

Kinarus Therapeutics

H122 update

H122 results reflect continued progress

Kinarus recently reported H122 financial results and reiterated its key objectives and guidance for lead candidate KIN001 in the three targeted indications, wet age-related macular degeneration (wet AMD), COVID-19 and idiopathic pulmonary fibrosis (IPF). With an H122 operating cash burn rate of CHF1.1m and a gross cash position of CHF4.6m at 30 June 2022, the company expects its current resources to fund its operations through Q123. We believe this runway can be extended by [the company's recent agreement](#) to issue up to CHF20m in convertible notes to an entity managed by Yorkville Advisors Global.

Year end	Revenue (CHFm)	PBT (CHFm)	EPS (CHF)	DPS (CHF)	P/E (x)	Yield (%)
12/20	0.0	(1.5)	(0.31)	0.00	N/A	N/A
12/21	0.0	(4.9)	(0.00)	0.00	N/A	N/A

Note: 2020 accounts reflect statements of privately held Kinarus AG and 2021 statements represent pro forma financials of Kinarus Therapeutics AG following the reverse merger transaction with Perfect Holding.

The company [recently dosed the first patient](#) in its Phase II KINFAST study assessing KIN001 in mild or moderate COVID-19 patients in an outpatient setting, and expects to [report interim data in H123](#). Kinarus continues to expect to report interim data from the KINETIC study in hospitalised COVID-19 patients in late Q322. The company reiterates its objective to start Phase II studies in both wet AMD and IPF in Q422, as discussed [in our initiation report](#), subject to attaining additional financing.

Kinarus's H122 operating loss was CHF1m, mostly driven by its CHF0.24m in R&D costs (largely attributable to the ongoing KINETIC study, preparations to start the KINFAST trial and other KIN001-related study costs) and CHF0.4m in G&A costs (which included CHF0.3m in one-off costs relating to the reverse takeover transaction with Perfect Holding). Once clinical trials in wet AMD and IPF begin, the company's burn rate is likely to increase.

Kinarus reported CHF3.5m in gross debt, which is essentially unchanged from the CHF3.5m in pro-forma gross debt reported at 31 December 2021. Given the end-June CHF4.6m gross cash position, we calculate end-H122 net cash at CHF1.1m.

While the company's arrangement with Yorkville provides financial flexibility and can be used to extend the cash runway beyond Q123, Kinarus continues to explore additional financing options to support its development objectives, particularly the planned Phase II clinical trials in wet AMD and IPF.

Pharma and biotech

5 September 2022

Price CHF0.03

Market cap CHF33m

Net cash at 30 June 2022 CHF1.1m

Shares in issue 1,113m

Free float 64.41%

Code KNRS

Primary exchange SIX Stock Exchange

Secondary exchange N/A

Share price performance



Business description

Based in Switzerland, Kinarus Therapeutics is a clinical-stage pharmaceutical company focused on advancing lead candidate KIN001 in inflammatory, fibrotic and/or viral infection-related conditions. KIN001 is in Phase II studies for COVID-19 and the company plans to start Phase II studies in the coming months for wet age-related macular degeneration and idiopathic pulmonary fibrosis.

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