

Cyxone signs acquisition agreement for candidate drug in Phase 2

Cyxone can announce today that the company has signed an agreement pertaining to the exclusive rights to acquire the clinical candidate drug Rabeximod from OxyPharma AB. The transaction has been structured so as to minimise the impact on Cyxone's cash flow by offering the seller 1,916,372 shares, (one million, nine hundred and sixteen thousand, three hundred and seventy two shares amounting to a dilution of 12.5 per cent), as well as royalty rights amounting to ten (10) per cent of future net earnings from Rabeximod. Cyxone will call an extraordinary general meeting to seek shareholder approval for a directed new share issue. This will pave the way for the acquisition and a Phase 2b-study in rheumatoid arthritis.

In line with its published plans, Cyxone communicates to the market when it identifies new projects that the board proposes for acquisition. This project has already achieved a proven clinical effect in rheumatoid arthritis, and is expected to create clear synergies with Cyxone's existing portfolio in the autoimmune field.

Cyxone's chairman, Bert Junno, comments: "The board's vision is to build a company in autoimmune conditions with a world class portfolio. We're convinced that Rabeximod is an excellent complement to our development substance T20K and multiple sclerosis, and we look forward to presenting the proposal in detail at the general meeting."

Rabeximod belongs to a new molecular class, and has shown promising results in several indicators. It has displayed a statistically significant therapeutic effect in a placebo-controlled phase 2-studies in rheumatoid arthritis comprising more than 200 patients. The study was designed to measure the effect of Rabeximod after 12 weeks' treatment, although a statistically significant effect was only achieved four weeks later (in week 16). Cyxone intends to conduct a clinical phase 2b-study with Rabeximod including 24 weeks' treatment with the dose that was previously shown to have significant effects on primary disease parameters.

"Our phase 2-study defined the optimal dose to impact the most important disease parameters with excellent, continued safety levels. We're convinced that our pooled knowledge from previous studies, together with Cyxone's strong business skills, gives Rabeximod the best possible chances of success," says Leif Lundblad, OxyPharma Chairman.

The value of OxyPharma's asset portfolio has been calculated by independent evaluation consultancy, Venture Valuation in Zürich. Their conclusion is that currently, the value of Rabeximod can triple if Cyxone completes a positive phase 2b-study; this amounts to more than 20 times Cyxone's projected costs for conducting the clinical trial.

"The aim of the transaction is to transform Cyxone into a clinical company with a more diverse auto-immune portfolio, entirely in line with our long-term strategy. For more than a decade of my career, I have followed the development of Rabeximod and this has allowed us to acquire this project with promising results in clinical phase 2. With my background of acquiring drug projects for "big pharma", I'm convinced that the proposed acquisition significantly strengthens our negotiating position. For our shareholders, the transaction means that overall portfolio risk is reduced without affecting current cash reserves, while at

Press release

Cyxone AB (publ)
559020-5471
June 14, 2017

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the same time the number of potential suitors and company value increases. To ensure that our shareholders agree with the proposal, we will soon present the proposal with the hope of maintaining the trust of our shareholders,” says Cyxone CEO, Kjell G Stenberg.

More information about Rabeximod, its development plan and Cyxone’s market projections will be presented at the company’s extraordinary general meeting.

For more information, please contact:

Cyxone AB (publ.)
Kjell G. Stenberg, CEO
Tel: +46 (0) 723 816 168
Email: kjell.g.stenberg@cyxone.com
Adelgatan 21
211 22 Malmö
cyxone.com

This information is information which Cyxone AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was provided by the auspices of the above contact person, for publication on June 14, 2017.

About Cyxone

Cyxone AB (publ.) is a biopharmaceutical company that develops drugs based on cyclotides, a class of natural plant protein. Cyclotide technology has the potential to provide new drugs with beneficial pharmacological effects on diseases that currently lack safe and effective treatments. The company is focusing on the development of T20K, a substance that inhibits key processes in cells that are typically associated with various immune disorders, such as multiple sclerosis and rheumatoid arthritis. Cyxone’s Certified Adviser on the Nasdaq First North is Erik Penser Bank.