

Ad hoc announcement pursuant to Article 53 of the SIX listing rules

Kuros to receive \$7 million up front and retain potential to receive up to \$166.5 million in future revenues under a royalty purchase agreement with XOMA Corporation related to Kuros's license agreement with Checkmate Pharmaceuticals

Schlieren (Zurich), Switzerland, 15 July, 2021 – Kuros Biosciences AG (“Kuros” or the “Company”), a leader in next generation bone graft technologies, announced today that it has entered into a royalty purchase agreement with XOMA Corporation (NASDAQ: XOMA) under which XOMA has purchased a proportion of the potential future pre-commercial milestone payments and all the potential royalties due under the existing license agreement between Kuros and Checkmate Pharmaceuticals related to one of Kuros’s assets outside of the bone graft field. Kuros will receive an initial payment of \$7 million from XOMA. In addition, Kuros retains the potential to receive up to \$24 million in pre-commercial milestones from Checkmate, and is eligible to receive up to \$142.5 million in sales milestones from Xoma.

Under the 2015 licensing agreement with Kuros, Checkmate is investigating vidutolimod (CMP-001), an advanced generation Toll-like receptor 9 (TLR9) agonist, delivered as a biologic virus-like particle utilizing a CpG-A oligodeoxynucleotide as a key component, across multiple tumor types in combination with several checkpoint inhibitor immunotherapies. Checkmate is conducting multiple clinical trials, including two phase 2 trials in the melanoma indication, which have already triggered two milestone payments of \$2 and \$4 million by Checkmate earlier this year. These milestone payments together with the payment from the royalty purchase agreement announced today amount to \$13 million in revenue to Kuros in 2021.

Joost de Bruijn, Chief Executive Officer of Kuros, commented: “This transaction with XOMA offers a unique opportunity for Kuros to secure meaningful capital, while keeping significant downstream payment potential upon successful development of vidutolimod by Checkmate. The proceeds will allow Kuros to further invest in our core business, including commercialization of our MagnetOs bone graft and the clinical development of Fibrin-PTH, which is a substantial commercial opportunity.”

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About Kuros Biosciences AG

Kuros Biosciences is a leader in next generation synthetic bone graft technologies for targeted and controlled bone healing. Kuros's bone graft substitute, MagnetOs, is commercialized in the US and UK for use in posterolateral spinal fusions. Kuros's lead product in development, Fibrin PTH, a drug-biologic combination for spinal interbody fusion, has entered a phase 2 clinical trial in the U.S. Kuros is located in Schlieren (Zurich), Switzerland, Bilthoven, the Netherlands and Burlington (MA), U.S.A. The Company is listed according to the International Reporting Standard on the SIX Swiss Exchange under the symbol KURN. Visit www.kurosbio.com for additional information on Kuros, its science and product pipeline.

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.