

Schlieren, 15 December 2015

To the shareholders of Cytos Biotechnology Ltd

Invitation to an Extraordinary Shareholders' Meeting

Date: January 6, 2016 at 10.30 a.m.
Place: Cytos Biotechnology Ltd
Wagistrasse 25, CH-8952 Schlieren (Zurich/Switzerland)

Agenda Items and Proposals of the Board of Directors

I. Ordinary Capital Increase for the Combination with Kuros Biosurgery Holding AG ("Kuros")

The Board of Directors proposes the following ordinary capital increase combined with reduction of nominal value:

- a. The share capital of the company shall be reduced from CHF 3'240'458.28 to CHF 1'080'152.76 by decreasing the nominal value of currently CHF 0.03 to CHF 0.01 whereby the decreased amount of CHF 2'160'305.52 shall be credited to the reserves of capital contribution; at the same time the share capital shall be increased from 1'080'152.76 by a maximum of CHF 3'922'298.73 by the issuance of up to 392'229'873 fully paid-in registered shares of CHF 0.01 nominal value.
- b. The subscription price shall be determined by the Board of Directors and shall be fully paid by contributing common shares, preferred shares and participation certificates of Kuros Biosurgery Holding AG, of CHF 0.10 nominal value each whereby unless otherwise determined by the Board of Directors for each common share, preferred share and participation certificate of Kuros Biosurgery Holding AG 26.78581829 registered shares of CHF 0.01 nominal value shall be issued.
- c. The pre-emptive rights of the shareholders are excluded and shall be allocated by the Board of Directors as required in order to execute the exchange with the shareholders and holders of participation certificates of Kuros Biosurgery Holding AG.
- d. The new shares are entitled to dividends for the business year 2015.
- e. The new shares are subject to the transfer restrictions as outlined in Article 5 of the Articles of Association.
- f. This capital increase shall be implemented within three months.

2. Amendments to Authorized and Conditional Capital

2.a Reduction of Nominal Value of Conditional Capital

As certain options from the 2012 transactions do not exist anymore and as a consequence of the reduction of the nominal value, the Board proposes to adapt the conditional share capital in Art. 3b para 1 as follows:

Art. 3b Conditional Share Capital 2012 Transactions

The share capital may be increased by the maximum amount of CHF 94'919.76 by issuing up to 9'491'976 fully paid up registered shares with a nominal value of CHF 0.01 each. The issue of registered shares by exercising conversion and/or option rights and any other transfer of shares is subject to the transfer restrictions pursuant to Article 5 of the Articles of Association.

Up to 9'491'976 registered shares will be issued upon exercise of "2012 WARRANTS". The 2012 WARRANTS are warrants that are issued pursuant to the Warrant Agreement dated March 20, 2012 and that entitle each warrant holder to subscribe to a new registered share of the Company. These warrants may be exercised until May 14, 2016 at an exercise price (subject to any adjustments within the scope of anti-dilution protection pursuant to the Warrant Agreement) of CHF 2.13 per warrant (hereinafter referred to as the "2012 WARRANTS").

The Board of Directors shall determine the issue conditions for the 2012 WARRANTS (provided that such is not already stipulated out in paragraph 2 of the present Art. 3b). The subscription rights of shareholders with regard to the shares that are issued in connection with the exercise of the 2012 WARRANTS are excluded. The shareholders neither have a right to subscribe to the 2012 WARRANTS.

Art. 3b Bedingtes Aktienkapital für 2012 Transaktionen

Das Aktienkapital wird im Maximalbetrag von CHF 94'919.76 erhöht durch Ausgabe von maximal 9'491'976 Namenaktien im Nennwert von je CHF 0.01, die alle voll zu liberieren sind. Der Bezug von Namenaktien durch die Ausübung von Wandlungs- und/oder Optionsrechten und jede weitere Übertragung der Aktien unterliegt den Übertragungsbeschränkungen gemäss Artikel 5 der Statuten.

Maximal 9'491'976 dieser Namenaktien werden ausgegeben bei der Ausübung von Warrants, welche gemäss Warrant Agreement vom 20. März 2012 ausgegeben wurden und den jeweiligen Inhaber eines Warrants zum Bezug einer neuen Namenaktie der Gesellschaft berechtigt. Diese Warrants können bis zum 14. Mai 2016 ausgeübt werden, wobei der Ausübungspreis (vorbehältlich allfälliger Anpassungen im Rahmen des Verwässerungsschutzes gemäss Warrant Agreement) CHF 2.13 pro Warrant beträgt (nachfolgend die "2012 WARRANTS").

Der Verwaltungsrat bestimmt die Ausgabebedingungen der 2012 WARRANTS (soweit diese nicht bereits in Absatz 2 dieses Art. 3b festgelegt sind). Die Bezugsrechte der Aktionäre bezüglich der Aktien, welche im Zusammenhang mit der Ausübung der 2012 WARRANTS ausgegeben werden, sind ausgeschlossen. Den Aktionären steht kein Recht auf Bezug der 2012 WARRANTS zu.

2.b Reduction of Nominal Value and Increase of Authorized Capital

As a consequence of the reduction of the nominal value and in order to honor a warrant rolled-over from Kuros, the Board proposes to reduce the nominal value of the authorized share capital in Art 3d para 1 as follows and increase the number of shares by 8'182'987 shares as follows:

Art. 3d Authorized Share Capital

The Board of Directors is authorized, at any time until March 12, 2017 to increase the share capital by a maximum of CHF 621'906.25 through the issuance of a maximum of 62'190'625 registered shares, to be fully paid up, with a nominal value of CHF 0.01 per share. 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.

Art. 3d Genehmigtes Aktienkapital

Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 12. März 2017, das Aktienkapital im Maximalbetrag von CHF 621'906.25 durch Ausgabe von höchstens 62'190'625 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.01 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.

2.c Conditional Share Capital for Employee Benefit Plans

As part of the proposed combination with Kuros, Cytos must assume the existing employee options issued by Kuros. In order to fulfil this undertaking and create a reserve for additional hires, the Board of Directors proposes to increase the conditional for Employee Benefit Plans from currently 11'000'000 to 61'745'373 common registered shares of a revised nominal value of CHF 0.01 nominal value each and to amend Art. 3c para 1 of the Articles of Association as follows:

Art. 3c Conditional 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 617'453.73 by issuance of up to 61'745'373 fully paid-in registered Shares with a nominal value of CHF 0.01 per share, 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.

Art. 3c Bedingtes Aktienkapital für Arbeitnehmer, Personen in vergleichbaren Positionen und Verwaltungsratsmitglieder

Das Aktienkapital der Gesellschaft erhöht sich um den Nennbetrag von bis zu CHF 617'453.73 durch Ausgabe von bis zu 61'745'373 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.01, sollten die Optionsrechte, welche die Gesellschaft ihren Arbeitnehmern, den Arbeitnehmern ihrer Tochtergesellschaften, Personen in vergleichbaren Positionen und Verwaltungsratsmitgliedern eingeräumt hat, ausgeübt werden.

All resolutions 2a, 2b and 2c are conditional upon the resolution of the Board of Directors executed in the form of a public deed confirming the capital increase (Feststellungsbeschluss) proposed in agenda item no 1.

3. Compensation of Losses with Capital Contribution Reserve

The Board of Directors proposes to off-set CHF 204'921'098.84 of losses with an equal amount of capital contribution reserve (Kapitaleinlagereserve), thus reducing the amount of capital contributions reserve from CHF 213'763'480.50 to CHF 8'842'381.66.

This resolution is conditional upon the resolution of the Board of Directors executed in the form of a public deed confirming the capital increase (Feststellungsbeschluss) of the capital increase proposed in agenda item no 1.

4. Name of Change

The Board of Directors proposes to change with effect on the date of registration in the register of commerce of the capital increase foreseen in agenda point 1 above the Company's name to "Kuros Biosciences AG (Kuros Biosciences SA) (Kuros Biosciences Ltd)" and to amend Ingress and Art. 1 of the Articles of Association as follows:

ARTICLES OF ASSOCIATION

of

**Kuros Biosciences AG
(Kuros Biosciences SA)
(Kuros Biosciences Ltd)**

**with registered office in
Schlieren**

(Translation; in case of controversy the
German text shall prevail)

STATUTEN

der

**Kuros Biosciences AG
(Kuros Biosciences SA)
(Kuros Biosciences Ltd)**

**mit Sitz in
Schlieren**

Art. 1 Corporate Name, Principal Office and Duration

Under the name

Kuros Biosciences AG
(Kuros Biosciences SA)
(Kuros Biosciences Ltd)

there exists a Company which is subject to the provisions of Art. 620 et seq. of the Swiss Code of Obligations (CO) with registered office in Schlieren. The duration of the Company is unlimited.

Art. 1 Firma, Sitz und Dauer

Unter der Firma

Kuros Biosciences AG
(Kuros Biosciences SA)
(Kuros Biosciences Ltd)

besteht für unbeschränkte Dauer eine Aktiengesellschaft gemäss Art. 620 ff. OR mit Sitz in Schlieren.

5. Election of new Members of the Board of Directors

The Board informs that John Berriman (Vice-Chairman), Joseph Anderson und Kurt Konrad Hans von Emster III resign as members of the Board of Directors with effect on the date of registration in the register of commerce of the capital increase foreseen in agenda point I above.

5.a Election of Didier Cowling

The Board of Directors proposes that Didier Cowling shall be elected as member of the Board.

5.b Election of Dominik Ellenrieder

The Board of Directors proposes that Dominik Ellenrieder shall be elected as member of the Board.

5.c Election of Arnd Kaltofen-Ehmann

The Board of Directors proposes that Arnd Kaltofen-Ehmann shall be elected as member of the Board.

5.d Election of Jörg Neermann

The Board of Directors proposes that Jörg Neermann shall be elected as member of the Board.

5.e Election of Vincent Ossipow

The Board of Directors proposes that Vincent Ossipow shall be elected as member of the Board.

5.f Election of Gerhard Ries

The Board of Directors proposes that Gerhard Ries shall be elected as member of the Board effective.

5.g Election of Harry Welten

The Board of Directors proposes that Harry Welten shall be elected as member of the Board.

All elections 5a to 5g are conditional upon the resolution of the Board of Directors executed in the form of a public deed confirming the capital increase (Feststellungsbeschluss) proposed in agenda item no I.

6. Election of the Members of the Compensation Committee

6.a Election of Dominik Ellenrieder

The Board of Directors proposes that Dominik Ellenrieder shall be elected as member of the compensation committee.

6.b Wahl von Arnd Kaltofen-Ehmann

The Board of Directors proposes that Arnd Kaltofen-Ehmann shall be elected as member of the compensation committee.

Both elections 6a and 6b are conditional upon the resolution of the Board of Directors executed in the form of a public deed confirming the capital increase (Feststellungsbeschluss) proposed in agenda item no I.

7. 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; this resolution is conditional upon the resolution of the Board of Directors executed in the form of a public deed confirming the capital increase (Feststellungsbeschluss) proposed in agenda item no 1.

7.a Vote on Total Non-Performance-Related Compensation for Members of the Board of Directors for the period up to the next ordinary general 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 ordinary general meeting, i.e. CHF 87'000.

7.b Vote on Options for Members of the Board of Directors for the period up to the next ordinary general meeting

The Board of Directors proposes that shareholders approve the grant of a maximum number of 1'380'000 options for the members of the Board of Directors for the period up to the next ordinary general meeting with a duration of five years, a regular vesting of eighteen months, a full vesting upon change of control and a strike of CHF 0.42 with a maximum value of CHF 310'000.

7.c Vote on Total Non-Performance-Related Compensation for new Members of the Executive Committee up to 30 June 2016

The Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related cash compensation for the new members of the Executive Committee (four positions) for the period up to 30 June 2016 of CHF 670'000 (cash base compensation plus social security costs).

7.d Vote on Total Variable Compensation for new Members of the Executive Committee for the calendar year 2016

The Board of Directors proposes that shareholders approve the total maximum amount of variable compensation for the new members of the Executive Committee (four positions) for the calendar year 2016 of CHF 535'000 (cash base compensation plus social security costs).

7.e Vote on Options for Members of the Executive Committee for the calendar year 2016

The Board of Directors proposes that shareholders approve the grant of a maximum number of 4'000'000 options for the new members of the Executive Committee for the calendar year 2016 with a duration of five years, a regular vesting of four years, a full vesting upon change of control and a strike of at least CHF 0.42 with a maximum value of CHF 785'000.

8. Loans and Credits to Members of the Board of Directors and the Executive Committee

The Board of Directors proposes to change with effect on the date of registration in the register of commerce of the capital increase foreseen in agenda point I above the provision in the Company's Articles of Association on loans, credits or securities to members of the Board of Directors and the Executive Committee to enable the Company to extend advances to members of the Board of Directors and the Executive Committee in the maximum amount of CHF 1'800'000 in the aggregate to cover tax liabilities in connection with the increase in capital contribution reserves or nominal value as a result of the proposed transaction between the Company and Kuros. Thus, the Board of Directors proposes to amend Art. 39 of the Articles of Association as follows:

Art. 39 Loans and Credits

The members of the Board of Directors and the Executive Committee may not be granted loans, credits or securities. Excepted from the above are advances in the maximum amount of CHF 200'000 per person for attorney's fees, court and other similar costs required for the defence of third party liability claims as well as advances in the maximum amount of CHF 1'800'000 in the aggregate to cover tax liabilities, if any, arising in connection with the issuance of shares as resolved by the shareholders' meeting on 6 January 2016.

Art. 39 Darlehen und Kredite

Den Mitgliedern des Verwaltungsrats und der Geschäftsleitung dürfen keine Darlehen, Kredite oder Sicherheiten gewährt werden. Ausnahme davon bilden Vorschusszahlungen über einen Betrag von maximal CHF 200'000 pro Person für Anwalts-, Gerichts- und ähnlichen Kosten zur Abwehr von Verantwortlichkeitsansprüchen sowie Vorschusszahlungen über einen Betrag von maximal CHF 1'800'000 zur Deckung von Steuerschulden, sofern solche im Zusammenhang mit der von der Generalversammlung am 6. Januar 2016 beschlossenen Ausgabe von Aktien entstehen.

Admission cards

Admission and voting cards will be mailed to shareholders from 30 December 2015 only upon receipt of the completed reply form.

Subject to a later sale of shares (see below), all shareholders registered on 29 December 2015 in the share register of Cytos Biotechnology Ltd as shareholders with voting rights will be entitled to vote at the Extraordinary Shareholders' Meeting of Cytos Biotechnology Ltd. Accordingly, all shareholders registered in the share register on 14 December 2015 will receive a reply and proxy form. Admission cards can be ordered with the reply form until 28 December 2015 from Cytos Biotechnology Ltd, Aktienregister, c/o Nimbus AG, Postfach, CH-8866 Ziegelbrücke.

An invitation to attend the Extraordinary Shareholders' Meeting will be sent later to those shareholders not being registered in the share register as of 14 December 2015, provided their application for registration is received by the share register on 28 December 2015 at the latest and not rejected by the Board of Directors.

Sale of shares

In the case of a sale of shares the respective admission cards (including the voting materials) become null and void and have to be returned to Cytos Biotechnology Ltd, Aktienregister, c/o Nimbus AG, Postfach, CH-8866 Ziegelbrücke. In the case of a sale or sales of some but not all of the shares stated on an admission card, the admission card and the voting material must be presented for correction at the information desk on the day of the Extraordinary Shareholders' Meeting.

Proxies

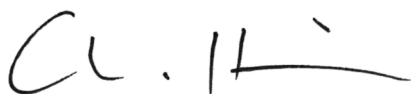
A shareholder can be represented at the Extraordinary Shareholders' Meeting by a legal representative, a duly authorized person or by the independent proxy, Andreas G. Keller, attorney-at-law (please use the proxy form).

There is now also the possibility to order an admission card or to cast a proxy vote to the independent proxy electronically (online). You can register under <https://cytos.shapp.ch> with your personal login data.

The electronic registration as well as any changes of votes cast electronically can be done until 4 January 2016 the very latest.

On behalf of the Board of Directors:

The Chairman



Dr. Christian Itin