

Kinarus Therapeutics

Phase II COVID-19 outpatient study underway

Clinical study initiation

Pharma and biotech

31 August 2022

Price CHF0.03
Market cap CHF33m

Net cash at 31 December 2021 CHF5.3m
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 coming months for wet age-related macular degeneration and idiopathic pulmonary fibrosis.

Analysts

Pooya Hemami OD MBA CFA +44 (0)20 3077 5700
Soo Romanoff +44 (0)20 3077 5700

healthcare@edisongroup.com

[Edison profile page](#)

Kinarus Therapeutics is a research client of Edison Investment Research Limited

Kinarus has announced that it has dosed the first patient in its Phase II KINFAST study evaluating lead candidate KIN001 in mild or moderate COVID-19 patients in an outpatient setting. KINFAST is a placebo-controlled study that is designed to recruit c 400 patients across multiple sites in Switzerland and Germany. Interim data are expected after the enrolment of c 140 patients, which we anticipate should help guide KIN001's future development as a potential treatment for COVID-19.

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

Source: Kinarus Therapeutics. 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.

KINFAST is the company's second Phase II study assessing KIN001 in COVID-19 patients, and the first to assess the drug in ambulatory patients not requiring hospitalisation. Kinarus's first study, KINETIC, is enrolling hospitalised COVID-19 patients and as of 6 June 2022 had enrolled 131 patients (out of a planned enrolment target of c 430); interim data are expected to be released in late Q322. Blinded KINETIC data show that KIN001 was well tolerated in 131 patients.

KIN001 is a patented orally dosed combination of p38 mitogen-activated protein kinase (p38 MAPK) inhibitor pamapimod (in-licensed from Roche) and pioglitazone. In both KINFAST and KINETIC, subjects in the KIN001 treatment arms receive a total daily dose of 150mg pamapimod and 10mg pioglitazone. The combination has shown preclinical activity suggestive of antiviral, anti-inflammatory and anti-fibrotic activity. As discussed in the [company's recent webinar](#), the clinical stages of COVID-19 often reflect a continuum (lacking clear-cut distinctions), and KIN001's multifaceted mechanism of action could provide therapeutic effectiveness across both the earlier and later stages of the disease. This could help differentiate KIN001 from currently authorised treatments, which are generally limited in their use to either earlier or later disease stages. Kinarus has shown in vitro data indicative of robust antiviral efficacy of equal potency against the original SARS-CoV-2 strain and variants of concern, including delta and omicron. The company attributes this effectiveness across multiple variants to [KIN001's ability to target the human host cell pathways required for SARS-CoV-2 viral replication](#), rather than targeting the virus itself (which helps distinguish KIN001 from antiviral or monoclonal antibody therapies).

We believe the data from KINFAST and KINETIC will inform future development strategies for the product candidate in COVID-19, namely whether the best development path lies in hospitalised patients or those with less severe COVID-19 disease. We also anticipate that Kinarus will start a Phase II study in KIN001's lead indication, wet age-related macular degeneration, in Q422, subject to funding.

General disclaimer and copyright

This report has been commissioned by Kinarus Therapeutics and prepared and issued by Edison, in consideration of a fee payable by Kinarus Therapeutics. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2022 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia