

Novartis executes Commercial License Agreement for Immunodrugs™ against neurodegenerative disease

License fees and a milestone payment to Cytos

Zurich-Schlieren, Switzerland, September 10, 2003 – Cytos Biotechnology AG (“Cytos”, SWX:CYTN) announces today that Novartis has taken a Commercial License for Cytos’ Immunodrugs™ against Alzheimer’s Disease. This event triggers an upfront payment, annual license fees and a milestone payment to Cytos. The drug candidates are the product of the collaborative program between the companies announced in October 2001. The decision on the commercial license was made following successful progress in the partnership in an area of unmet medical need, and achievement of a convincing preclinical efficacy package and progress in comprehensive safety studies.

Mark Dyer, Executive Vice President of Business Development at Cytos comments: “Today’s announcement marks the fulfillment of two years of intensive and productive work between our two companies. Immunotherapy against Alzheimer’s Disease is a hot topic and our achievements can be set in context of a recent scientific publication from an independent academic group showing efficacy of immunotherapy in Alzheimer’s patients. The next major goal in the collaboration is to enter clinical trials in 2004 and show that an Immunodrug™ against Alzheimer’s Disease is safe and effective in patients.”

Cytos and Novartis also collaborate on Immunodrugs™ for Rheumatoid Arthritis and Allergy. In the Allergy program, they have completed the joint research activities and have agreed, based on results about disease target feasibility, not to collaborate further on this particular project.

About Cytos

Cytos 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 prevention and treatment of chronic diseases, which afflict millions of people worldwide. Cytos’ Immunodrugs™ aim at triggering the patient’s immune system to produce specific antibody or T-cell responses, which fight disease processes. Taking advantage of the high flexibility of its Immunodrug™ technology, Cytos has built a pipeline of 21 different Immunodrug™ candidates in different disease areas, with two programs in early clinical development. Cytos’ strong in-house pipeline and R&D programs are supported by a network of collaborations with leading pharmaceutical and biotechnology companies. Founded in 1995 as a spin-off from the Swiss Federal Institute of Technology (ETH) in Zurich, the company is located in Zurich-Schlieren. Currently, the company has 115 employees. As of October 2002, Cytos is listed on the SWX Swiss Exchange (SWX:CYTN).

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