

October 22, 2009

Third Quarter Report

as of September 30, 2009

Important events in Q3 2009

- **CYT003-QbG10 monotherapy for the treatment of allergic rhinoconjunctivitis was safe and efficacious in phase IIb study**
- **Subsequent event:**
Interim analysis of an ongoing phase II study with nicotine vaccine shows primary endpoint not achieved
- **Upcoming events:**
 - Presentation of Cytos Biotechnology at the Third International Conference on Modern Vaccines Adjuvants & Delivery Systems, October 28-30, 2009 in Vienna, Austria
 - Presentation of Cytos Biotechnology at the World Influenza Congress Europe 2009, December 7-9, 2009 in Brussel, Belgium
- **Financial summary**

		YTD* 2009	YTD* 2008	Q3 2009	Q3 2008
Revenue	CHF million	8.4	5.9	1.8	0.4
Net operating costs	CHF million	(29.6)	(30.8)	(7.2)	(10.3)
Net loss	CHF million	(23.6)	(26.6)	(5.6)	(10.9)
		September 30, 2009	December 31, 2008		
Cash, cash equivalents, financial assets and trade receivables	CHF million	71.4	98.0		
Full-time employees	number	86	132		

*YTD = year to date January 1 – September 30

CYT003-QbG10 monotherapy for the treatment of allergic rhinoconjunctivitis was safe and efficacious in phase IIb study

In July 2009, Cytos Biotechnology announced results from a phase IIb study with CYT003-QbG10 monotherapy for the treatment of allergic rhinoconjunctivitis, which met its primary and both secondary endpoints. The study was a randomized, double-blind, placebo-controlled, multicentre, phase IIb study and included 299 patients suffering from house dust-mite allergy. It investigated the safety, tolerability and efficacy of six weekly injections of CYT003-QbG10 given at two dose levels (0.5 mg and 1 mg) and placebo.

Primary efficacy was assessed by recording rhinoconjunctivitis symptom and medication scores in patient diaries over a 14 day period. Secondary efficacy parameters were quality of life with rhinoconjunctivitis assessed by a validated questionnaire, and change in allergen tolerance determined by a standard conjunctival provocation test.

The combined symptom and medication score based on diary card records is the standard clinical parameter for the assessment of allergic disease severity and recommended by the World Allergy Organization (WAO)¹. In the 1 mg group patients had post-treatment a 39% lower median combined symptom and medication score than patients on placebo ($p=0.035$). While allergy symptoms were significantly lower in the 1 mg group than in the placebo group ($p=0.027$), medication use was generally low and did not differ significantly between the two groups.

Quality of life with rhinoconjunctivitis was determined by a validated questionnaire (Juniper miniRQLQ), which investigates five items (nose symptoms, eye symptoms, other symptoms, practical problems, activity limitations). Post treatment, patients in the 1 mg group reported a median 42% better quality of life score than patients on placebo ($p=0.020$).

The conjunctival provocation test establishes the dose of allergen which can be tolerated by patients with minimal allergic symptoms. In this test, patients are exposed to increasing doses of allergen extract delivered by an eye drop, and the dose is recorded which induces a defined minimal allergic response. Post treatment, the median allergen tolerance was 10-fold increased in the 1 mg group but remained unchanged in the placebo group ($p=0.007$).

1) *Recommendations for standardization of clinical trials with allergen-specific immunotherapy for respiratory allergy. A statement of a World Allergy Organization (WAO) taskforce; Allergy, 2007; 62:317, and Assessment of combined symptom and medication scores for rhinoconjunctivitis immunotherapy clinical trials; Allergy, 2007; 62:1023.*

Symptom and medication scores, quality of life, and allergen tolerance were all better in the 1 mg group than in the 0.5 mg group post treatment. In the low dose group, the difference to placebo reached statistical significance in the quality of life score and was numerically better in the symptom and medication score.

Treatment at both dose levels was safe and well tolerated. Importantly, no dose limiting side effects were observed, which may enable the use of higher doses in future studies.

Subsequent event

Interim analysis of an ongoing phase II study with nicotine vaccine shows primary endpoint not achieved

Cytos Biotechnology was informed on October 15, 2009 by Novartis that an interim analysis of a Phase II study with the nicotine vaccine NIC002 showed that the primary endpoint was not achieved. This endpoint was defined as a statistically significant difference in continuous abstinence from smoking determined from weeks 8 to 12 after start of treatment compared to placebo. The study, which is ongoing, is a double blind, placebo-controlled, multi-centre study to evaluate the efficacy, safety, tolerability and immunogenicity of repeated administrations of 100µg NIC002 in 200 cigarette smokers who are motivated to quit smoking. In this study the treatment was safe and well tolerated but failed to induce sufficiently high antibody titers, which may have led to the negative outcome. Novartis is continuing the study in order to collect more long-term data on the efficacy and safety of NIC002 and will decide on the next steps once the scheduled 12 month duration of the clinical trial is completed and when all data have been analyzed.

Upcoming events

Presentation of Cytos Biotechnology at the Third International Conference on Modern Vaccines Adjuvants and Delivery Systems, October 28-30, 2009 in Vienna, Austria

Martin F. Bachmann, PhD, CSO of Cytos Biotechnology, will present: "CpG-loaded VLPs in a melanoma vaccine and its combination with other adjuvants/TLR-ligands" on Friday, October 30, 2009 at 11.30 am.

The International Conference on Modern Vaccines Adjuvants and Delivery Systems is focusing on updating the community on new adjuvant/delivery systems/technologies associated with developing modern vaccines strategies and vaccine research.

Presentation of Cytos Biotechnology at the World Influenza Congress Europe 2009, December 7-9, 2009 in Brussel, Belgium

Martin F. Bachmann, PhD, CSO of Cytos Biotechnology, will present: "Novel VLP influenza vaccines comprising antigens from the influenza hemagglutinin protein" on Wednesday, December 9, 2009, at 4.35 pm.

World Influenza Congress Europe 2009 is the annual influenza conference addressing every aspect of influenza policy and planning, influenza research and development, and stakeholder partnerships.

Financial results

Three months period July 1 - September 30, 2009

On September 30, 2009, cash, cash equivalents, financial assets and trade receivables from collaboration partners amounted to CHF 71.4 million, CHF 6.5 million less than on June 30, 2009. The funds were used for financing the ongoing operating activities.

Revenue in the 3rd quarter 2009 was CHF 1.8 million and derives mainly from deferred income in conjunction with the execution of commercial license agreements in December 2008 by Pfizer and the subsequent transfer of manufacturing technology. In the same quarter of the year 2008, revenue was CHF 0.4 million and derived from a development cooperation.

Net operating costs in the 3rd quarter 2009 amounted to CHF 7.2 million and were thus CHF 3.1 million lower than in the 3rd quarter 2008. Research and development costs decreased by CHF 3.2 million to CHF 6.5 million due to decreased activities in pre-clinical and clinical trials and less employee expenses because of the head count reduction in the 3rd quarter 2009. General and administrative costs and sales and marketing expenses combined amounted to CHF 0.7 million and were lower in the 3rd quarter 2009 by CHF 0.2 million compared to the corresponding quarter in 2008.

Financial income increased in the 3rd quarter 2009 by CHF 0.6 million to CHF 0.9 million, mainly due to a gain from buying back of the issued convertible bonds. Financial expense in the 3rd quarter 2009 was CHF 1.2 million and slightly lower than in the 3rd quarter 2008.

Net loss in the 3rd quarter 2009 was CHF 5.6 million compared to a net loss of CHF 10.9 million in the same period in 2008. The decrease of net loss was impacted by less operating costs and higher revenues and financial income in the 3rd quarter 2009.

Nine months period January 1 - September 30, 2009

In the first nine months in 2009, revenue was CHF 8.4 million. The revenue derives mainly from deferred income in conjunction with the execution of commercial license agreements in December 2008 by Pfizer and the subsequent transfer of manufacturing technology and license income from a development collaboration. In the comparable period in 2008, revenue was CHF 5.9 million, based mostly on a compensation from Novartis due to the progress made with the Alzheimer's vaccine candidate CAD106.

