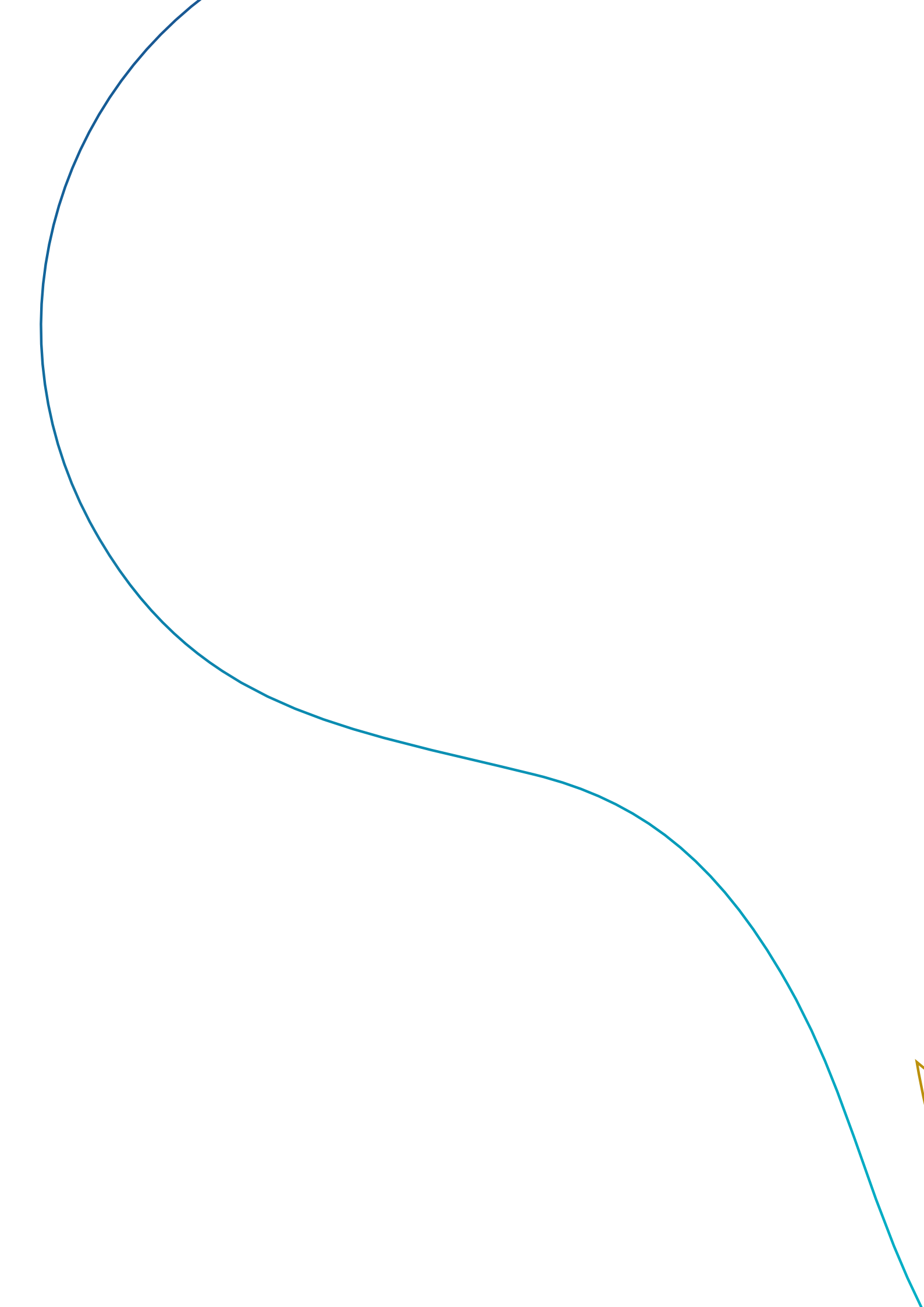
Growing with Kuros

Kuros Biosciences Interim Report 2025

As of June 30, 2025

Kuros Biosciences



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(unaudited)

June 2025

Key Developments

On January 7, 2025, Kuros Biosciences USA, Inc. announced an exclusive strategic agreement with the Medtronic Spinal Division

Kuros Biosciences USA Inc., a wholly owned subsidiary of Kuros Biosciences AG announced a strategic five-year, exclusive sales agency agreement with Medtronic, a leading global healthcare technology company. The agreement provides Medtronic with exclusivity in certain spine geographies within the U.S. market, underscoring a shared commitment to expanding access to Kuros' pioneering MagnetOs™ bone grafting technology.

This agreement positions Kuros for new opportunities in the U.S. spine market and paves the way for broader adoption of the MagnetOs family of products, which are supported by robust clinical data and and designed to meet surgeons' needs. This agreement transforms an initial trial agreement into a strategic alliance for a period of five years.

