



**Invitation to an Extraordinary Shareholders' Meeting of  
Kuros Biosciences AG on Thursday, 29 November 2018, 10.00 a.m. (CET)**

Venue: Kuros Biosciences AG  
Wagistrasse 25, 8952 Schlieren (Zurich/Switzerland)

Dear Shareholder

We invite you to an Extraordinary Shareholders' Meeting of Kuros Biosciences AG to be held at Wagistrasse 25, 8952 Schlieren (Zurich/Switzerland) on 29 November 2018 at 10 a.m. (CET).

With this invitation you receive the following documents:

- 1 This invitation with the agenda
- 2 Admission and voting card
- 3 Reply form

Please return the signed reply form with the enclosed (pre-paid) envelope to Kuros Biosciences AG, Aktienregister, c/o Nimbus AG, Postfach, 8866 Ziegelbrücke prior to 26 November 2018 even if the admission and voting card is enclosed.

## AGENDA OF THE MEETING

### 1. Ordinary Capital Increase

The Board of Directors proposes to resolve the following capital increase:

- a. The share capital of the Company is increased by way of an ordinary increase by up to CHF 4'301'464 by issuing up to 4'301'464 fully paid-in registered shares with a nominal value of CHF 1 each; an increase of the share capital (i) by means of an underwriting or (ii) by a subsidiary in view of and related to any of the below mentioned transactions allowing an exclusion of subscription rights shall be permissible. The shares to be issued shall have no preferential rights.
- b. The Board of Directors shall be authorized to exclude the subscription right of shareholders (a) if the issue price of the new registered shares is determined by reference to the market price; or (b) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, or for purposes of the participation of strategic partners, or (c) for purposes of granting an over-allotment option (Greenshoe) of up to 15% of the number of registered shares offered in a base-tranche in a placement or sale of registered shares to the respective initial purchaser(s) or underwriter(s); or (d) for raising of capital (including private placements) in a fast and flexible manner which probably could not be reached without the exclusion of the statutory subscription right of the existing shareholders; the Board of Directors shall also be authorized to preserve the subscription rights of the shareholders for the newly issued registered shares which may be granted directly or indirectly (e.g. by an underwritten offering followed by an offer to the then-existing shareholders of the Company), whereby the Board of Directors shall be entitled to publish the subscription price by electronic media including press release and e-mail and to limit the subscription period to one business day; the Board of Directors shall determine the details of the exercise of the subscriptions rights; subscription rights not exercised or shares for which subscription rights have not been exercised are to be sold at market conditions or may be used in another way in the interest of the Company.
- c. The issuance price of the new shares to be issued shall be determined by the Board of Directors. The Board of Directors may also determine the type of contribution.
- d. The contributions shall be made by cash, compensation or by converting of available reserves (including also the amount of the capital contribution reserve exceeding the legal requirements of the Swiss Code of Obligations for legal reserves) into share capital, provided that an audited statutory balance sheet evidences the availability of such reserves and is not older than six months at the time of the completion of the capital increase; the amount, which may be converted from the reserves into share capital for the purpose of an ordinary capital increase, may not exceed CHF 4'301'464. This resolution 1.d. shall in substance also be applicable for capital increases from authorized share capital, wherefore the following text shall be added to Art. 3d para. 1 of the Articles of Association:

<p>"The contribution may also be made by conversion of available reserves (including also the amount of the capital contribution reserve exceeding the legal requirements of the Swiss Code of Obligations for legal reserves) into share capital, provided that an audited statutory balance sheet evidences the availability of such reserves and is not older than six months at the time of the completion of the capital increase; the amount, which may be converted from the reserves into share capital for the purpose of an authorized capital increase, may not exceed CHF 3'746'464.00.</p>	<p>Die Einlage kann auch durch Umwandlung von verfügbaren Reserven (einschliesslich auch des die gesetzlichen Anforderungen des Schweizerischen Obligationenrechts für gesetzliche Reserven übersteigenden Betrages der Kapitaleinlagereserve) in Aktienkapital geleistet werden, sofern ein geprüfter Einzelabschluss die Verfügbarkeit dieser Reserven nachweist und zum Zeitpunkt des Vollzugs der Kapitalerhöhung nicht älter als sechs Monate ist; der Betrag, der im Rahmen einer genehmigten Kapitalerhöhung aus den Reserven in Aktienkapital umgewandelt werden kann, darf CHF 3'746'464.00 nicht überschreiten."</p>
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For contributions by conversion of available reserves into share capital, the "legal reserves" shall be reallocated to "free statutory reserves".

