

February 26, 2025

Evidence for KROS 101 and KROS 401 in Melanoma and Glioblastoma

Kairos Pharma presented new preclinical data at the AACR Immuno-Oncology conference, reinforcing the therapeutic potential of KROS 101 and KROS 401 in melanoma and glioblastoma. KROS 101, a next-generation GITR agonist, demonstrated the ability to enhance T cell responses, suppress regulatory T cells, and prevent T cell exhaustion, a key challenge in immunotherapy. Meanwhile, KROS 401, a peptide inhibitor targeting macrophage polarization, exhibited tumor-inhibitory effects in glioma-bearing mice by shifting macrophages to an anti-tumor phenotype. These findings provide a strong foundation for the company's expanding immuno-oncology portfolio.

The preclinical findings highlight KROS 101's ability to significantly inhibit tumor growth in melanoma while simultaneously increasing the proliferation of CD4+ and CD8+ T cells and reducing regulatory T cells. Notably, the compound prevented T cell exhaustion, a key limitation in current immunotherapies. In glioblastoma models, KROS 101 demonstrated potent cytotoxicity against cancer cells, surpassing the activity of TRX518, a previously investigated GITR agonist. These findings suggest a differentiated mechanism that could extend the durability of anti-tumor immune responses.

KROS 401's data further underscore Kairos' focus on modulating the tumor microenvironment, specifically by reversing the polarization of M2 macrophages into an anti-tumor M1 phenotype. This shift fosters an environment that enhances immune-mediated tumor destruction. Given the critical role of macrophages in tumor progression, KROS 401's potential to remodel the immune landscape may offer a complementary approach to existing T cell-targeted therapies. As Kairos advances toward clinical development, these findings reinforce the rationale for both KROS 101 and KROS 401 as promising candidates in the immuno-oncology pipeline.

Progress in the company's lead programs also included the initiation of a Phase 2 trial for ENV 105 in castrate-resistant prostate cancer and the dosing of the first patient in a combination study of ENV 105 and Osimertinib for EGFR-driven lung cancer. Key partnerships, such as the agreement with PreCheck Health Services to develop a biomarker panel for patient selection and the addition of City of Hope Cancer Center as a trial site, further strengthen pipeline execution. In 2025, Kairos expects to report safety data for prostate cancer in the first half of the year and NSCLC by year-end, with interim efficacy updates as they become available.

Valuation: We model multiple indications. We apply a Probability of Success factor of just 20% for the Prostate Cancer indication and 10% for NSCLC. In addition to the POS factor, we apply a 30% discount rate (r) to our models. We assume additional capital will be raised in our final share count. We then use these projections to our Free Cash Flow to the firm, or FCFE discounted EPS or dEPS, and sum-of-the-parts or SOP models, which are equal-weighted, averaged, and rounded to the nearest whole number to derive our 12-month price target of \$9.00.

Risk Factors: These include Clinical/Regulatory Risk, Partnership and Financial Risk, Commercial Risk, Legal and Intellectual Property Risk, and Market Share Risk.

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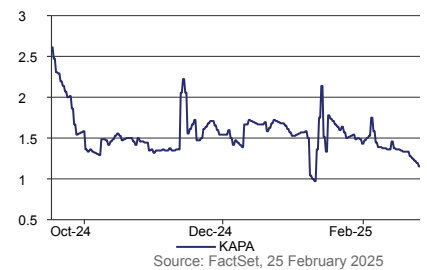
MARKET DATA

Rating	Buy
Price Target	\$9.00
Price	\$1.14
Average Daily Volume (000)	134
52-Week Range (\$)	\$1.64-\$4.00
Market Cap (M)	\$16
Enterprise Value (M)	\$12
Dividend Yield	0.0%
Cash (M)	\$0
Qrtly Burn Rate (M)	\$0

ESTIMATES

	2023A	2024E	2025E
Revenue (M)	\$0.0	\$0.0	\$0.0
Total Expenses (M)	\$2	\$1	\$3
GAAP EPS	\$(0.17)	\$(0.10)	\$(0.23)

One Year Performance Chart



Please see analyst certification and important disclosures on page 3 of this report.