On April 15, 2025, Kuros reported an 82% year over year increase in sales in the first three months of 2025

Revenue from direct MagnetOs product sales rose 79% in the first three months of 2025, to USD 28.4 million from USD 15.8 million in Q1 2024. Total group revenue reached USD 28.8 million, up by 82% from USD 15.8 million in Q1 2024, with monthly revenue surpassing USD 10 million for the first time. The Group achieved an earnings before interest, tax, depreciation, and amortization (EBITDA) of USD 2.0 million. Adjusted EBITDA - excluding research and development costs from discontinued operations, recurring and one-time share-based compensation, and the relevant social security charges - totaled USD 3.3 million, representing an adjusted EBITDA margin of 11.6%. At USD 19.5 million, cash and cash equivalents remained robust and almost at the same level as at the end of the year (Q4 2024: USD 19.8 million), despite significant investments in inventories amounting to around USD 2.8 million to hedge against the tariffs.

Additionally, Kuros continues to strengthen its global footprint, with MagnetOs Granules and MagnetOs Putty now approved for use in Brazil and cleared in Lebanon. These milestones mark important steps in the company's international expansion, increasing access to its innovative bone graft technology in Latin America and the Middle East.

On May 13, 2025, Kuros held Capital Markets Day in Zürich

Capital Markets Day provided institutional investors, analysts, and the media with an opportunity to hear directly from the Kuros leadership team about the company's breakthrough science, global commercial strategy, and transformative approach to bone healing.

On August 5, 2025, Kuros announced the launching of MagnetOs MIS Delivery System by completing first cases, and continues global expansion with incremental Brazil clearance

Kuros Biosciences has successfully completed the first U.S. cases using its newly FDA-cleared MagnetOs™ MIS Delivery System. This sterile, prefilled, single-use system is designed for Minimally Invasive Surgery (MIS) in spine procedures. The milestone follows FDA 510(k) clearance in May and represents significant progress in expanding access to a streamlined, efficient graft delivery approach.

The first case, performed by Dr. Daniel Park in Southfield, Michigan, demonstrated the system's ability to provide smooth, precise graft placement with no preparation or thawing required. Kuros anticipates a full commercial launch of the MagnetOs MIS system this fall.

The MIS system builds on MagnetOs' proven science, incorporating the proprietary NeedleGrip™ technology to stimulate bone growth. Compared to traditional delivery methods, MagnetOs MIS achieves graft placement three times faster, optimizing surgical efficiency. Clinical evidence supports its use, with a 94.4% fusion rate in minimally invasive and open spine procedures involving patients with various comorbidities.

In addition, Kuros received regulatory approval for MagnetOs Putty in Brazil, expanding its market presence in South America. CEO Chris Fair highlighted the strategic importance of these developments in increasing global access to MagnetOs, particularly in high-growth U.S. MIS spine and international markets.

Financial performance and results of operations (IFRS)

Revenue and gross profit

In the first half of 2025, revenue from direct MagnetOs™ product sales rose by 77% to USD 62.7 million, up from USD 35.4 million in the same period of 2024. Total revenue from product sales arrived at USD 63.5 million (H1 2024: USD 35.7 million), showing a year-over-year growth of 78%. The cost of goods sold amounted to USD 7.1 million for the first half of 2025 (H1 2024: USD 3.9 million). It included the amortization of intangible assets totaling USD 0.9 million (H1 2024: USD 0.9 million) and other production-related expenses amounting to USD 6.2 million (H1 2024: USD 3.0 million). The gross profit increased by USD 24.5 million to USD 56.3 million (H1 2024: USD 31.8 million).

Net operating costs

Net operating costs from continuing operations amounted to USD 52.8 million (H1 2024: USD 32.0 million). The increase was primarily driven by sales and marketing costs resulting from growing commercial activities. Sales and marketing costs increased from USD 20.7 million in H1 2024 to USD 37.4 million in H1 2025, primarily driven by an expanded sales force and, higher sales and distribution expenses, in line with the Group's continued commercial expansion. The increase also reflected, to a certain extent, the initial investments to penetrate the extremities market, supporting future revenue growth and broader market reach. Research and development costs amounted to USD 4.3 million (H1 2024: USD 3.6 million, excluding research and development costs related to discontinued operations). This was primarily driven by increased R&D activities, clinical trial expenditures, and higher personnel expenses due to an increase in headcount, reflecting the Group's continued commitment to innovation to support long-term growth. General and administrative costs increased to USD 11.1 million (H1 2024: USD 7.8 million). The increase was mainly driven by the scaling up of back-office functions and building the digital infrastructure to support business growth.

Operating profit/ (loss)

The operating profit from continuing operations for the six months ended June 30, 2025 amounted to USD 3.5 million (H1 2024: operating loss from continuing operations of USD (0.2) million).

