




P.P. CH-8866
Ziegelbrücke **A-PRIORITY** *DIE POST* 



**Convocation of the 23rd Annual Shareholders' Meeting of
Kuros Biosciences Ltd on April 19, 2021, 11.00 a.m.**

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

Dear Shareholder

We hereby convene the 23rd Annual Shareholders' Meeting of Kuros Biosciences Ltd to be held at Wagistrasse 25, 8952 Schlieren (Zurich/Switzerland) on April 19, 2021 at 11.00 a.m.

Based on the Federal Council's Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) (COVID-19-Ordinance 3), the Annual Shareholders' Meeting will be held without an audience.

Please find enclosed the agenda and the reply form for the appointment of the Independent Proxy.

Pursuant to art. 27 para. 1 lit. b COVID-19-Ordinance 3, voting must be exercised through the Independent Proxy.

Thank you for your collaboration.

Please return the signed reply form with the enclosed (pre-paid) envelope to Kuros Biosciences Ltd, Aktienregister, c/o Nimbus AG, Postfach, 8866 Ziegelbrücke prior to April 15, 2021. You have the possibility to cast a proxy voting to the Independent Proxy electronically (online) under <https://kuros.shapp.ch> (please see more details on the Reply Form).

The Annual Report is available on our website, www.kurosbio.com. If you wish to receive a hard or electronic copy, please contact info@kurosbio.com.

With best regards,

Prof. Dr. Clemens van Blitterswijk
Chairman of the Board of Directors

Dr. Joost de Bruijn
Chief Executive Officer

Shareholder:

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

REPLY FORM

Shareholders' Meeting of Kuros Biosciences Ltd, April 19, 2021, 11.00 a.m.

- I / we will not personally attend the Shareholders' Meeting but I / we authorize the Independent Proxy Law Office Keller Partnership, CH-8002 Zurich, to represent me / us at the Shareholders' Meeting and to cast my / our votes in accordance with my / our instructions on the back of this form

By signing this form I / we authorize the Independent Proxy to vote in favour of the proposals and recommendations of the Board of Directors as far as I / we have not given written instructions to the contrary. This also applies in the case of any votes taken at the Annual General Meeting relating to proposals which were not included in the invitation.

Electronic proxy voting and instructions to the Independent Proxy

You have the possibility to cast a proxy voting to the Independent Proxy 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 Proxy is possible until April 15, 2021.

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 enclosed envelope prior to April 15, 2021 (date of receipt) 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.

INSTRUCTIONS FOR THE INDEPENDENT PROXY

General Instruction		Yes	No	Abstention
This general instruction relates to all agenda items in the convocation. If you wish to deviate from this for a specific agenda item, then please mark a different instruction in such agenda item below		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proposals (according to agenda):		Yes	No	Abstention
1.	Approval of the Annual Report, Annual Financial Statements, and Consolidated Financial Statements for the year 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Discharge of the Board of Directors and Executive Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Appropriation of Annual Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Election of the Board of Directors			
4.a	Re-election of Clemens van Blitterswijk as member and chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b	Re-election of Leanna Caron	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c	Re-election of Joost de Bruijn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d	Re-election of Scott P. Bruder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e	Re-election of Oliver Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.f	Election of Chris Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Election of the Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Compensation for the Members of the Board of Directors and the Executive Committee			
6.a	Vote on Total Non-Performance-Related Compensation for Members of the Board of Directors for the period up to the next Annual Shareholders' Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.b	Vote on Options for Members of the Board of Directors until the next Annual Shareholders' Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.c	Vote on Total Non-Performance-Related Compensation for Members of the Executive Committee up to June 30, 2022	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.d	Vote on Total Variable Compensation for Members of the Executive Committee for the calendar year 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.e	Vote on Options for Members of the Executive Committee for the calendar year 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Election of the Compensation Committee			
7.a	Re-election of Leanna Caron	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.b	Re-election of Oliver Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.c	Election of Chris Fair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Election of the Independent Proxy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Adjustment to the articles of association regarding the conversion of registered shares into bearer shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Adjustment of Conditional Share Capital for Employees, Persons of Comparable Positions and Board Members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Capital Reduction through Decrease of Nominal Value of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Additional proposals which were not included in the agenda:		Yes	No	Abstention
Should any votes be taken at the Shareholders' Meeting relating to proposals which were not included in the invitation:				
– Check "Yes" to instruct the Independent Proxy to vote as proposed by the Board of Directors		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
– Check "No" to instruct the Independent Proxy to vote against the additional proposals				
– Check "Abstention" to instruct the Independent Proxy to abstain from voting				

AGENDA OF THE MEETING

1. Approval of the Annual Report, Annual Financial Statements, and Consolidated Financial Statements for the year 2020

The Board of Directors proposes to approve the Annual Report, the Annual Financial Statements, and the Consolidated Financial Statements of Kuros Biosciences Ltd for the year 2020, and to take note of the Reports of the Auditors.