Net operating costs in the first nine months 2009 were CHF 29.6 million, a decrease of CHF 1.2 million compared to 2008. The reason for the decrease was mainly due to lower employee expenses.

In the first nine months 2009, the average amount of financial assets invested and the interest rates were lower than in the same period in 2008 and therefore resulted in a financial income of CHF 1.1 million, a decrease of CHF 0.8 million compared to the same period in 2008. Financial expense in the first nine months 2009 was CHF 3.5 million and slightly lower than in the first nine months 2008.

Year to date net loss amounts to CHF 23.6 million in 2009, compared to a net loss of CHF 26.6 million in the first nine months 2008. Higher revenues and lower operating costs explain the decrease of net loss in the first nine months 2009.

Gross cash burn for operating activities as calculated based on the Cash Flow Statement was CHF 2.8 million per month in the first nine months 2009, below the guidance of CHF 3.3 - 3.7 million per month given by management at the beginning of the year and also lower than the comparable figure in 2008, which was CHF 3.3 million per month.

Cytos Biotechnology Ltd and subsidiaries

Consolidated Balance Sheets as of			
in TCHF	Note	September 30, 2009	December 31, 2008
Non-current assets:			
Property and equipment, net	9	6,615	8,383
Investment in associates		42	235
Trade and other receivables		–	2,500
Total non-current assets		6,657	11,118
Current assets:			
Prepayments and other assets		1,832	2,603
Trade and other receivables		2,809	15,712
Financial assets	8	17,000	41,000
Cash and cash equivalents	8	51,911	40,322
Total current assets		73,552	99,637
Total assets		80,209	110,755
Shareholders' equity:			
Share capital	4	527	527
Legal reserves		136	136
Additional paid-in capital		209,610	207,899
Convertible bond – equity component	10	8,317	8,430
Treasury shares		(9)	(42)
Accumulated deficit		(208,857)	(185,090)
Total shareholders' equity		9,724	31,860
Non-current liabilities:			
Accrued expenses		700	772
Convertible bond – liability component	10	61,322	60,887
Pension liabilities	11	503	924
Provisions		2,109	1,979
Total non-current liabilities		64,634	64,562
Current liabilities:			
Trade accounts payable		637	800
Other current liabilities		77	294
Accrued expenses		3,709	4,500
Deferred income		1,410	8,704
Provisions		18	35
Total current liabilities		5,851	14,333
Total shareholders' equity and liabilities		80,209	110,755

See accompanying notes which are an integral part of these consolidated condensed interim financial statements.

Cytos Biotechnology Ltd and subsidiaries

Consolidated Income Statements		Nine months ended	Nine months ended	Three months ended	Three months ended
in TCHF	Note	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Revenue	5/12	8,393	5,902	1,818	395
Revenue		8,393	5,902	1,818	395
Research and development		(26,927)	(28,177)	(6,541)	(9,715)
Sales and marketing		(681)	(711)	(173)	(287)
General and administrative		(2,113)	(2,562)	(536)	(578)
Other income/(expenses), net		151	607	91	255
Net operating costs		(29,570)	(30,843)	(7,159)	(10,325)
Operating loss		(21,177)	(24,941)	(5,341)	(9,930)
Financial income		1,079	1,864	876	299
Financial expense		(3,507)	(3,555)	(1,170)	(1,309)
Loss before tax		(23,605)	(26,632)	(5,635)	(10,940)
Net loss		(23,605)	(26,632)	(5,635)	(10,940)
Consolidated Statements of Comprehensive Income					
in TCHF (except for share information)	Note	Nine months ended	Nine months ended	Three months ended	Three months ended
		Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Net loss		(23,605)	(26,632)	(5,635)	(10,940)
Currency translation differences		(162)	(4)	(1)	-
Other comprehensive loss		(162)	(4)	(1)	-
Total comprehensive loss		(23,767)	(26,636)	(5,636)	(10,940)
Basic and diluted net loss per share	6	(4.48)	(5.06)	(1.07)	(2.08)
Weighted average number of shares used in computing basic and diluted net loss per share		5,268,554	5,263,792	5,269,016	5,267,562
<i>See accompanying notes which are an integral part of these consolidated condensed interim financial statements.</i>					