Net finance income/ expense

Net finance expense amounted to USD 3.4 million (H1 2024: net finance income of USD 1.9 million) which mainly comprised foreign exchange gains and losses arising from the revaluation of monetary assets and liabilities denominated in foreign currencies.

Financial positions and other assets

Cash and cash equivalents amounted to USD 18.4 million (December 31, 2024: USD 19.8 million). The decrease in cash balance compared to year-end 2024 is mainly attributable to continued investments in growth initiatives and increases in working capital - particularly higher inventories and receivables - to support rising demand, as well as strategic measures to mitigate tariff risk by strengthening the U.S supply chain. The working capital investments are reflected in the cash flow statement under 'Changes in operating assets and liabilities'.

Funds available (including trade and other receivables) for financing the operations of the Group amounted to USD 45.3 million as of June 30, 2025 (December 31, 2024: USD 37.5 million). As of June 30, 2025, total intangible assets amounted to USD 17.6 million (December 31, 2024: USD 16.4 million) and goodwill amounts to USD 24.2 million (December 31, 2024: USD 21.3 million).

Alternative Key Performance Measurements (APM)

Financial measures presented in the financial information of Kuros that are not defined by the International Financial Reporting Standards (IFRS) are referred to as alternative key performance measures (APMs). 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. These APMs may differ in calculation methodology and definition from those used by other companies and therefore should not be used for direct comparison or benchmarking. The definitions and calculation methods of APMs used by Kuros are as follows:

Constant currency (CCY)

In prior periods, the Group applied current-period average exchange rates to prior-period revenue figures to present comparable results in order to assess the period-over-period evolution of financial indicators without the impact of foreign currency fluctuations. Following the change in reporting currency from CHF to USD, and given that the majority of revenues were always denominated in USD, the impact of foreign currency translation on the revenue has become less relevant. As a result, the Group has discontinued the presentation of constant currency comparisons.

EBITDA and adjusted EBITDA

EBITDA definition: The adjusted operating profit/ loss disclosed in our financial highlights and our segment disclosures in Note 3 of the condensed consolidated interim financial statements are 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 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 security contributions related to share-based compensation

The EBITDA and adjusted EBITDA are computed as follows:

In TUSD, for the six months ended June 30	2025	2024 Restated
Operating profit/ (loss) from continuing operations	**3,503**	**(245)**
Profit/ (loss) from discontinued operation, net of tax	23	(382)
Amortization and depreciation charges	1,547	1,432
EBITDA	**5,073**	**805**
Research and development costs - Fibrin-PTH Phase 2a	(23)	382
Recurring share-based compensation	1,378	602
One-time share-based compensation	643	2,680
Social security contributions on share-based compensation	708	42
Adjusted EBITDA	**7,779**	**4,511**

Cash flows from operations before and after changes in operating assets and liabilities

Cash flows from operations before changes in operating assets and liabilities definition: This measure represents the cash generated or used by the Group's core business operations, before the effect of investments in working capital components. This is calculated as profit before tax, adjusted for non-cash expenses such as depreciation and amortization, share-based compensation, net finance result, and other non-cash items. It reflects the underlying profitability and cash-generating ability of the Group from its core operations. This measure also facilitates analysis of the Group's core cash performance before short-term working capital investments.

Cash flows from operations after changes in operating assets and liabilities definition: This measure represents the net cash generated or used by the Group's core business operations, including the impact of changes in working capital components such as inventories, trade receivables, and trade payables. It is calculated as profit before tax, adjusted for non-cash items (e.g. depreciation, amortization, share-based compensation, net finance result), and further adjusted for movements in operating assets and liabilities.

Cash flows from operations activities before and after changes in operating assets and liabilities are computed as follows:

In TUSD, for the six months ended June 30	2025	2024 Restated
Profit before tax	**160**	**1,230**
Adjusted for:		
Reversal of non-cash items and other adjustments	7,728	2,936
Cash generated from operations before changes in operating assets and liabilities	**7,888**	**4,166**
Increase in operating assets and liabilities	(9,143)	(3,714)
Cash flows from operations after changes in operating assets and liabilities	**(1,255)**	**452**

