportunity Fund, Ltd. | 4.8 %                              |
| BlackRock Inc.                        | 3.4 %                              |
| UBS Fund Management (Switzerland) AG  | 3.0 %                              |

\* The shareholdings or purchase positions indicated in this table correspond to the amounts as disclosed on the SIX website as of December 31, 2024. Information on disclosure notifications during the year under review, concerning significant shareholders and financial instruments may be found on the SIX website on: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

According to disclosure notifications filed with the Company to the SIX, the following Shareholders hold more than 3% of the share capital of the Company as of December 31, 2023.

| Name                                            | Shareholding / Purchase Positions* |
|-------------------------------------------------|------------------------------------|
| Optiverder BV, Delft, The Netherlands           | 25.6 %                             |
| Pegasus Global Opportunity Fund, Ltd.           | 4.8 %                              |
| Joost D. de Bruijn, Amersfoort, The Netherlands | 3.2 %                              |

\* The shareholdings or purchase positions indicated in this table correspond to the amounts as disclosed on the SIX website as of December 31, 2021. Information on disclosure notifications during the year under review, concerning significant shareholders and financial instruments may be found on the SIX website on: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

## 20. Outstanding share options and RSUs

The following table shows all share options outstanding as of December 31, 2024:

| Exercise price (CHF) | Options* (number) | Remaining life (years unless stated otherwise) | Exercisable options (number) |
|----------------------|-------------------|------------------------------------------------|------------------------------|
| 18.45                | 20,200            | 4.8                                            | –                            |
| 6.50                 | 559,643           | 4.3                                            | –                            |
| 3.88                 | 45,886            | 4.0                                            | 45,886                       |
| 2.18                 | 374,494           | 3.8                                            | 74,494                       |
| 2.10                 | 16,750            | 3.8                                            | 3,625                        |
| 1.40                 | 94,899            | 3.5                                            | 94,899                       |
| 1.40                 | 890,688           | 3.5                                            | 231,551                      |
| 1.47                 | 10,069            | 3.0                                            | 10,069                       |
| 1.73                 | 31,623            | 2.8                                            | –                            |
| 1.63                 | 10,270            | 2.8                                            | 874                          |
| 1.73                 | 506,886           | 2.7                                            | 260,857                      |
| 2.45                 | 3,033             | 2.3                                            | 3,033                        |
| 1.93                 | 16,788            | 2.3                                            | 16,788                       |
| 2.45                 | 1,005             | 1.6                                            | 1,005                        |
| 2.30                 | 3,210             | 1.1                                            | 3,210                        |
| 2.02                 | 2,494             | 1.1                                            | 2,494                        |
| 2.00                 | 82,380            | 0.9                                            | 82,380                       |
| 3.12                 | 4,071             | 0.6                                            | 4,071                        |
| 2.45                 | 1,550             | 0.6                                            | 1,550                        |
| 2.30                 | 7,223             | 0.6                                            | 7,223                        |
| 2.27                 | 2,500             | 0.6                                            | 2,500                        |
| 2.09                 | 209,224           | 0.2                                            | 209,224                      |
| 2.45                 | 8,559             | 0.1                                            | 8,559                        |
| <b>Total</b>         | <b>2,903,445</b>  |                                                | <b>1,064,292</b>             |

\* Includes all outstanding options granted by the Company

The following table shows all RSUs outstanding as of December 31, 2024:

| Share price at grant date<br>(CHF) | RSUs*<br>(number) | Remaining life<br>(years unless stated<br>otherwise) |
|------------------------------------|-------------------|------------------------------------------------------|
| 6.50                               | 124,503           | 2.3                                                  |
| 7.67                               | 10,695            | 2.3                                                  |
| 7.67                               | 10,688            | 2.1                                                  |
| 2.18                               | 1,816             | 1.8                                                  |
| 7.67                               | 10,688            | 1.8                                                  |
| 7.67                               | 10,688            | 1.6                                                  |
| 1.40                               | 187,631           | 1.5                                                  |
| 2.18                               | 1,811             | 1.5                                                  |
| 2.18                               | 1,811             | 1.3                                                  |
| 7.67                               | 10,688            | 1.3                                                  |
| 2.18                               | 19,322            | 1.2                                                  |
| 7.67                               | 114,012           | 1.2                                                  |
| 7.67                               | 10,688            | 1.1                                                  |
| 2.18                               | 1,811             | 1.0                                                  |
| 1.63                               | 44,598            | 0.8                                                  |
| 2.18                               | 1,811             | 0.8                                                  |
| 7.67                               | 10,688            | 0.8                                                  |
| 1.73                               | 312,196           | 0.7                                                  |
| 7.67                               | 10,688            | 0.6                                                  |
| 2.18                               | 1,811             | 0.5                                                  |
| 2.18                               | 1,811             | 0.3                                                  |
| 7.67                               | 10,688            | 0.3                                                  |
| 7.67                               | 10,688            | 0.1                                                  |
| 2.18                               | 21,133            | –                                                    |
| 7.67                               | 133,242           | –                                                    |
| <b>Total</b>                       | <b>1,076,206</b>  |                                                      |