Kairos Pharma																
Revenues	2023A	1Q24A	2Q24A	3Q24E	4Q24E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
U.S. Prostate Cancer								-	-	-	-	331,354	405,617	482,732	562,783	645,858
Europe Prostate Cancer								-	-	-	-	-	266,468	543,648	665,490	735,439
U.S. Lung Cancer - EGFR Driven								-	-	-	-	3,703	9,445	19,269	27,518	36,092
EU Lung Cancer - EGFR Driven								-	-	-	-	-	17,315	35,326	43,243	51,464
U.S. Head & Neck Cancer								-	-	-	-	-	-	11,156	22,760	46,434
EU Head & Neck Cancer								-	-	-	-	-	-	-	249,339	51,374
Other Platform								-	-	-	-	-	-	-	-	-
Total Product Revenues												335,058	698,845	1,092,130	1,571,133	1,566,660
Royalty Revenue																
Total Revenues (\$000)												335,058	698,845	1,092,130	1,571,133	1,566,660
Expenses																
COGS												60,310	104,827	109,213	157,113	156,666
% COGS												18%	15%	10%	10%	10%
Research and Development	82	165	63	75	75	378	2,000	10,000	15,000	20,000	20,000	21,000	21,420	21,848	22,285	22,731
General and Administrative	1,632	127	159	150	150	586	1,000	2,000	5,000	8,000	12,000	20,000	20,400	25,000	25,500	26,010
Operating expenses	1,714	292	222	225	225	964	3,000	12,000	20,000	28,000	32,000	101,310	146,647	156,061	204,899	205,407
Oper. Inc. (Loss)	(1,714)	(292)	(222)	(225)	(225)	(964)	(3,000)	(12,000)	(20,000)	(28,000)	(32,000)	233,747	552,198	936,069	1,366,235	1,361,253
Interest Income																
Warrants																
Financial Income, Net																
Financial Expenses, Net	(98)	(31)	(31)													
Pretax Income	(1,812)	(323)	(253)	(225)	(225)	(1,026)	(3,000)	(12,000)	(20,000)	(28,000)	(32,000)	233,747	552,198	936,069	1,366,235	1,361,253
Pretax Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Income Tax Benefit (Provision)												35,062	138,050	355,706	519,169	517,276
Tax Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	15%	25%	38%	38%	38%
GAAP Net Income (loss)	(1,812)	(323)	(253)	(225)	(225)	(1,026)	(3,000)	(12,000)	(20,000)	(28,000)	(32,000)	198,685	414,149	580,363	847,066	843,977
Net Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.59	0.59	0.53	0.54	0.54
GAAP-EPS	(0.17)	(0.03)	(0.02)	(0.02)	(0.02)	(0.10)	(0.23)	(0.45)	(0.52)	(0.44)	(0.38)	2.28	4.57	6.15	8.63	8.27
Non GAAP EPS (dil)	(0.17)	(0.03)	(0.02)	(0.02)	(0.02)	(0.10)	(0.23)	(0.45)	(0.52)	(0.44)	(0.38)	2.28	4.57	6.15	8.63	8.27
Wgtd Avg Shrs (Bas)	10,382	10,400	10,563	10,573	10,584	10,530	13,182	20,774	31,059	45,322	50,225	50,427	50,629	50,831	51,035	51,240
Wgtd Avg Shrs (Dil)	10,382	10,400	10,563	10,668	10,775	10,601	14,797	26,874	38,117	70,371	83,669	87,066	90,601	94,280	98,108	102,092

Source: EF Hutton & Company reports

Important Disclosures

Analyst Certification

I, Jason Kolbert, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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D. Boral Capital, or its affiliates have received compensation from Kairos Pharma Ltd. for investment banking services within the past 12 months.

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BUY (B) - Total return expected to exceed S&P 500 by at least 10%

HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Distribution of Ratings/IB Services

D. Boral

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY	53	98.15	14	26.42
HOLD	1	1.85	0	0.00
SELL	0	0.00	0	0.00

Kairos Pharma Ltd. Rating History as of 02/25/2025

