Merus Announces Favorable Decisions in Europe and Japan for Patents Covering Genetically-Modified Mice for Common Light Chain Human Monoclonal Antibodies

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European Patent Office Dismisses Arguments by Regeneron

Favorable Rulings Further Strengthen IP Estate in Europe and Japan through 2029

UTRECHT, The Netherlands, Nov. 15, 2016 (GLOBE NEWSWIRE) -- Merus N.V. (NASDAQ:MRUS), a clinical-stage immuno-oncology company developing innovative bispecific antibody therapeutics, today announced that it received two favorable rulings for its European patent EP 2147594 B1 (the "'594 patent") by the Opposition Division of the European Patent Office (the "EPO") as well by the Trial Board of the Japanese Patent Office for its Japanese counterpart JP 5749161 (the "'161 patent"). Both patents cover Merus' genetically-modified mice and their use to produce common light chain human monoclonal antibodies.

"We are very pleased by these positive rulings for Merus' common light chain mouse patents in Europe and Japan which we believe are a testament to the strength of our intellectual property estate and provide us with sufficient protection through 2029," said Ton Logtenberg, PhD, Chief Executive Officer of Merus. "These favorable rulings reflect the unique attributes of our proprietary Biclonics® bispecific antibody technology platform that we believe has broad applicability in the development of novel therapeutics for the treatment of cancer and other serious medical conditions."

In Europe, the Opposition Division of the EPO upheld without amendment the '594 patent in oral proceedings held in The Hague on October 28, 2016. The claims of the '594 patent cover methods of obtaining common light chain human monoclonal antibodies from genetically-modified mice that comprise in their genome a human rearranged immunoglobulin light chain variable region. In Japan, the Trial Board of the Japanese Patent Office upheld the '161 patent with minimal amendments. The claims of the '161 patent are similar to those of the '594 patent.

Both the European Opposition Division and the Japanese Trial Board dismissed arguments brought by Regeneron (NASDAQ:REGN) that the patent lacked novelty and inventive step. In both territories, the decision is open to appeal.

About Merus N.V.
Merus is a clinical-stage immuno-oncology company developing innovative full length human bispecific antibody therapeutics, referred to as Biclonics®. Biclonics® are based on the full-length IgG format, are manufactured using industry standard processes and have been observed in preclinical studies to have several of the same features of conventional monoclonal antibodies, such as long half-life and low immunogenicity. Merus' lead bispecific antibody candidate, MCLA-128, is being evaluated in a Phase 1/2 clinical trial in Europe as a potential treatment for HER2-expressing solid tumors. Merus' second bispecific antibody candidate, MCLA-117, is being developed in a Phase 1/ 2 clinical trial in patients with acute myeloid leukemia. The Company also has a pipeline of proprietary bispecific antibody candidates in preclinical development, including MCLA-158, which is designed to bind to cancer stem cells and is being developed as a potential treatment for colorectal cancer and other solid tumors, and Biclonics® designed to bind to various combinations of immunomodulatory molecules, including PD-1 and PD-L1.

Forward Looking Statement
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding the strength of our intellectual property estate, the sufficiency of our protection of our intellectual property estate, including when such protection will terminate, the broad applicability of Biclonic® bispecific antibodies to cancer and other medical conditions, and the treatment potential of our bispecific antibody candidates.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: we have incurred significant losses, are not currently profitable and may never become profitable; our need for additional funding, which may not be available and which may require us to restrict out operations or require us to relinquish rights to our technologies or bispecific antibody candidates; potential delays in regulatory approval, which would impact the ability to commercialize our product candidates and affect our ability to generate revenue; the unproven approach to therapeutic intervention of our Biclonics® technology; potential difficulties in validating and developing companion diagnostics, which could harm our development strategy; our limited operating history; economic, political, regulatory and other risks involved with international operations; exchange rate fluctuations or abandonment of the euro currency; the lengthy and expensive process of clinical drug development, which has an uncertain outcome; the unpredictable nature of our early stage development efforts for marketable drugs; potential adverse public reaction to the use of cancer immunotherapies; potential delays in enrollment of patients, which could affect the receipt of necessary regulatory approvals; our potential exposure to costly and damaging liability claims; post-marketing restrictions or withdrawal from the market; failure to obtain marketing approval internationally; compliance with environmental, health, and safety laws and regulations; anti-kickback, fraud, abuse, and other healthcare laws and regulations exposing us to potential criminal sanctions; recently enacted or future legislation; failure to compete successfully against other drug companies; potential competition from other drug companies if we fail to obtain orphan drug designation or maintain orphan drug exclusivity for our products; the possibility that governmental authorities and health insurers may not establish adequate reimbursement levels and pricing policies to support our products; the potential failure of our product candidates to be accepted on the market by the medical community; our lack of experience selling, marketing and distributing products and our lack of internal capability to do so; potential competition from biosimilars; our reliance on third parties to conduct our clinical trials and the potential for those third parties to not perform satisfactorily; our reliance on third parties to manufacture our product candidates, which may delay, prevent or impair our development and commercialization efforts; protection of our proprietary technology; our patents being found invalid or unenforceable; potential lawsuits for infringement of third-party intellectual property; adequate protection of our trademarks; our potential failure to obtain extensions of the terms of patents covering our products; potential difficulties protecting our

intellectual property rights in certain jurisdictions; changes in United States patent law; protection of the confidentiality of our trade secrets; claims asserting that we or our employees misappropriated a third-party's intellectual property or otherwise claiming ownership of what we regard as our intellectual property; compliance with patent regulations; potential system failures; our ability to attract and retain key personnel; managing our growth could result in difficulties; the price of our common stock may fluctuate substantially; certain of our shareholders and members of our management board own a majority of our outstanding shares and exercise significant control over us; a significant portion of our total outstanding shares are eligible to be sold into the market; provisions of our Articles of Association or Dutch corporate law might deter favorable acquisition bids for us or prevent a beneficial change of control; we may lose our foreign private issuer status and incur significant expenses as a result; and unfavorable or lacking analyst research or reports might cause the price of our common shares to decline.

These and other important factors discussed under the caption "Risk Factors" in our final prospectus filed with the Securities and Exchange Commission, or SEC, on May 20, 2016 relating to our Registration Statement on Form F-1, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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