Kuros closes acquisition of Xpand creating a leading commercial-stage orthobiologics company

January 25, 2017

Kuros Biosciences (SIX:KURN) today announced the closing of the all-share strategic acquisition of Xpand Biotechnology B.V. of Bilthoven, the Netherlands. The takeover accelerates Kuros' transition to commercial stage with two products expected to be ready for commercialization in the European Union this year, one of which may also obtain US approval. In addition, the acquisition provides Kuros with a EU operation with certified and GMP-controlled manufacturing capabilities.

Schlieren (Zurich), Switzerland, January 25, 2017

Didier Cowling, CEO of Kuros, commented: "This acquisition provides us with attractive commercial prospects in key orthobiologic market segments as well as an EU hub for our future clinical and distribution operations. We look forward to working with the Xpand team to build an integrated business with promising products on the market and in development."

Kuros' first product, MagnetOs granules, is approved for sale in the EU for orthopedics and dental applications. In the US, MagnetOs is under regulatory review for spinal fusion. In addition, a putty formulation is being prepared for submission in the EU and the US in the second half of this year. Neuroseal, a novel biomaterial for dural sealing, is Kuros' second product and currently under review for CE marking in the EU.

The founders of Xpand, renowned experts and key opinion leaders in the orthobiologics field, remain involved in the combined business and its development. Prof. Joost de Bruijn and Frank-Jan van der Velden remain in their current functions at Xpand as CEO and Managing Director (Mr. de Bruijn) and Head of Business Affairs and Finance (Mr. van der Velden) and join Kuros' executive management team. Mr. van der Velden and Prof. Clemens van Blitterswijk will be proposed to the next Annual Shareholders' Meeting as new members of Kuros' Board of Directors.

Under the terms of the acquisition, Kuros issues a total of up to 2.105 new million shares, of which 1.365 million upon closing of the transaction. The first trading day of these new shares on the SIX Swiss Exchange will be January 25, 2017. A further 0.74 million shares will be issued upon achievement of milestones associated with product approvals.

About Kuros Biosciences

Kuros Biosciences Ltd is a leading, commercial-stage company focused on the development of innovative products for tissue repair and regeneration. The Company's first product, MagnetOs, is approved for sale in the EU and under regulatory review in the US. In addition, Kuros' second product, Neuroseal, is under review in the EU. The Company is located in Schlieren (Zurich), Switzerland. Kuros' shares are listed according to the Main Standard on the SIX Swiss Exchange Ltd under the symbol KURN. Visit www.kuros.ch for more information.

Forward Looking Statements

This media release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. You are urged to consider statements that include the words "will" or "expect" or the negative of those words or other similar words to be uncertain and forward-looking. Factors that may cause actual results to differ materially from any future results expressed or implied by any forward-looking statements include scientific, business, economic and financial factors, Against the background of these uncertainties, readers should not rely on forward-looking statements. The Company assumes no responsibility for updating forward-looking statements or adapting them to future events or developments.

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