Consolidated income statement

In TUSD, IFRS, for the six months ended June 30	Note	2025	2024 Restated *
Revenue from product sales	3,4	63,480	35,684
Revenue		**63,480**	**35,684**
Cost of goods sold	5	(7,148)	(3,896)
Gross profit		**56,332**	**31,788**
Sales and marketing costs		(37,394)	(20,723)
Research and development costs		(4,305)	(3,610)
General and administrative costs		(11,136)	(7,826)
Other income		6	126
Net operating costs		**(52,829)**	**(32,033)**
Operating profit/ (loss)		**3,503**	**(245)**
Finance income		2,196	2,341
Finance expense		(5,562)	(484)
Net finance result		**(3,366)**	**1,857**
Profit before tax		**137**	**1,612**
Income taxes		(2,173)	(1,466)
Net (loss)/ profit from continuing operations		**(2,036)**	**146**
Discontinued Operations			
Profit/ (loss) from discontinued operation, net of tax	18	23	(382)
Net loss for the period		**(2,013)**	**(236)**
Basic and diluted net loss per share from continuing operations (USD)	6	(0.05)	0.00
Basic and diluted net loss per share (USD)	6	(0.05)	(0.01)

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

** Please refer to note 1 for information related to the restatement*

Consolidated statement of comprehensive income

In TUSD, IFRS, for the six months ended June 30	Note	2025	2024 Restated *
Net loss		**(2,013)**	**(236)**
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	11	222	114
Tax effects		(43)	(22)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising during the period		10,736	(4,496)
Other comprehensive income/ (loss)		**10,915**	**(4,404)**
Total comprehensive income/ (loss)		**8,902**	**(4,640)**

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

** Please refer to note 1 for information related to the restatement*

Consolidated balance sheet

In TUSD, IFRS, as of	Note	June 30, 2025	December 31, 2024 Restated *
Non-current assets:			
Property and equipment	7	2,738	1,655
Right-of-use assets	8	1,440	1,660
Intangible assets	9	17,574	16,439
Goodwill	9	24,237	21,309
Defined benefit plan assets	11	39	—
Deferred tax assets		3,194	2,563
Total non-current assets		**49,222**	**43,626**
Current assets:			
Inventories		13,712	10,355
Prepayments and other assets		1,708	1,261
Trade receivables	12	21,778	14,688
Other receivables	12	5,108	3,010
Cash and cash equivalents	13	18,442	19,762
Total current assets		**60,748**	**49,076**
Total assets		**109,970**	**92,702**
Shareholders' equity:			
Share capital	15	3,152	3,074
Share premium		65,979	64,842
Other reserves		29,673	27,559
Accumulated loss		(22,152)	(31,054)
Total shareholders' equity		**76,652**	**64,421**
Non-current liabilities:			
Defined benefit plan liabilities	11	—	154
Deferred tax liabilities		1,609	363
Non-current lease liabilities	8	1,138	1,386
Financial liabilities from collaborations	17	3,580	3,460
Total non-current liabilities		**6,327**	**5,363**
Current liabilities:			
Current lease liabilities	8	653	580
Accrued expenses		19,422	14,758
Trade and other payables		6,916	7,580
Total current liabilities		**26,991**	**22,918**
Total shareholders' equity and liabilities		**109,970**	**92,702**

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

** Please refer to note 1 for information related to the restatement*

Consolidated statement of cash flows

In TUSD, IFRS, for the six months ended June 30	Note	2025	2024 Restated *
Cash flows from operating activities:			
Profit before tax from continuing operations		137	1,612
Profit/ (loss) before tax from discontinued operation	18	23	(382)
Profit before tax		160	1,230
Adjustments to reconcile profit before tax to cash generated from operations before changes in operating assets and liabilities:			
Reversal of non-cash items and other adjustments	14	7,728	2,936
Cash generated from operations before changes in operating assets and liabilities		**7,888**	**4,166**
Increase in operating assets and liabilities	14	(9,143)	(3,714)
Cash flows from operations after changes in operating assets and liabilities		**(1,255)**	**452**
Interest received		1	69
Interest paid		(59)	(13)
Income tax paid		(1,364)	(864)
Net cash used in operating activities		**(2,677)**	**(357)**
Cash flows from investing activities:			
Purchase of plant and equipment	7	(1,068)	(669)
Purchase of intangible assets	9	—	(19)
Net cash used in investing activities		**(1,068)**	**(688)**
Cash flows from financing activities:			
Proceeds from exercise of share options		1,215	927
Principal elements of lease payments	8	(379)	(335)
Net cash from financing activities		**836**	**592**
Cash and cash equivalents, at the beginning of the year		19,762	16,689
Net change in cash and cash equivalents		(2,909)	(453)
Net effect of currency translation on cash		1,589	(533)
Cash and cash equivalents, at the end of the period	13	**18,442**	**15,703**

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

** Please refer to note 1 for information related to the restatement*

Consolidated statement of change in shareholders' equity

in TUSD, IFRS	Note	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings/ accumulated loss	Translation Differences	Total
As of January 1, 2024 Restated *		2,952	65,086	(19)	21,780	(38,084)	14,901	66,616
Loss for the period		—	—	—	—	(236)	—	(236)
Other comprehensive income		—	—	—	—	92	(4,496)	(4,404)
Exercise of share options		40	887	—	—	—	—	927
Share based payment	16	—	—	—	3,282	—	—	3,282
As of June 30, 2024 Restated *		2,992	65,973	(19)	25,062	(38,228)	10,405	66,185
As of December 31, 2024 Restated *		3,074	64,842	—	27,559	(40,761)	9,707	64,421
As of January 1, 2025 *		3,074	64,842	—	27,559	(40,761)	9,707	64,421
Loss for the period		—	—	—	—	(2,013)	—	(2,013)
Other comprehensive income		—	—	—	—	179	10,736	10,915
Exercise of share options		78	1,137	—	—	—	—	1,215
Share-based payment	16	—	—	—	2,114	—	—	2,114
As of June 30, 2025		3,152	65,979	—	29,673	(42,595)	20,443	76,652

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

** Please refer to note 1 for information related to the restatement*

Notes to Condensed Interim Consolidated Financial Statements

1. General information

The condensed interim consolidated financial statements of Kuros Biosciences AG (henceforth called “Company”) and its subsidiaries (collectively referred to as “Kuros” or “the Group”) for the six months ended June 30, 2025, were authorized for publication by a resolution of the Board of Directors on August 12, 2025.

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

The Group structure is outlined as follows:

- Kuros Biosciences AG (Schlieren, Switzerland), the parent Company listed on the SIX Swiss Exchange (SIX), is the 100% shareholder of the following subsidiaries:
  - Kuros Biosciences B.V. (Bilthoven, the Netherlands) which holds 100% shares of RevisiOs B.V. (Bilthoven, the Netherlands)
  - Kuros Biosciences USA, Inc. (Atlanta, Georgia, USA)
  - Kuros US LLC (Delaware, USA)
  - Kuros US Royalty Fund (US) LLC (Delaware, USA)

As of June 30, 2025, the Group employs 158 people (as of December 31, 2024: 122).

Basis of preparation

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). This unaudited interim report should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, as this interim report does not include all the information required for a complete set of IFRS financial statements. However, the interim report does include information relevant to obtaining an understanding of the significant changes in the Group’s financial position and performance since the consolidated financial statements for the year ended December 31, 2024.

The condensed interim consolidated financial statements and accompanying notes are presented in United States Dollars (USD) and values are rounded to the nearest thousand (TUSD), except when indicated otherwise.

For further details regarding the change in presentation currency from Swiss Francs (CHF) to United States Dollars (USD), please refer to the section 'Changes in accounting policies'.

Uncertainties and ability to continue operations (Going concern)

Since inception, the Group has incurred recurring net operating losses in most of the years. This pattern may continue in the near term as it continues to invest in product innovation, commercialization, operational excellence, and digitalization. Profitability will depend on its ability to expand market presence and deepen market penetration, introduce new products to maintain competitiveness, strengthen sales and marketing capabilities, obtain regulatory approvals, and enhance operational efficiency to achieve greater operating leverage. These efforts are critical to drive sustainable revenue growth and strengthen financial performance and continued investment will be required to achieve these goals. While internal cash flow is a key funding source, the Group may require additional financing based on market conditions and investment needs.

MagnetOs, the Group's lead technology, has demonstrated strong clinical outcomes and continues to gain regulatory approvals and commercial traction. With an expanded global footprint and hospital approvals, the Group is well-positioned to grow both revenue and market share.

In the first six months of 2025, the Group generated positive operating profit and maintained a strong cash position with no interest-bearing debt other than lease liabilities. Operating and net cash flows were negative during the period, primarily driven by continued investments in growth initiatives and increases in working capital to support growing demand, as well as strategic measures to mitigate tariff risks by strengthening the U.S. supply chain.

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".

Changes in accounting policies

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with the policies used in the preparation of the Group's annual financial statements for the year ended December 31, 2024, except for the change in the Group's presentation currency.

With effect from January 1, 2025, the Group changed its presentation currency from Swiss Francs (CHF) to USD. Given that a substantial portion of the Group's revenues and expenses are denominated in USD, we believe that the change in presentation currency will improve transparency and comparability for international investors.

Following this change in accounting policy and in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates', the comparatives in the interim condensed consolidated financial statements have been restated from CHF into USD using the following methodology:

- Assets and liabilities were translated into USD at the closing exchange rates prevailing at the respective balance sheet dates
- Income and expense items were translated into USD at average exchange rates for the relevant periods for practical reasons, as the average rate is a reasonable approximation of the exchange rates at the dates of the transactions over the period
- Share capital, share premiums and other reserves were translated into USD at historical exchange rates prevailing at the dates of the relevant transactions; and resulting exchange differences were recognized in other comprehensive income and accumulated in equity within the currency translation reserve

The change in the Group's presentation currency does not affect the functional currencies of any of the Group's entities, which remain unchanged.

The Group has not adopted any new or amended standard or interpretation that is not yet effective.

2. Significant developments during the current reporting period

Although global market conditions have affected market confidence and procurement behavior, the Group remains well-positioned to grow revenues through ongoing market expansion. The Group has significantly increased its revenues compared to H1 2024, mainly driven by the continued expansion of the U.S. and international markets. MagnetOs Granules and MagnetOs Putty have been approved for use in Brazil and cleared

in Lebanon, expanding access to the Group's innovative bone graft technology in Latin America and the Middle East.

Following the recent announcement from the U.S. government regarding tariff measures, the Group is proactively addressing potential impacts by implementing mitigating actions to ensure continuity of supply, such as increasing inventory levels and expanding manufacturing capabilities within the U.S.

3. Segment reporting

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 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 period.

Furthermore, 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 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 period.

Measurement

The Executive Committee primarily uses a measure of EBITDA to assess the performance of the operating segments. 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.

In TUSD, six months ended June 30, 2024, Restated	Medical Devices	Legacy Portfolio	Total
Revenue	35,684	—	35,684
EBITDA	**1,226**	**(421)**	**805**
Amortization and depreciation charge	(1,356)	(76)	(1,432)
Operating loss	**(130)**	**(497)**	**(627)**
Thereof:			
Operating loss from continuing operations	(130)	(115)	(245)
Operating loss from discontinued operation	—	(382)	(382)

In TUSD, six months ended June 30, 2025	Medical Devices	Legacy Portfolio	Total
Revenue	63,480	—	63,480
EBITDA	**5,125**	**(52)**	**5,073**
Amortization and depreciation charge	(1,499)	(48)	(1,547)
Operating profit/ (loss)	**3,626**	**(100)**	**3,526**
Thereof:			
Operating profit/ (loss) continuing operations	3,626	(123)	3,503
Operating profit from discontinued operation	—	23	23

4. Revenue from contracts with customers

The Group's major revenue stream is product sales from medical devices.

In TUSD, for the six months ended June 30	2025	2024 Restated
Timing of revenue recognition		
Revenue recognized at a point in time	63,480	35,684
Total revenue from contracts with customers	**63,480**	**35,684**

There are no reconciling items between the Group's revenue from contracts with customers and the amounts disclosed in the segment information.

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

In TUSD, for the six months ended June 30	**2025**	**2024 Restated**
United States of America	60,849	34,488
European Union	1,373	900
Other	1,258	296
Total	**63,480**	**35,684**

Kuros recognized revenues from product sales of USD 63.5 million for the first half of 2025 and USD 35.7 million for the first half of 2024. The Group's contracts for product sales generally include one performance obligation under IFRS 15 'Revenue from Contracts with Customers'. The Group has concluded that revenue from product sales should be recognized at the point in time when the control of the asset is transferred to the customer, generally at the delivery of products. The Group has determined that product sales are distinct, as products are sold on a stand-alone basis. Therefore, no significant estimates or judgments are required to determine the timing of revenue recognition for this revenue stream.

5. Cost of goods sold

In TUSD, for the six months ended June 30	2025	2024 Restated
Amortization of intangible assets	(906)	(927)
Other production costs	(6,242)	(2,969)
Total	**(7,148)**	**(3,896)**

6. Net loss per share

Basic and diluted net loss per share is calculated using the weighted average number of registered shares outstanding. Basic net loss per share excludes any dilutive effects of options, shares subject to repurchase, warrants, and convertible securities. Outstanding options and RSUs to purchase registered shares were not included in the computation of dilutive net loss per share as the effect would have been anti-dilutive for the periods presented.

7. Property and equipment

In TUSD	Leasehold Improvement	Machinery and Equipment	Office Equipment, Furniture and Others	Total
As of December 31, 2024 Restated				
Cost	70	2,685	256	3,011
Accumulated depreciation	(46)	(1,194)	(116)	(1,356)
Net book value as of December 31, 2024 Restated	**24**	**1,491**	**140**	**1,655**
Six months ended June 30, 2025				
Cost				
As of January 1, 2025	**70**	**2,685**	**256**	**3,011**
Additions	—	1,002	66	1,068
Disposals	—	—	(6)	(6)
Exchange differences	10	416	32	458
As of June 30, 2025	**80**	**4,103**	**348**	**4,531**
Accumulated depreciation				
As of January 1, 2025	**(46)**	**(1,194)**	**(116)**	**(1,356)**
Depreciation charge	(4)	(220)	(27)	(251)
Disposals	—	—	6	6
Exchange differences	(6)	(169)	(17)	(192)
As of June 30, 2025	**(56)**	**(1,583)**	**(154)**	**(1,793)**
Net book value as of June 30, 2025	**24**	**2,520**	**194**	**2,738**

8. Right-of-use assets and leases

The Group has rental contracts (leases) for office and production premises as the lessee.

The movement of right-of-use assets and lease liabilities is recognized in the balance sheet as follows:

Movement in TUSD	Right-of-use assets	Lease liabilities
Beginning balance as of January 1, 2025	**1,660**	**1,966**
Depreciation	(385)	—
Principal elements of lease payments	—	(379)
Remeasurements	—	—
Exchange differences	165	204
Ending balance as of June 30, 2025	**1,440**	**1,791**

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 2%.

9. Goodwill and intangible assets

In TUSD	Goodwill*	Licensing	Currently Marketed Products	Software	Total
As of December 31, 2024 Restated					
Cost	35,642	5,127	26,982	390	68,141
Accumulated amortization	(14,333)	(4,392)	(11,297)	(371)	(30,393)
Net book value as of December 31, 2024 Restated	**21,309**	**735**	**15,685**	**19**	**37,748**
Historical costs					
As of January 1, 2025	**35,642**	**5,127**	**26,982**	**390**	**68,141**
Exchange differences	5,009	753	3,453	47	9,262
As of June 30, 2025	**40,651**	**5,880**	**30,435**	**437**	**77,403**
Accumulated amortization					
As of January 1, 2025	**(14,333)**	**(4,392)**	**(11,297)**	**(371)**	**(30,393)**
Amortization charge	—	(49)	(858)	(4)	(911)
Exchange differences	(2,081)	(649)	(1,513)	(45)	(4,288)
As of June 30, 2025	**(16,414)**	**(5,090)**	**(13,668)**	**(420)**	**(35,592)**
Net book value as of June 30, 2025	**24,237**	**790**	**16,767**	**17**	**41,811**

*Accumulated amortization in Goodwill refers to the accumulated impairment charge from prior years.

10. Impairment test of goodwill

Goodwill is tested annually in December for impairment, or more frequently if there are indications of impairment. The impairment test for goodwill is conducted using a value-in-use calculation (discounted cash-flow method). The key assumptions used to determine the value-in-use for the cash-generating units (CGUs) were disclosed in the annual consolidated financial statements for the year ended December 31, 2024.

The Group considers various factors when assessing indicators of impairment, including the relationship between market capitalization and book value. As of June 30, 2025, the Group's market capitalization exceeded its equity book value. Since there were no indicators for impairment of any CGUs, management determined that no update to the existing impairment calculations was necessary.

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

In TUSD	June 30, 2025	December 31, 2024 Restated
MagnetOs	10,867	9,635
Checkmate Licensing	13,370	11,674
Balance as of period end	**24,237**	**21,309**

11. Defined benefits plan

The movements in defined benefits plan assets/ liabilities recognized in the balance sheet are as follows:

Movement in TUSD	2025
Net liabilities as of January 1, 2025	**(154)**
Service costs and employer contributions	(22)
Net financial results	(1)
Actuarial gain	222
Exchange differences	(6)
Net assets as of June 30, 2025	**39**

12. Trade and other receivables

In TUSD	June 30, 2025	December 31, 2024 Restated
Trade receivables – gross carrying amount	22,863	15,704
Loss allowance	(1,085)	(1,016)
Trade receivables – net carrying amount	**21,778**	**14,688**

The fair values of trade and other receivables do not materially differ from the carrying amounts.

13. Cash and cash equivalents

The Group considers all short-term, highly liquid investments that are readily convertible 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. The Group had no investments in financial assets in the six months ended June 30, 2025, or in 2024.

In TUSD	June 30, 2025	December 31, 2024 Restated
Cash at bank and on hand	18,442	19,762
Total cash and cash equivalents	**18,442**	**19,762**

In the first six months of 2025 the Group recorded TUSD 1 of interest income (H1 2024: TUSD 69). The cash at bank and on hand includes TUSD 546 (2024: TUSD 615) of guarantees for lease agreements and corporate credit cards which is considered restricted.

14. Statement of cash flows

Adjustments to reconcile profit before tax to cash generated from operations before changes in operating assets and liabilities

In TUSD, IFRS, for the six months ended June 30	Note	2025	2024 Restated
Depreciation and amortization	7, 8, 9	1,547	1,432
Net finance result		3,366	(1,857)
Share-based compensation	16	2,114	3,282
Changes in retirement benefit obligation	11	23	6
Other non-cash items		678	73
Adjustments to reconcile profit before tax to cash generated from operations before changes in operating assets and liabilities:		**7,728**	**2,936**

Increase in operating assets and liabilities

In TUSD, IFRS, for the six months ended June 30	2025	2024 Restated
Increase in trade and other receivables	(8,808)	(3,196)
Increase in prepayments and other assets	(326)	(675)
(Decrease)/ increase in trade and other payables	(1,103)	1,650
Increase in accrued expenses	3,546	462
Increase in inventories	(2,452)	(1,955)
Increase in operating assets and liabilities	**(9,143)**	**(3,714)**

15. Shareholders' equity

During the six months ended June 30, 2025, 666,584 ordinary shares were issued as a result of the exercise of vested options (June 30, 2024: 359,664).