The following table shows all share options outstanding as of December 31, 2023:

| Exercise price (CHF) | Options* (number) | Remaining life (years unless stated otherwise) | Exercisable options (number) |
|----------------------|-------------------|------------------------------------------------|------------------------------|
| 3.12                 | 4,071             | 1.6                                            | 4,071                        |
| 3.12                 | 3,118             | 1.4                                            | 3,118                        |
| 3.12                 | 1,217             | 0.9                                            | 1,217                        |
| 2.95                 | 136,888           | 0.8                                            | 136,888                      |
| 2.76                 | 54,278            | 0.2                                            | 54,278                       |
| 2.45                 | 5,308             | 3.3                                            | 5,308                        |
| 2.45                 | 1,005             | 2.6                                            | 1,005                        |
| 2.45                 | 1,550             | 1.6                                            | 1,550                        |
| 2.45                 | 2,422             | 1.4                                            | 2,422                        |
| 2.45                 | 8,559             | 1.1                                            | 8,559                        |
| 2.42                 | 14,063            | 0.8                                            | 14,063                       |
| 2.42                 | 12,875            | 0.4                                            | 12,875                       |
| 2.30                 | 3,210             | 2.1                                            | 3,210                        |
| 2.30                 | 10,968            | 1.6                                            | 10,968                       |
| 2.27                 | 2,500             | 1.6                                            | 2,500                        |
| 2.18                 | 400,000           | 4.8                                            | –                            |
| 2.10                 | 23,000            | 4.8                                            | –                            |
| 2.09                 | 515,877           | 1.2                                            | 492,757                      |
| 2.03                 | 50,000            | 3.1                                            | 21,875                       |
| 2.02                 | 2,494             | 2.1                                            | 2,494                        |
| 2.00                 | 229,473           | 1.9                                            | 229,473                      |
| 1.93                 | 18,362            | 3.3                                            | 18,362                       |
| 1.90                 | 5,000             | 3.3                                            | 1,875                        |
| 1.73                 | 63,243            | 3.8                                            | 15,810                       |
| 1.73                 | 654,229           | 3.7                                            | 215,965                      |
| 1.63                 | 18,792            | 3.8                                            | 4,698                        |
| 1.47                 | 17,467            | 4.0                                            | 17,467                       |
| 1.40                 | 94,899            | 4.5                                            | 94,899                       |
| 1.40                 | 1,009,769         | 4.5                                            | –                            |
| <b>Total</b>         | <b>3,364,637</b>  |                                                | <b>1,377,707</b>             |

\* Includes all outstanding options granted by the Company

The following table shows all RSUs outstanding as of December 31, 2023:

| Share price at grant date<br>(CHF) | RSUs*<br>(number) | Remaining life<br>(years unless stated<br>otherwise) |
|------------------------------------|-------------------|------------------------------------------------------|
| 2.18                               | 79,703            | 3.8                                                  |
| 1.40                               | 194,298           | 3.5                                                  |
| 1.63                               | 43,523            | 2.8                                                  |
| 1.73                               | 1,075             | 2.8                                                  |
| 1.73                               | 349,783           | 2.7                                                  |
| <b>Total</b>                       | <b>668,382</b>    |                                                      |

## 21. Pledged assets

| in TCHF, as of                                                   | December 31, 2024 | December 31, 2023 |
|------------------------------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents (security for credit card liabilities) | 80                | 80                |
| <b>Total</b>                                                     | <b>80</b>         | <b>80</b>         |

## 22. Lease commitments not recorded in the balance sheet

| in TCHF, as of   | December 31, 2024 | December 31, 2023 |
|------------------|-------------------|-------------------|
| Rent and leasing | 6                 | 6                 |

## 23. Contingencies

XOMA Royalty Purchase Agreement

Under the Royalty Purchase Agreement with XOMA Corporation, the Company is entitled to receive up to USD 44.0 million in potential future milestone payments. Upon receiving these milestones, the Company is required to transfer up to USD 22.7 million to XOMA Corporation.

## 24. Pension liabilities

As of December 31, 2024 and December 31, 2023, the company has no outstanding payables to PKG Pensionskasse.

## 25. Events after balance sheet date

The Company has no significant events after the reporting period and up to the date of this report.