Cytos Biotechnology Ltd and subsidiaries

Consolidated Condensed Statements of Cash Flows		Nine months ended	Nine months ended
in TCHF	Note	September 30, 2009	September 30, 2008
Cash flow from operating activities:			
Net loss before tax		(23,605)	(26,632)
Depreciation and amortization		1,887	2,086
Share-based compensation	7	1,734	1,885
Outflow for cash settled options		-	(47)
Other financial cash flow items		2,621	1,664
Changes in assets and liabilities		7,736	(3,674)
Net cash (used in)/provided by operating activities		(9,627)	(24,718)
Net cash (used in)/provided by investing activities		24,115	(5,771)
Net cash (used in)/provided by financing activities		(2,902)	(1,655)
Net effect of currency translation on cash		3	137
Net increase/(decrease) in cash and cash equivalents		11,589	(32,007)
Cash and cash equivalents, beginning of period		40,322	43,043
Cash and cash equivalents, end of period		51,911	11,036

See accompanying notes which are an integral part of these consolidated condensed interim financial statements.

Cytos Biotechnology Ltd and subsidiaries

Consolidated Statements of Change in Shareholders' Equity

in TCHF (except for share information)

	Numbers of shares	Share capital	Legal reserves	Additional paid-in capital	Convertible bond – equity component	Treasury shares	Accumulated deficit	Cumulative translation adjustments	Total
January 1, 2008	5,261,375	526	136	204,707	8,430	(101)	(159,049)	(215)	54,434
Total comprehensive loss	-	-	-	-	-	-	(26,632)	(4)	(26,636)
Issuance of share capital	8,681	1	-	439	-	-	-	-	440
Net movement of treasury shares	-	-	-	(36)	-	9	-	-	(27)
Share-based compensation	-	-	-	1,837	-	-	-	-	1,837
September 30, 2008	5,270,056	527	136	206,947	8,430	(92)	(185,681)	(219)	30,048
January 1, 2009	5,270,056	527	136	207,899	8,430	(42)	(185,058)	(32)	31,860
Total comprehensive loss	-	-	-	-	-	-	(23,605)	(162)	(23,767)
Share issuance costs	-	-	-	(11)	-	-	-	-	(11)
Repurchase of convertible bonds	-	-	-	-	(113)	-	-	-	(113)
Net movement of treasury shares	-	-	-	(12)	-	33	-	-	21
Share-based compensation	-	-	-	1,734	-	-	-	-	1,734
September 30, 2009	5,270,056	527	136	209,610	8,317	(9)	(208,663)	(194)	9,724

See accompanying notes which are an integral part of these consolidated condensed interim financial statements.

1. Organization

Cytos Biotechnology Ltd (the “Company”), a public Swiss biotechnology company, and its subsidiaries (together the “Group”) specialize in the discovery, development and commercialization of a new class of biopharmaceutical products – the Immunodrugs™. Immunodrugs™ are intended for use in the treatment and prevention of chronic diseases and aim at activating the patient’s immune system to induce specific antibody and targeted T cell responses to modulate chronic disease processes.

The consolidated condensed interim financial statements have been approved for issuance by the Audit Committee on October 15, 2009.

2. Basis of preparation

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2008.

The International Accounting Standards Board (IASB) revised or introduced various International Financial Reporting Standards (IFRS) effective on January 1, 2009. The following revised or new standards or interpretations are relevant for the Group and are reflected within this interim report and had an impact on disclosure aspects of the reporting:

- IAS 1 (Revised): Presentation of statement of comprehensive income
- IFRS 8: Consideration of additional segment disclosures

As required by the IASB, additional disclosures will be presented in the annual financial statement.

These consolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2008. For better readability, the amounts in the Group’s financial statements and notes are presented in thousand Swiss Francs (TCHF) unless stated otherwise.

3. Seasonality

Operating costs and revenue are not exposed to material seasonal variations. However, revenue from biotech companies may vary significantly throughout the year, since revenue is often linked to up-front, milestone and license payments as well as payments for delivery of drug substances, which occur sporadically.