In the Annual Shareholders' Meeting on April 15, 2025, shareholders approved an increase in the conditional share capital for employees, persons of comparable positions and board members by 300,000 shares. As of June 30, 2025, the conditional share capital is 6,053,871 shares.

16. Share based compensation

The Group grants share options and restricted share units (RSUs) to the members of the Board and, the Executive Committee, as well as to employees and consultants of the Group. The share-based compensations are equity-settled. All stock options and RSUs are issued by the Company.

The movement in the number of outstanding options and RSUs are as follows:

	Options (number)	RSUs (number)
Balance outstanding as of January 1, 2025	**2,903,445**	**1,076,206**
Granted	154,847	34,024
Exercised	(489,022)	(177,562)
Forfeited	(5,498)	—
Lapsed	(41,665)	—
Balance outstanding as of June 30, 2025	**2,522,107**	**932,668**

On January 3, 2025, a total of 7,370 options were granted to the Strategic Advisory Board (SAB). On April 30, 2025, a total of 147,477 share options and 34,024 RSUs were granted to the members of the Board, the Executive Committee and employees of the Group. The fair value of each options is determined at the date of grant based on the share price using the Black-Scholes Model, whereas the fair value of each RSU is determined based on the volume-weighted average share price over the last three trading days preceding the grant date. The fair value of each option granted on January 3, 2025 amounts to CHF 21.63, whereas the fair value of each option and RSU granted on April 30, 2025 amounted to CHF 13.12 and CHF 22.16, respectively.

For the six months ended June 30, 2025, the Group has recognized TUSD 2,114 of share-based compensation expense in the income statement and related social security contributions of TUSD 708 (June 30, 2024: TUSD 3,282 and TUSD 42, respectively).

17. Financial liabilities from collaborations

The financial liabilities from collaborations are measured at fair value, and subsequent remeasurements are recognized in the financial result. The current 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 initial fair value of the liability represents XOMA's share of future pre-commercial milestones which is measured based on contractually agreed pre-commercial milestones due from Checkmate under the Checkmate Licensing Agreement. The liability is subsequently measured at fair value, taking into account both the probability of achieving a pre-commercial milestone and changes in the time value of money. Remeasurements are recognized in the financial results.

The movement of financial liabilities from collaborations recognized in the balance sheet is as follows:

Movement in TUSD	Financial liabilities from collaborations
Beginning balance as of January 1, 2025	**3,460**
Change in fair value	110
Exchange differences	10
Ending balance as of June 30, 2025	**3,580**

18. Discontinued operation

Until the end of 2023, the Group pursued the development of drug-based orthobiologic therapies, including Fibrin-PTH (KUR-113), which was evaluated in a Phase 2a clinical trial for spinal indications in the U.S. Following an interim analysis and the superior clinical outcomes observed with MagnetOs, the Group decided in December 2023 to discontinue further development of Fibrin-PTH. The clinical study was completed in 2024, with the final patient reaching the 12-month follow-up in the second half of the year. All related development activities ceased by the end of 2024.

As a result of the decision to discontinue the development of Fibrin-PTH, the Pharmaceuticals segment has been discontinued and its remaining activities have been integrated into the Legacy Portfolio segment as part of the Group's segment reporting realignment in 2024. Consequently, the Pharmaceuticals segment is presented as a discontinued operation for both the current and prior periods. No intangible or other non-current assets were capitalized in relation to Fibrin-PTH.

Below is the financial performance and cash flow data for the six months ended June 30, 2025 and June 30, 2024.

In TUSD, for the six months ended June 30	2025	2024 Restated
Revenue	—	—
Income/ (expenses)	23	(382)
Profit/ (loss) from discontinued operation	**23**	**(382)**
Net cash inflow/ (outflow) from operating activities	54	(402)
Net cash generated/ (used by) discontinued operation	**54**	**(402)**

19. Net finance result

Finance income of TUSD 2,196 (June 30, 2024: TUSD 2,341) and finance expense of TUSD 5,562 (June 30, 2024: TUSD 484), with foreign exchange gains and losses being the principal components.

20. Related parties' transactions

The Group's related party relationships and transactions as of June 30, 2025 have not changed compared to information disclosed in the consolidated annual financial statements as of December 31, 2024.

21. Events after balance sheet date

The Group has not identified any significant events occurring after the reporting period and up to August 12, 2025, the date on which this report was authorized for publication by resolution of the Board of Directors.

Legal Disclaimer

This interim 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 interim report and 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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