



Kuros to acquire Xpand in an all-share strategic transaction to create a leading commercial stage orthobiologics company

December 19, 2016

- **Xpand's first product MagnetOs, a novel orthobiologic, is approved for sale in the EU and has been filed for approval in the US**
- **Xpand has operations in the Netherlands including manufacturing and an experienced management team and staff with extensive knowledge of the orthobiologics sector**
- **Kuros' modular submission to obtain CE mark for Neuroseal (KUR-023) is on-going with commercial launch in the European Union planned for 2017**
- **Kuros' existing orthobiologics product development, with two late-stage candidates, continues as planned**
- **Kuros is now preparing for commercialization activities in 2017**

Schlieren (Zurich), Switzerland, December 19, 2016 – Kuros Biosciences Ltd. (SIX:KURN) ("Kuros") today announced the signing of a combination agreement with Xpand Biotechnology B.V. ("Xpand") with the intention to acquire Xpand by way of an exchange of all Xpand shares for up to 2.105 million new Kuros shares, subject to customary conditions. Xpand is a privately-held company based in Bilthoven in the Netherlands. Its novel orthobiologic MagnetOs was approved for sale in the European Union in July 2016 and is under regulatory review in the US.

Schlieren (Zurich), Switzerland, December 19, 201

As a result of the acquisition, Kuros accelerates its transition to commercial stage with two products expected to be ready for commercialization in the EU in 2017, one of which may also obtain US approval. The acquisition further provides Kuros with an EU operation in the Netherlands with certified and GMP-controlled manufacturing capabilities. After the acquisition, Kuros has attractive prospects based on a pipeline of products that target several key market opportunities, with a focus on orthobiologics, as well as an EU hub for its clinical and distribution operations.

Kuros' combined pipeline provides near-term commercial opportunities in attractive markets. The Company is positioned as a technology leader in both synthetic and biologic bone graft substitutes. Its promising product candidates include:

- MagnetOs, a novel orthobiologic, is Kuros' most advanced product. It has received CE mark in July 2016 and has been submitted for US approval. A putty formulation of the product is also in development.
- Neuroseal (KUR-023), a novel biomaterial designed for dural sealing is being submitted for CE mark with market launch planned for 2017.
- KUR-111 and KUR-113, two advanced orthobiologic products, have been successfully tested in large, controlled Phase 2b clinical trials. Further development continues as planned.

Prof. Joost de Bruijn, President and CEO of Xpand, and Frank-Jan van der Velden, Head of Business Affairs and Finance at Xpand, will join Kuros' executive management team. In addition, 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. Kuros intends to continue the operations in Bilthoven, taking on all 15 employees, which effectively doubles Kuros' staff.

Didier Cowling, CEO of Kuros, commented on the proposed transaction: "Kuros and Xpand's products are highly complementary. As a result of the acquisition, we will have leading products in key segments of the orthobiologics field and the opportunity to build an integrated business with promising products on the market and in development."

Prof. Joost de Bruijn, CEO of Xpand Biotechnology, commented on the planned transaction: "We are pleased to be joining forces with Kuros. With the unique and complementary synthetic and biologic technology platforms of Kuros and Xpand, we can proceed to build a leading, commercial stage orthobiologics company."

Transaction summary

Under the terms of the proposed combination, Kuros will issue a total of up to 2.105 million shares for all outstanding Xpand shares. 1.365 million of these shares will be issued to the sellers immediately upon closing of the transaction. A further 0.74 million shares will be issued upon achievement of certain milestones associated with product approvals. Following closing, the current shareholders of Kuros will own approximately 79% of the Company's issued share capital. Provided all milestones are achieved, current Kuros shareholders will own about 71% of the combined company.

All shares needed for the transaction will be issued from Kuros' authorized share capital.

The companies have undertaken reciprocal due diligence. The Board of Directors and shareholders of Xpand have approved the transaction. Approval from Kuros' shareholders is not required for the acquisition. Closing of the transaction is expected within the next few weeks and is contingent upon certain conditions, amongst others the issuance of a listing prospectus and the listing of the new Kuros shares on the SIX Swiss Exchange.

About Kuros Biosciences Ltd

Kuros Biosciences Ltd is focused on the development of innovative products for tissue repair and regeneration and is located in Schlieren (Zurich), Switzerland. The Company is listed according to the Main Standard on the SIX Swiss Exchange Ltd under the symbol KURN. Information regarding Kuros is available at www.kuros.ch.

About Xpand Biotechnology BV

Xpand Biotechnology BV develops products for bone repair and regeneration that are based on its unique and proprietary surface science technology. The company has R&D, manufacturing and clean room facilities and is located in Bilthoven, The Netherlands

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.

Today's webcast and conference call

A webcast/conference call on the acquisition of Xpand will be held today, December 19, 2016 at 15.00 CET. Dial-in numbers for the conference call:

CH: +41 22 580 59 70

DE: +49 69 222 229 043

NL: +31 10 713 7273

UK: +44 203 00 92 452

US: +1 855 402 77 66

Participants' Pin Code is 16052737#

The presentation slides (without audio) are available from the Company's website www.kuros.ch under [News > Conferences & Events](#) or under www.audio-webcast.com (Password: kuros1216)

The live audio webcast will be available under <http://kuros191216-live.audio-webcast.com>

One hour after the end of the webcast/conference call, a recording will be available as playback on www.kuros.ch under [News > Conferences & Events](#).

For further information, please contact:

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