- e. The new shares are entitled to dividends for the business year starting 1 January 2018.
- f. The new shares are subject to the transfer restrictions as outlined in article 4 of the Articles of Association.
- g. The stamp duty shall be paid by the Company.
- h. The Board of Directors is authorized and instructed to implement and register this capital increase with the competent commercial register within three months.

**Explanation:** The proposed authorization to issue new ordinary shares intends to enable the Company to raise capital retaining flexibility in the context of implementing strategic and/or operating decisions. Having an immediate and flexible access to equity beyond the current authorized capital in place is both necessary and in the interest of the Company and its shareholders. The capital to be raised may be issued to advance the phase II clinical study of the Company's proprietary KUR-113 product in spinal fusion and to progress commercialization of MagnetOs bone graft substitute in the U.S. and selected geographies in Europe.

## 2. Creation of Conditional Share Capital

The Board of Directors proposes to resolve the following conditional capital for bonds or similar debt instruments and adopt the following new Art. 3b of the Articles of Association:

<p><b>Art. 3b Conditional Capital Increase for Bonds or Similar Debt Instruments</b></p> <p>The share capital of the Company shall be increased by a maximum amount of CHF 1'720'585 through the issue of a maximum of 1'720'585 registered shares, payable in full, each with a nominal value of CHF 1 through the exercise of conversion and/or option rights granted in connection with bonds or similar instruments, issued or to be issued by the Company or by subsidiaries of the Company, including convertible debt instruments.</p>	<p><b>Art. 3b Bedingtes Kapital für Anleiheobligationen oder ähnliche Instrumente</b></p> <p>Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 1'720'585 durch Ausgabe von höchstens 1'720'585 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 1 je Aktie erhöht durch die Ausübung von Wandlungs- und/oder Optionsrechte, welche im Zusammenhang mit von der Gesellschaft oder ihren Tochtergesellschaften emittierten oder noch zu emittierenden Anleiheobligationen oder ähnlichen Instrumenten eingeräumt wurden oder werden, einschliesslich Wandelanleihen.</p>
<p>Shareholders' subscription rights for these shares are excluded. Shareholders' advance subscription rights with regard to the new bonds or similar instruments may be restricted or excluded by decision of the Board of Directors in order to finance or re-finance the acquisition of companies, parts of companies or holdings, or new investments planned by the Company, or in order to issue convertible bonds or similar instruments on the international capital markets or through private placement. If advance subscription rights are excluded, then (1) the instruments are to be placed at market conditions, (2) the exercise period is not to exceed ten years from the date of issue of option rights and twenty years for conversion rights and (3) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing at the date on which the instruments are issued.</p>	<p>Das Bezugsrecht der Aktionäre ist für diese Aktien ausgeschlossen. Das Vorwegzeichnungsrecht der Aktionäre in Bezug auf neue Anleiheobligationen oder ähnliche Instrumente kann durch Beschluss des Verwaltungsrates zu folgenden Zwecken eingeschränkt oder ausgeschlossen werden: Finanzierung und Refinanzierung des Erwerbs von Unternehmen, Unternehmensteilen, Beteiligungen, oder von der Gesellschaft geplanten neuen Investitionen, oder für die Ausgabe von Anleiheobligationen oder ähnlichen Instrumenten auf internationalen Kapitalmärkten oder mittels Privatplatzierungen. Falls Vorwegzeichnungsrechte ausgeschlossen werden, müssen (1) die Instrumente zu Marktkonditionen platziert werden, (2) der Ausübungszeitraum darf zehn Jahre seit dem Ausgabedatum der Optionsrechte und 20 Jahre seit dem Ausgabedatum der Wandlungsrechte nicht überschreiten und (3) der Wandlungs- oder Ausübungspreis für die neuen Aktien muss mindestens gemäss den Marktbedingungen am Ausgabedatum der Instrumente festgelegt werden.</p>
<p>The acquisition of registered shares through the exercise of conversion or option rights and any transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of</p>	<p>Der Erwerb von Namenaktien durch Ausübung von Wandel- oder Optionsrechten sowie sämtliche weiteren Übertragungen von Namenaktien unterliegen den</p>

