INVITATION TO SUBSCRIBE FOR SHARES IN CYXONE AB

1-15 AUGUST 2024

SEDERMERA corporate finance

Information memorandum | Cyxone AB | 559020-5471| www.cyxone.com

ABOUT THIS MEMORANDUM

DEFINITIONS
In this information memorandum, the following definitions apply unless otherwise specified: "Cyxone" or "the Company" refers to Cyxone AB with organization number 559020-5471. The "**Offer**" or the "**Rights Issue**" refers to the Company's new issue of shares with preferential rights for existing shareholders. "**First North**" refers to Nasdaq First North Growth Market, where the Company is listed.

FINANCIAL ADVISER, LEGAL ADVISER AND ISSUING AGENT
In connection with the Rights Issue described in this memorandum, Sedermera Corporate Finance AB ("**Sedermera**") is assisting the Company with project management, Markets & Corporate Law Nordic AB ("**MCL**") as legal advisor and Hagberg & Aneborn Fondkommission AB ("**Hagberg & Aneborn**") as issuing agent to Cyxone. Sedermera has advised Cyxone in the preparation of this information memorandum (the "**Memorandum**"). The Board of Directors of Cyxone is responsible for the contents, whereupon Sedermera disclaim all liability in relation to shareholders of the Company, as well as with respect to other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Memorandum.

EXEMPTION FROM PROSPECTUS OBLIGATION
The Offer is not covered by the Financial Supervisory Authority's prospectus requirements and hence, the Memorandum has not been reviewed or approved by the Swedish Financial Supervisory Authority (Sv. Finansinspektionen).

THE AREA OF DISTRIBUTION FOR THE MEMORANDUM
No shares in Cyxone are subject to trading or application thereon in any country other than Sweden. The invitation according to this Memorandum does not apply to individuals whose participation requires additional prospectus, registration measures or other measures than those that comply with Swedish law. The Memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, Russia, Belarus or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such a country. Disputes arising from the contents of the Memorandum or related legal matters shall be settled in accordance with Swedish law and in Swedish courts.

AVAILABILITY OF THE MEMORANDUM
The Memorandum is available on the Company's website (www.cyxone.com).

STATEMENTS REGARDING THE ENVIRONMENT AND THE FUTURE
This Memorandum contains forward-looking statements that reflect the Company's current views or expectations on future events as well as financial and operational development. These statements are well thought out, but the reader should be aware that these, like all future assessments, are associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Factors that could cause the Company's future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". Statements about the outside world and future conditions reflect express only the assessments and assumptions made by the Board of Directors as at the date of this Memorandum.

MARKET INFORMATION
The Memorandum contains market information related to Cyxone's operations and the market in which Cyxone operates. Unless otherwise stated, such information is based on the Company's analysis of several different sources, including medical research publications. Potential investors should be aware that financial information, market information and forecasts and estimates of market information contained in the Memorandum do not necessarily constitute reliable indicators of the Company's future development.

AUDITOR'S REVIEW
Apart from what is stated in the audit report and reports incorporated by reference, no information in the Memorandum has been reviewed or revised by the Company's auditor. The Company confirms that information from third parties has been reproduced correctly and that, as far as the Company knows and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information incorrect or misleading.

DISPUTES
Any disputes arising out of the contents of the Memorandum or any legal relationship relating thereto, shall be settled in accordance with Swedish law and before a Swedish court has been reviewed or audited by the Company's auditor.

INFORMATION REGARDING NASDAQ FIRST NORTH GROWTH MARKET
Nasdaq First North is a registered marketplace for small and medium-sized enterprises (Eng. SMEs) in accordance with European Parliament and Council Directive 2014/65/EU as implemented in national legislation in Denmark, Finland and Sweden and is operated by an exchange in the Nasdaq Group. Companies on Nasdaq First North are not subject to the same rules as companies on a regulated market, as defined in EU legislation. Instead, they are subject to a less far-reaching regulatory framework adapted to small growth companies. An investment in a company traded on Nasdaq First North can therefore be riskier than an investment in a company listed on a regulated market. All companies whose shares are admitted to trading on Nasdaq First North have a Certified Adviser who monitors compliance with the rules. FNCA Sweden AB is the Company's Certified Adviser. FNCA Sweden AB does not own any shares in the Company. It is Nasdaq Stockholm AB that approves the application for admission to trading on Nasdaq First North.

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THE OFFER IN BRIEF

Issue volume	The Offer comprises a maximum of 575,802,760 shares, which corresponds to approx. SEK 23 million (before issue costs).
Number of shares before the Rights Issue	In total 215,926,036 shares.
Pre-subscription commitments	Cyxone has, through written agreements, received pre-subscription commitments of approx. SEK 0.26 million, corresponding to approx. 1.1 percent of the Offer.
Subscription price	The subscription price is SEK 0.04 per share.
Subscription period	1-15 August 2024.
Last day of trading incl subscription rights	26 July 2024.
First day of trading excl. subscription rights	29 July 2024.
Preferential right	Anyone who is a registered shareholder of Cyxone on the record date of 30 July 2024 has preferential right to subscribe for shares in the Company. One (1) existing share in the Company entitles the holder to one (1) subscription right. Three (3) subscription rights entitle the holder to subscribe for eight (8) shares in Cyxone. The general public is also entitled to subscribe for shares in the Rights Issue, without pre-emptive rights.
Trading in subscription rights	1-12 August 2024.
Trading in BTA (paid subscribed share)	From 1 August 2024 until the Rights Issue has been registered at the Swedish Companies Registration Office.
Estimated date of announcement of outcome	16 August 2024.
ISIN-code share	SE0007815428
ISIN-code subscription right	SE0022574703
ISIN-code BTA	SE0022574711

INVITATION TO SUBSCRIBE FOR SHARES

Invitation

Existing shareholders and the public are hereby invited to subscribe for shares in Cyxone in accordance with the Offer in the Memorandum. The Offer in its entirety is described under "Terms & Conditions" in the Memorandum. The subscription period runs from and including 1 August 2024 to and including 15 August 2024.