4. Shareholders' equity

On March 4, 2009, the board of directors registered at the Commercial Register of the Canton of Zurich an increase of the share capital of the Company by CHF 868.10 and by 8,681 shares up to CHF 527,005.60 and 5,270,056 shares with a nominal value of CHF 0.10 each. This increase is a result of options exercised by employees in 2008. In the course of the first nine months of 2009, no options have been exercised.

5. Segment and geographic information

Primary reporting format – business segment

The Group operates in one segment focusing on the discovery, development and prospective commercialization of a new class of biopharmaceutical products that are intended for use in the treatment and prevention of chronic diseases. The Group's executive board reviews the profit or loss of the Group on an aggregated basis. The operations of the Group are managed as a single operating segment. The Group derives its research and collaboration revenues from research and development collaborations with third parties.

Secondary reporting format – geographical segment

Research and collaboration revenues are attributable to individual countries and are based on the location of the customer, while the non-current assets and the liabilities are based on the location of the Group. All operating costs including research and development, sales and marketing, general and administrative, other operating income and expenses are generated in Switzerland. Therefore management does not allocate the expenses to the individual countries where the Group generated revenues.

The Group's geographic information is as follows:

in TCHF	Nine months ended September 30, 2009				Nine months ended September 30, 2008			
	CH	USA	Other	Total	CH	USA	Other	Total
Revenue	750	7,556	87	8,393	5,749	153	-	5,902
Segment result	750	7,556	87	8,393	5,749	153	-	5,902
Unallocated expenses				(29,570)				(30,843)
Operating loss				(21,177)				(24,941)
Financial income/(expense), net				(2,428)				(1,691)
Net loss				(23,605)				(26,632)
Currency translation differences				(162)				(4)
Total comprehensive loss				(23,767)				(26,636)
Other information:				September 30, 2009				December 31, 2008
Assets				80,209				110,755
Liabilities				70,485				78,895
				September 30, 2009				September 30, 2008
Capital expenditure for property and equipment				123				417
Depreciation and amortization				1,887				2,086

6. Net loss per share

Basic and diluted net loss per share have been computed based upon the weighted average number of common shares outstanding. Basic net loss per share excludes any dilutive effects of options, shares subject to repurchase, warrants, and convertible securities. Neither outstanding options to purchase shares of common stock nor shares resulting from the conversion right of the bond holders were included in the computation of the dilutive net loss per share as the effect would have been anti-dilutive.

7. Share option plans

The Group granted regularly share options to employees, members of the board of directors and consultants. Usually the share options are equity-settled. The fair value of the options is determined at the grant date based on the market price using the Black-Scholes Model.

In November 2008, the board of directors approved a new share option plan ("SOP 2009"), according to which a total of 116,491 options were granted in January 2009. Each option entitles the holder to purchase one share of the Company within five years after the grant date. Options can only be exercised after a cliff vesting period of two years. In the case of a change of control the options become exercisable. The exercise price is CHF 33.42, corresponding to the average closing price of the shares during the first three trading days in the year 2009. Management is convinced this represents the best estimate of the fair value of the underlying common stock. This option plan is classified as equity settled.

In November 2008, the board of directors decided to grant – in place of a cash bonus – share options to the members of the Executive Board ("EB SOP 2009"). According to the EB SOP 2009, 42,000 options were granted in January 2009. Each option entitles the holder to purchase one share of the Company within five years after the grant date. Options can only be exercised after a blocking period of two years. In the case of a change of control the options become exercisable. The exercise price is CHF 33.42, corresponding to the average closing price of the shares during the first three trading days in the year 2009. Management is convinced this represents the best estimate of the fair value of the underlying common stock. This option plan is classified as equity settled.

In April 2009, the board of directors approved a new share option plan ("SOP Spring 2009"), according to which a total of 84,872 options were granted in the second quarter 2009. Each option entitles the holder to purchase one share of the Company within five years after the grant date. Options can only be exercised after a cliff vesting period of two years. In the case of a change of control the options become exercisable. The exercise price is CHF 12.38, corresponding to the average closing price of the shares during the last three trading days in April 2009. Management is convinced this represents the best estimate of the fair value of the underlying common stock. This option plan is classified as equity settled.

The following table provides the conditions as well as the assumptions applied to the granted share options during 2009:

Share options, conditions and assumptions	SOP 2009/EB SOP 2009	SOP Spring 2009
Nature of arrangement	Grant of share options	Grant of share options
Grant date	08.01.2009	01.05.2009
Number of options granted	158,491	84,872
Exercise price (CHF)	33.42	12.38
Share price at date of grant (CHF)	35.10	12.90
Contractual life (years)	5.0	5.0
Vesting period (years)	2.0	2.0
Settlement	Equity	Equity
Expected volatility (%)	48.4	50.0
Expected option life at grant date (years)	3.5	3.5
Risk-free interest rate p.a. (%)	1.462	1.309
Expected dividend	zero	zero
Estimated fair value of option at grant date (CHF)	13.35	5.01
Expiry date	07.01.2014	30.04.2014
Valuation model	Black-Scholes	Black-Scholes

Share-based compensation amounted to TCHF 1,734 and TCHF 1,701 for the first nine months of 2009 and 2008, respectively. As the options of the employees who had to leave the Company due to the restructuring were not forfeited as originally foreseen in the option plans, additional share-based compensation in the amount of TCHF 282 had to be expensed in the second quarter 2009.

8. Cash, cash equivalents and financial assets

In the first nine months of 2009, fixed-term time deposits (with original maturities of 1 month to 12 months) in the amount of CHF 70 million were paid back to the Group. Thereof, CHF 26 million have been reinvested.

9. Property and equipment

In the first nine months 2009, the Group invested TCHF 123 into property and equipment, predominantly for laboratory equipment (nine-months period 2008: TCHF 417).

10. Non-current liabilities

In February 2007, the Company issued 2.875% p.a. convertible bonds ("Convertible Bond") with a nominal value of CHF 70 million, which is listed on the SIX Swiss Exchange under the symbol CYT07 (security number 2 906 073). The bonds mature on February 20, 2012, and are convertible into the Company's shares at a conversion price of CHF 175. The values of the liability component and the equity conversion component were determined at issuance of the Convertible Bond.

The fair value of the liability component, included in "non-current liabilities", was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity.

Transaction costs associated with the issuance have been allocated proportionately to the liability and equity components.

The Convertible Bond recognized in the balance sheet is calculated as follows:	TCHF
Nominal value of Convertible Bond issued in February 2007	70,000
Equity component	(11,788)
Transaction costs allocated to liability component	(1,811)
Liability component on initial recognition	56,401
Interest expense	11,736
Partial repurchase of convertible bonds	(898)
Gain on partial repurchase of convertible bonds	(811)
Reversal of equity component	113
Interest paid	(4,025)
Liability component at September 30, 2009	62,516
thereof short-term (included in "accrued expenses")	1,194

Interest expense of TCHF 3,507 and TCHF 3,375 for the Convertible Bond has been recognized as "Financial expense" for the first nine months of 2009 and 2008, respectively.

On February 20, 2009, the annual interest payment of the Convertible Bond was due and amounted to TCHF 2,013.

In the course of the third quarter 2009, Cytos bought back in the market outstanding convertible bonds (CYT 07). The nominal value of these bonds amounted to CHF 1.75 million and the average purchase price was 49.75% of the nominal value. These repurchases resulted in a financial gain of CHF 0.8 million.

11. Retirement plan

The decrease in net pension liabilities since December 31, 2008, in the amount of CHF 0.4 million is a result of an actuarial calculation performed as of June 30, 2009. This new calculation was necessary due to the head count reduction in the context of the restructuring already announced in first quarter 2009. The related curtailment gain from the restructuring was CHF 0.6 million.

12. Revenue

In conjunction with the execution of commercial license agreements in December 2008 by Pfizer, revenue is recognized on a percentage of completion basis. In the first nine months 2009 the transfer of manufacturing technology was materially completed and thus the appropriate amount was recorded as revenue.