2. Discharge of the Board of Directors and Executive Committee

The Board of Directors proposes that the members of the Board of Directors and the Executive Committee are discharged from their liabilities for their activities in the year 2020.

3. Appropriation of Annual Results

The Board of Directors proposes that the net loss of the year 2020 in the amount of CHF 2'991'494.07 is applied against the loss brought forward of CHF 84'870'110.67 resulting in a new balance of the loss brought forward of CHF 87'861'604.74 to be carried forward to the new accounts.

4. Election of the Board of Directors

The Board of Directors proposes the re-election of Clemens van Blitterswijk as member and as chairman of the Board of Directors and the re-election of Leanna Caron, Joost de Bruijn, Scott P. Bruder and Oliver Walker as members of the Board of Directors as well as the election of Chris Fair as new member of the Board of Directors, each for the term until the next Annual Shareholders' Meeting:

4.a Re-Election of Clemens van Blitterswijk as member and as chairman of the Board of Directors

4.b Re-Election of Leanna Caron as member of the Board of Directors

4.c Re-Election of Joost de Bruijn as member of the Board of Directors

4.d Re-Election of Scott P. Bruder as member of the Board of Directors

4.e Re-Election of Oliver Walker as member of the Board of Directors

4.f Election of Chris Fair as new member of the Board of Directors

5. Election of the Auditors

The Board of Directors proposes to re-elect PricewaterhouseCoopers Ltd, Basel, as auditors of Kuros Biosciences Ltd for a term of office of one year.

6. Compensation for the Members of the Board of Directors and the Executive Committee

The Board of Directors proposes to hold the following separate votes on the non-performance related and the variable compensation of the Board of Directors and the Executive Committee:

6.a Vote on Total Non-Performance-Related Compensation for Members of the Board of Directors for the period up to the next Annual Shareholders' Meeting

The Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related compensation for the members of the Board of Directors for the period up to the next Annual Shareholders' Meeting, i.e. CHF 400'000.00.

6.b Vote on Options for Members of the Board of Directors until the next Annual Shareholders' Meeting

The Board of Directors proposes that shareholders approve the grant of a maximum number of 50'000 options for the members of the Board of Directors for the period up to the next Annual Shareholders' Meeting with a duration of five years, a regular vesting of twelve months, a full vesting upon change of control and a strike of CHF 2.15 with a current maximum value of all options of CHF 45'000.00.

6.c Vote on Total Non-Performance-Related Compensation for Members of the Executive Committee up to June 30, 2022

The Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related cash compensation for members of the Executive Committee (two positions as of April 1, 2021) for the period up to June 30, 2022 of CHF 800'000.00 (cash base compensation plus social security costs).

6.d Vote on Total Variable Compensation for Members of the Executive Committee for the calendar year 2021

The Board of Directors proposes that shareholders approve a maximum amount of CHF 500'000.00 (cash compensation plus social security costs; settlement can alternatively be made in the form of shares or options) of variable compensation for the members of the Executive Committee (two positions as of April 1, 2021) for the calendar year 2021.

6.e Vote on Options for Members of the Executive Committee for the calendar year 2021

The Board of Directors proposes that shareholders approve the grant of a maximum number of 300'000.00 options for the members of the Executive Committee for the calendar year 2021 with a duration of five years, a regular vesting of four years, a full vesting upon change of control and a strike of CHF 2.15 with a current maximum value of all options of CHF 270'000.00.

7. Election of Compensation Committee

The Board of Directors proposes to re-elect Leanna Caron and Oliver Walker and to elect Chris Fair as the members of the compensation committee, each for the term until the next Annual Shareholders' Meeting.

- 7.a Re-Election of Leanna Caron as member of the compensation committee**
- 7.b Re-Election of Oliver Walker as member of the compensation committee**
- 7.c Election of Chris Fair as member of the compensation committee**

8. Election of the Independent Proxy

The Board of Directors proposes for election as Independent Proxy for a term of office ending with the conclusion of the next Annual Shareholders' Meeting: Law Office Keller Partnership, Alfred-Escher-Strasse 11, CH-8002 Zurich.

