EDISON

Kinarus Therapeutics

Antiviral activity against Omicron BA.2 and BA.5

Preclinical data

Pharma and biotech

Kinarus has reported that its preclinical data on lead candidate KIN001 have shown strong antiviral efficacy against SARS-CoV-2 Omicron subvariants BA.2 and BA.5, which account for about a quarter of US COVID-19 infections. This builds on previously reported in vitro data, indicative of robust antiviral efficacy of equal potency against the original SARS-CoV-2 strain and other variants of concern, including Delta. We view this development as continued validation of KIN001's mechanism of action involving antiviral, anti-inflammatory and anti-fibrotic activity, as well as its 'variant-agnostic' level of activity against SARS-CoV-2. We highlight that other SARS-CoV-2 variants are emerging, including the Omicron BQ subvariants, and KIN001's effectiveness to date against multiple variants suggests it may also maintain potency against BQ and other future (sub)variants as well.

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 has attributed KIN001's effectiveness across multiple variants to its 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).

In August, Kinarus announced the launch of the KINFAST clinical Phase II trial of KIN001 in ambulatory COVID-19 patients. It will determine if KIN001 is able to reduce the severity and duration of COVID-19 symptoms. KINFAST aims to recruit c 400 patients across multiple sites in Switzerland and Germany. Interim data are expected after the enrolment of c 140 patients. Most COVID-19 patients do not progress to hospitalisation and the purpose of KINFAST is to show a reduced time to recovery and a reduction in disease severity progression in mild to moderate symptomatic COVID-19 patients.

The company continues to explore additional financing and partnering options to support the advancement of KIN001 into Phase II trials in its lead indication, wet age-related macular degeneration (AMD), as well as in idiopathic pulmonary fibrosis. KIN001 is unique among drug candidates for wet AMD in that it is designed to be used as an oral therapy complementing current injectable anti-VEGF agents, with the objective to potentially improve treatment efficacy and reduce the frequency of required eye injections.

Preclinical data suggest there is a potential benefit for KIN001 in reducing choroidal neovascularisation lesions. Kinarus has already received regulatory approval to conduct a one-year Phase II wet AMD clinical study in Switzerland and Germany and is awaiting funding before advancing this study.

7 December 2022

Price	**CHF0.015**
Market cap	**CHF17m**
Net cash (CHFm) at 30 June 2022	1.1
Shares in issue	1,118m
Free float	70.7%
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.

Analysts

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

Soo Romanoff +44 (0)20 3077 5700

healthcare@edisongroup.com

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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