## Appropriation of the accumulated losses

The Board of Directors proposes to the Annual General Meeting to carry forward accumulated losses as follows:

| in CHF                                              |                      |
|-----------------------------------------------------|----------------------|
| Accumulated loss brought forward from previous year | 66,498,637.94        |
| Merger loss                                         | 117,151.21           |
| Net loss of the year 2024                           | 1,967,959.12         |
| <b>Accumulated loss at the end of the period</b>    | <b>68,583,748.27</b> |
| <br>                                                |                      |
| Accumulated loss to be carried forward              | 68,583,748.27        |

# Report of the statutory auditor to the General Meeting of Kuros Biosciences AG, Schlieren

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Kuros Biosciences AG (the Company), which comprise the income statement for the year ended 31 December 2024, and the balance sheet as at 31 December 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 137 to 150) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach



#### Overview

Overall materiality: TCHF 370

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

- Valuation of Investments in subsidiaries and long-term interest-bearing receivables due from subsidiaries

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

|                                                        |                                                                                                                                                              |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Overall materiality</b>                             | TCHF 370                                                                                                                                                     |
| <b>Benchmark applied</b>                               | Net assets                                                                                                                                                   |
| <b>Rationale for the materiality benchmark applied</b> | We applied net assets as the benchmark because it is a relevant and generally accepted measure for materiality considerations relating to a holding company. |

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Investments in subsidiaries and long-term interest-bearing receivables due from subsidiaries

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As at 31 December 2024, investments in subsidiaries and long-term interest-bearing receivables due from subsidiaries of Kuros Biosciences AG amount to TCHF 2'105 (4.4% of total assets) and TCHF 37'741 (78.3% of total assets) respectively.</p> <p>Due to the significance of these assets in the financial statements and because of the significant estimation uncertainty involved in the valuation of these investments and receivables, we consider the valuation of the investments in subsidiaries and the long-term interest-bearing receivables due from subsidiaries as a key audit matter.</p> <p>The calculation of the recoverable amount requires significant level of judgement by Management for the assumptions related to timing and magnitude of future cash-flows, the determination of the respective discount rate and the growth rate.</p> <p>Please refer to Note 1 'Accounting principles applied in the preparation of the financial statements', Note 8 'Intercompany loans – subsidiaries' and Note 9 'Investments and branches'.</p> | <p>We tested how Management developed the estimate by performing detailed procedures over Managements' valuation of investments and long-term interest-bearing receivables due from subsidiaries, which include the following:</p> <p>With involvement of internal valuation experts, we challenged and evaluated Management's value in use calculation which was the basis to support the recoverable amount of the investments and long-term interest-bearing receivables due from subsidiaries as of 31 December 2024.</p> <p>This included an assessment challenging the key assumptions made by Management.</p> <ul style="list-style-type: none"> <li>We evaluated the reasonableness of the discount rate, as determined by Management, by assessing the cost of capital for the Group and comparable organizations, as well as considering industry and territory specific factors.</li> <li>We challenged Management's cash flow assumptions and the probability-weightings applied to such cashflows by verifying the consistency based on other internal forward-looking documentation and by verifying the consistency of the assumptions with the Group's current commercialization plans.</li> </ul> |

- We evaluated the reasonableness of the growth rate, as determined by Management, by assessing the long-term inflation rate applicable for the respective CGUs.
- We evaluated the planning accuracy of Management's forecast model by performing look-back procedures and verified the consistency of Management's cash-flow assumptions by comparing them to the Group's business plan as approved by the Board of Directors.
- We further performed independent sensitivity analyses around the key assumptions to ascertain the extent of changes in those assumptions that either individually or collectively would be required for the investments in subsidiaries and long-term interest-bearing receivables due from subsidiaries to be impaired

As a result of our procedures, we determined Management's approach to assess the valuation of investments in subsidiaries and long-term interest-bearing receivables due from subsidiaries to be reasonable.

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### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of Directors' responsibilities for the financial statements**

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or



error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Ebinger  
Licensed audit expert  
Auditor in charge

Alexandra Wittwer  
Licensed audit expert

Basel, 10 March 2025

## Legal Disclaimer / Forward-looking Statements

This Annual Report contains statements that constitute “forward-looking statements”, including but not limited to, statements relating to research and development plans, planned regulatory approvals, research collaborations, and estimates and projections of future trends, as well as the anticipated future development and economic performance of the group and/or its subsidiaries (together “the Group”). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual future results, performance or achievement of the Group, or industry results, to differ materially from any future results, performance or achievement implied by such forward-looking statements. The forward-looking statements are based on the information available to the Group on the date of this Annual Report and on the Group’s current beliefs, forecasts, and assumptions regarding a large number of factors affecting its business. Such beliefs and assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Group. There can be no assurance that: (i) the Group has correctly measured or identified all the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Group’s analysis is based is complete or accurate, (iii) the Group’s analysis is correct or (iv) the Group’s strategy, which is based in part on this analysis, will be successful. Factors that affect the Group’s business include, but are not limited to, (i) general market, governmental and regulatory trends, (ii) competitive pressures, (iii) technological developments, (iv) effectiveness and safety of the Group’s technology and therapeutics, (v) uncertainty regarding outcome of clinical trials and regulatory approval processes, (vi) management changes, (vii) changes in the market in which the Group operates and (viii) changes in the financial position or credit-worthiness of the Group’s customers and partners. The Group assumes no liability to update forward-looking statements or to conform them to future events or developments.

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