9. Adjustment to the articles of association regarding the conversion of registered shares into bearer shares

Pursuant to a recent revision of the Swiss Code of Obligations, a conversion of registered shares into bearer shares is no longer in line with the relevant standards. Therefore, the Board of Directors proposes to remove without replacement Art. 3a para. 2 of the Articles of Association. Art. 3a of the Articles of Association shall henceforth read as follows:

Art. 3a Share Capital and Shares The Share Capital of the Company is CHF 32'811'378.00 and fully paid-in. It is divided into 32'811'378 registered shares with a nominal value of CHF 1.00 each.	Art. 3a Aktienkapital und Aktien Das Aktienkapital der Gesellschaft beträgt CHF 32'811'378. Es ist eingeteilt in 32'811'378 Namenaktien mit einem Nennwert von je CHF 1.00. Die Aktien sind voll liberiert.
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10. Adjustment of Conditional Share Capital for Employees, Persons of Comparable Positions and Board Members

The Board of Directors proposes the following resolution:

The Conditional Share Capital for Employees, Persons of Comparable Positions and Board Members shall be increased by CHF 1'200'000.00 for the issuance of up to 1'200'000 registered shares. Art. 3c para. 1 of the Articles of Association shall be amended and henceforth read as follows:

Art. 3c Conditional Share Capital for Employees, Persons of Comparable Positions and Board Members The share capital of the Company increases in the nominal value of up to CHF 3'200'000.00 by issuance of up to 3'200'000 fully paid-in registered Shares with a nominal value of CHF 1.00 each, subject to the exercise of options granted by the Company to employees of the Company or its subsidiaries, persons of a comparable position and Board members under the employee participation plans.	Art. 3c Bedingtes Aktienkapital für Arbeitnehmer, Personen in vergleichbaren Positionen und Verwaltungsratsmitglieder Das Aktienkapital der Gesellschaft erhöht sich zusätzlich um den Nennbetrag von bis zu CHF 3'200'000.00 durch Ausgabe von bis zu 3'200'000 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 1.00, sollten die Optionsrechte, welche die Gesellschaft ihren Arbeitnehmern, den Arbeitnehmern ihrer Tochtergesellschaften, Personen in vergleichbaren Positionen und Verwaltungsratsmitgliedern unter den Mitarbeiterbeteiligungsplänen eingeräumt hat, ausgeübt werden.
The pre-emptive rights of the shareholders shall be excluded. The conditions of the grant of the	Das Bezugsrecht der Aktionäre ist ausgeschlossen. Der Verwaltungsrat bestimmt die Ausgabe-

options, as the amount of the issue of the shares, the time of the entitlement for dividends as well as the kind of contribution, shall be determined by the Board of Directors in the form of special rules (Stock Option Plans).	bedingungen der Optionen wie die Anzahl der ausgegebenen Aktien, der Zeitpunkt des Beginns der Dividendenberechtigung sowie die Art der Einlagen durch spezielle Regelungen (Aktienoptionsprogramme).
The further transfer of the registered Shares acquired by the exercise of the options rights under this article shall be subject to the restrictions of Article 4 of these Articles of Association	Die weitere Übertragung der Namenaktien, die durch die Ausübung der Optionsrechte welche gemäss diesem Artikel erworben wurden, unterliegt den Beschränkungen von Artikel 4 dieser Statuten.

11. Capital Reduction through Decrease of Nominal Value of Shares

The Board of Directors proposes the following resolution:

The share capital shall be reduced by reducing the nominal value of all shares from currently CHF 1.00 each to CHF 0.10 each in future and to allocate the resulting amount to the Company's capital reserves. Background for this proposal is that the current share capital of the Company of over CHF 32m is unusually high for a Company like Kuros and far exceeds the legal requirements. A reduction of the nominal value also provides additional flexibility for future financing activities. This reduction does not amount to a disbursement or dividend to shareholders, but is a technical step, a transfer within equity, which affects all shares equally. Shareholders' rights are not affected, neither financial rights nor participation rights. The number of shares and the total equity remains unchanged.

Based on the audit report pursuant to Art. 732 para. 2 of the Swiss Code of Obligations of the regulated auditing firm PricewaterhouseCoopers AG, Basel, which has been provided to the general meeting, the Board of Directors proposes to reduce the share capital of the Company as follows:

1. The share capital of CHF 32'811'378.00 shall be reduced by CHF 29'530'240.20 to CHF 3'281'137.80.
2. According to the audit report, the claims of the creditors are fully covered despite the reduction of the share capital.
3. The capital reduction shall be achieved by reducing the nominal value of all 32'811'378 registered shares from CHF 1.00 to CHF 0.10 per registered share.
4. The total amount of the reduction according to clause 1 shall be increased by the reduced par value of the registered shares issued out of the authorized and conditional share capital of the Company after the Annual Shareholders' Meeting.
5. The entire amount of the reduction shall be allocated to the legal reserve from capital contributions.
6. Upon registration of the capital reduction in the Commercial Register, paragraph 1 of each of Art. 3a, Art. 3b, Art. 3c and Art. 3d of the articles of association shall be amended as follows, subject to amendments pursuant to No. 4 above:

<p>Art. 3a Share Capital and Shares</p> <p>The Share Capital of the Company is CHF 3'281'137.80 and fully paid-in. It is divided into 32'811'378 registered shares with a nominal value of CHF 0.10 each.</p>	<p>Art. 3a Aktienkapital und Aktien</p> <p>Das Aktienkapital der Gesellschaft beträgt CHF 3'281'137.80. Es ist eingeteilt in 32'811'378 Namenaktien mit einem Nennwert von je CHF 0.10. Die Aktien sind voll liberiert.</p>
<p>Art. 3b Conditional Share Capital for Bonds or Similar Debt Instruments</p> <p>The share capital of the Company shall be increased by a maximum amount of CHF 67'346.20 through the issue of a maximum of 673'462 registered shares, payable in full, each with a nominal value of CHF 0.10 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. The maximum number of registered shares that may be issued pursuant to this paragraph 1 shall be reduced to such extent as the Board of Directors issues registered shares pursuant to Art. 3d para. 1 (Authorized Share Capital).</p>	<p>Art. 3b Bedingtes Aktienkapital für Anleiheobligationen oder ähnliche Instrumente</p> <p>Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 67'346.20 durch Ausgabe von höchstens 673'462 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 0.10 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. Die Maximalzahl der Namenaktien, die gemäss dieses Absatzes 1 ausgegeben werden können, reduziert sich in dem Mass, in welchem der Verwaltungsrat gemäss Art. 3d Abs. 1 (Genehmigtes Aktienkapital) Namenaktien ausgibt.</p>
<p>Art. 3c Conditional Share Capital for Employees, Persons of Comparable Positions and Board Members</p> <p>The share capital of the Company increases in the nominal value of up to CHF 320'000.00 by issuance of up to 3'200'000 fully paid-in registered Shares with a nominal value of CHF 0.10 each, subject to the exercise of options granted by the Company to employees of the Company or its subsidiaries, persons of a comparable position and Board members under the employee participation plans.</p>	<p>Art. 3c Bedingtes Aktienkapital für Arbeitnehmer, Personen in vergleichbaren Positionen und Verwaltungsratsmitglieder</p> <p>Das Aktienkapital der Gesellschaft erhöht sich zusätzlich um den Nennbetrag von bis zu CHF 320'000.00 durch Ausgabe von bis zu 3'200'000 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.10, sollten die Optionsrechte, welche die Gesellschaft ihren Arbeitnehmern, den Arbeitnehmern ihrer Tochtergesellschaften, Personen in vergleichbaren Positionen und Verwaltungsratsmitgliedern unter den Mitarbeiterbeteiligungsplänen eingeräumt hat, ausgeübt werden.</p>
<p>Art. 3d Authorized Share Capital</p> <p>The Board of Directors is authorized, at any time until July 16, 2021 to increase the share capital by a maximum of CHF 67'346.20 through the issuance of a maximum of 673'462</p>	<p>Art. 3d Genehmigtes Aktienkapital</p> <p>Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 16. Juli 2021, das Aktienkapital im Maximalbetrag von CHF 67'346.20 durch Ausgabe von höchstens 673'462 vollständig zu</p>

<p>registered shares, to be fully paid up, with a nominal value of CHF 0.10 each. Increases by underwriting as well as partial increases are permissible. The issue price, the time of dividend entitlement, and the type of contribution will be determined by the Board of Directors. Upon acquisition, the new shares will be subject to the transfer restrictions pursuant to Art. 4 of the Articles of Association. 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 400'000.00. The maximum number of registered shares that may be issued pursuant to this paragraph 1 shall be reduced to such extent as the Board of Directors issues registered shares pursuant to Art. 3b para. 1 (Conditional Capital Increase for Bonds or Similar Debt Instruments).</p>	<p>liberierenden Namenaktien mit einem Nennwert von je CHF 0.10 zu erhöhen. Erhöhungen auf dem Wege der Festübernahme sowie Erhöhungen in Teilbeträgen sind gestattet. Der jeweilige Ausgabebetrag, der Zeitpunkt der Dividendenberechtigung und die Art der Einlagen werden vom Verwaltungsrat bestimmt. Nach dem Kauf unterliegen die neuen Namenaktien den Übertragungsbeschränkungen gemäss Art. 4 der Statuten. 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 400'000.00 nicht überschreiten. Die Maximalzahl der Namenaktien, die gemäss dieses Absatzes 1 ausgegeben werden können, reduziert sich in dem Mass, in welchem der Verwaltungsrat gemäss Art. 3b Abs. 1 (Bedingtes Kapital für Anleiheobligationen oder ähnliche Instrumente) Namenaktien ausgibt.</p>
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The capital reduction pursuant to this agenda item requires formal publication of the debt call three times pursuant to Art. 733 of the Swiss Code of Obligations. The debt call is published in the Swiss Official Gazette of Commerce SOGC after the Annual Shareholders' Meeting. After expiry of the two-month waiting period prescribed by law, the capital reduction will be carried out and entered in the Commercial Register. The capital reduction will become effective as of the date of entry in the Commercial Register.