Association.	Übertragungsbeschränkungen gemäss Art. 4 der Statuten.
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**Explanation:** The proposed creation of conditional capital and the authorization to issue bonds or similar instruments is in the interest of the Company and shall help to raise capital in order to advance the phase II clinical study of the Company's proprietary KUR-113 product in spinal fusion and to progress commercialization of MagnetOs bone graft substitute in the U.S. and selected geographies in Europe. By issuing an equity-lined debt instrument, the Company could take advantage of attractive financing opportunities on the market to the extent available.

We look forward to meeting you soon.

With best regards,

Clemens van Blitterswijk  
Chairman of the Board

Joost de Bruijn  
Chief Executive Officer

Shareholder:

Kuros Biosciences AG  
Aktienregister  
c/o Nimbus AG  
Ziegelbrückstrasse 82  
8866 Ziegelbrücke  
Switzerland

## REPLY FORM

**General Assembly of Kuros Biosciences AG, 29 November 2018, 10.00 a.m. (CET)**

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- ☐ I will attend the General Assembly of Kuros Biosciences AG on 29 November 2018. Please send this reply form back.
- ☐ I will not attend the General Assembly but I authorize the independent proxy Andreas G. Keller, attorney-at-law, Gehrenholzpark 2g, CH-8055 Zurich, or another person authorized by him to represent me at the General Assembly and to cast my votes in accordance with my instructions on the back of this form.
- ☐ I will not attend the General Assembly but will be represented by another person. Please hand the voting and admission card over to the person representing your shares together with the signed power of attorney on the back of that card. In the absence of any specific instructions on the instruction form, I hereby authorize the person representing my shares to cast my votes in support of the proposals by the Board of Directors.

### Electronic registration, proxy voting and instructions to the independent voting rights representative

You have the possibility to order an admission card or to cast a proxy voting to the independent voting rights representative electronically (online). You can register yourself under <https://kuros.shapp.ch> with your personal login details:

Login:

Password:

The registration as well as any changes to votes cast to the independent voting rights representative is possible until 28 November 2018.

With my / our signature, I / we also confirm to be the shareholder according to the details on the back of this form and to be able to validly sign this form.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature\*: \_\_\_\_\_

\* The second signature is mandatory if required by legal persons for a valid authorization.

Please return this Reply Form with the enclosed envelope prior to 26 November 2018 to the address indicated on the top of this reply form, thank you. The enclosed envelope is pre-paid, so it is not necessary to add a postal stamp.
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## INSTRUCTIONS FOR THE INDEPENDENT PROXY

Proposals (according to agenda):		Yes	No	Abstention
1.	Ordinary Capital Increase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Creation of Conditional Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In the event of new agenda items or other proposals during the General Assembly the Independent Proxy shall vote as proposed by the Board of Directors		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>





**Admission and Voting Card / Power of Attorney for the Extraordinary Shareholders' Meeting of Kuros Biosciences AG on 29 November 2018, 10.00 a.m. (CET)**

**If you participate personally:** Please bring this form to the Extraordinary Shareholders' Meeting

**If you wish that a person designated by you participates:** Please hand this form over to the person representing your shares together with the signed power of attorney on the back of this form.

**If you wish that the independent proxy votes your shares:** Please return the instruction form sent to you back to Nimbus AG (address on the instruction form) prior to 26 November 2018.

*Voting Card for the Extraordinary Shareholders' Meeting of  
Kuros Biosciences AG  
on 29 November 2018, 10.00 a.m. (CET)*

YES

NO

*Abstention*

## **Grant of power of attorney to another person**

*(this needs not be completed if you participate or if you delegate the voting to the independent proxy)*

I / We hereby authorize

Name: \_\_\_\_\_

Address: \_\_\_\_\_

or another person designated by above person, to represent me / us at the Extraordinary Shareholders' Meeting of Kuros Biosciences AG of 29 November 2018.

With my / our signature, I / we also confirm to be the shareholder according to the details on the back of this form and to be able to validly sign this form.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature\*: \_\_\_\_\_

\* The second signature is mandatory if required by legal persons for a valid authorization.

Please bring this form to the General Assembly or forward it to the person representing you