Allergen	a normally harmless substance that elicits a misdirected immune response.
Allergic asthma	chronic inflammation and obstruction of the airways of the lungs caused by exposure to allergens.
Antibody	class of blood proteins generated by the immune system to neutralize foreign material such as bacteria, viruses or toxins (i.e. antigens).
Conjunctival	relating to the conjunctiva, the mucous membrane that lines the inner surface of the eyelid and the exposed surface of the eyeball.
Double-blind	a set-up often used in clinical trials where neither the doctor nor the patients know if placebo or the active drug is applied.
Diastolic blood pressure	lowest pressure within the arterial blood stream occurring with each heart beat.
Monotherapy	treatment with one drug as opposed to combination therapy. Here the term refers to treatment with QbG10 alone (i.e. CYT003-QbG10) in contrast to an earlier regimen where QbG10 was combined to allergen extract (i.e. CYT005-AllQbG10).
Phase II	a clinical trial that examines a new drug candidate's safety and preliminary efficacy in the targeted population and involves approximately 50-300 people.
Placebo	dummy medical treatment.
QbG10	Cytos Biotechnology's Immunodrug™ Qb filled with the immunostimulatory DNA sequence G10.
Rhinoconjunctivitis	combination of rhinitis (inflammation of the nasal mucosa) and conjunctivitis (inflammation of the mucous membrane of the eye).
Symptom and medication scores	symptoms and concomitant medication use during the study are recorded on individual diary cards during a defined period of time.

Disclaimer

Cautionary Statement Regarding Forward-Looking Statements:

Certain statements in this Quarterly Report, including but not limited to, statements, estimates and projections of future trends and of the anticipated future performance of Cytos Biotechnology Ltd and its subsidiaries (together "the Group") constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievement of the Group, or industry results, to differ materially from any future results, performance or achievement implied by such forward-looking statements. The forward-looking statements are based on the Group's current beliefs and assumptions regarding a large number of factors affecting its business. Such beliefs and assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Group. There can be no assurance that: (i) the Group has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Group's analysis is based is complete or accurate, (iii) the Group's analysis is correct or (iv) the Group's strategy, which is based in part on this analysis, will be successful. Factors which affect the Group's business include, but are not limited to, (i) general market, governmental and regulatory trends, (ii) competitive pressures, (iii) technological developments, (iv) effectiveness and safety of the Group's technology and therapeutics, (v) uncertainty regarding outcome of clinical trials and regulatory approval process, (vi) management changes, (vii) changes in the market in which the Group operates and (viii) changes in the financial position or credit-worthiness of the Group's customers and partners.

Stock exchange listings at SIX Swiss Exchange

Registered shares: Swiss Security No. 1 102 521, SIX:CYTN
Convertible bond 2012: Swiss Security No. 2 906 073, SIX:CYT07

Share register

Aktienregister Cytos Biotechnology Ltd
c/o Nimbus AG
Postfach, CH-8866 Ziegelbrücke

Capital structure

Number of registered shares (nominal value CHF 0.10)	5,270,056
Conditional capital	CHF 167,327
Authorized capital	CHF 200,000
Free float	92.7%

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Cytos Biotechnology Ltd is a public Swiss biotechnology company that specializes in the discovery, development and commercialization of a new class of biopharmaceutical products – the Immunodrugs™. Immunodrugs™ are intended for use in the treatment and prevention of common chronic diseases, which afflict millions of people worldwide. Immunodrugs™ are designed to instruct the patient's immune system to produce desired therapeutic antibody or T cell responses that modulate chronic disease processes. Taking advantage of the high flexibility of its Immunodrug™ platform, Cytos Biotechnology has built a diversified pipeline of Immunodrug™ candidates in various disease areas, of which six are currently in clinical development. The Immunodrug™ candidates are developed both in-house and together with Novartis, Pfizer and Pfizer Animal Health. Founded in 1995 as a spin-off from the Swiss Federal Institute of Technology (ETH) in Zurich, the Company is located in Schlieren (Zurich). Currently, the Company has 86 full-time employees. Cytos Biotechnology Ltd is listed on the SIX Swiss Exchange (SIX:CYTN).