Issue resolution

On 23 July 2024 the Board of Directors of Cyxone, decided to execute an issue of shares, with the support of the authorization from the Annual General Meeting on 28 June 2024. The Rights Issue compromises a maximum of 575,802,760 shares and can raise approx. SEK 23 million for the Company at full subscription, before issue costs. The maximum issue costs if the Rights Issue is fully subscribed are expected to amount to approx. SEK 1.9 million.

One (1) existing share in the Company entitles the holder to one (1) subscription right. Three (3) subscription rights entitle the holder to subscribe for eight (8) shares in Cyxone. To the extent that shares are not subscribed for with pre-emption right, they shall be offered to all shareholders and other investors for subscription. The Rights issue will be carried out in SEK.

Share capital and number of shares

A fully subscribed Offer will increase the share capital by SEK 23,032,110.40, from SEK 8,637,041.44 to SEK 31,669,151.84 and the total number of shares will increase by 575,802,760 shares, from 215,926,036 shares to 791,728,796 shares. Existing shareholders who choose not to participate in the Rights Issue will experience a dilution effect corresponding to approx. 72.7 percent of the votes and capital. Shareholders who choose not to participate in the Offer can receive some financial compensation for the dilution by selling their subscription rights before 12 August 2024.

Pre-subscription commitments

Pre-subscription commitments from members of the Board and management, with and without preferential right, amount to approx. SEK 0.26 million, corresponding to approx. 1.1 percent of the Rights Issue. The commitments have not been secured by bank guarantee, escrow, pledge, or similar arrangements.

Responsibility

The Board of Directors of Cyxone is responsible for the contents of this Memorandum. The persons named below hereby certify jointly as the Board that they have taken all reasonable care to ensure that, to the best of their knowledge, the information contained in this Memorandum is in accordance with the facts and that nothing has been omitted which might affect its meaning.

Malmö, July 2024
The Board of Cyxone

Michael Oredsson – Chairman of the Board
Jürgen Reess – Board member
Andrew Scorey – Board member
Maarten Kraan – Board member

WHY INVEST IN CYXONE?

Differentiated Pipeline and Clear Strategy

Cyxone's pipeline includes two oral products aiming to offer therapies in two market segments with unmet medical needs: rabeximod, in Phase II development for rheumatoid arthritis ("RA") and autoimmune disease, and T20K, ready for clinical development, with an initial focus in multiple sclerosis ("MS"), but also offering potential in other autoimmune diseases. Rabeximod has shown a favorable safety profile in previous clinical studies comprising 300 patients, and a clear trend towards efficacy in RA.

The Company's strategy is to execute preclinical studies and small clinical studies to obtain an in-depth understanding of the mode of action and generate valuable data for rabeximod to secure a licensing agreement with a partner for further clinical trials. This new information can help Cyxone gain a deeper understanding of which target groups are most relevant, e.g., whether there could be synergies between rabeximod and TNF-alpha inhibitors. This approach aims to de-risk and increase the value of the project by transferring later-stage development risks to a partner with greater capacity and resources. Besides optimizing value creation for rabeximod before licensing, Cyxone will also intensify its efforts with its neurology asset for MS, T20K. This drug has shown promising results in several preclinical studies and is ready for clinical development as an injectable formulation. An oral formulation can be made with T20K for patients with recently diagnosed MS.

Intellectual Property

The patent that Cyxone received in the United States in May 2023 for the new formulation of rabeximod significantly enhances the value-building potential of the rabeximod project due to the extended patent lifespan until 2042. This patent has opened new opportunities for developing rabeximod in autoimmune and autoinflammatory diseases. In addition to this, Cyxone has six additional patents for rabeximod.

In the case of T20K, Cyxone holds an exclusive, fully paid license on cyclotide technology from the Medical University of Vienna (which co-owns the patent with the University of Freiburg). This license gives Cyxone the right to use and develop patents and applications related to cyclotide technology.

Future

Rabeximod is a mature and well-managed program since its inception and into Phase II. The program has extensive data from pharmacological, preclinical, and clinical studies and an established manufacturing processes is in place for rabeximod. With the new, significantly strengthened patent protection, the Company intends to enter a strategic research collaboration with a renowned European research group to conduct a study in inadequate responders to TNF alpha inhibitors focusing on mechanism of action. This study will enhance the project's net present value with a significant potential return on investment in partnering discussions with pharmaceutical companies for the execution of phases IIb and III to launch. Hence, Cyxone does not intend to run large-scale clinical trials without secured partnering but sees significant value in supporting preclinical activities in other disease indications with relevant and validated models to cover a broader scope within autoimmunity ahead of partnering discussions.

For T20K, Cyxone intends to conduct a preclinical study in Q3-Q4 2024 to build on the already existing value in the form of a patent application that involves combining T20K with a kappa opioid receptor agonist (“KORA”), which has the potential to increase the effect on the MS disease, while reducing the risk of side effects. Cyxone's priority is to find a strategic partner for T20K, same as rabeximod.

Market and Competition

RA and MS present significant market opportunities since RA affects over 20 million people globally, with therapies that show moderate efficacy, severe safety issues, and poor convenience. Similarly, MS affects about 2.8 million people worldwide, with existing therapies showing moderate effectiveness and notable side effects. There is a demand for safer, more convenient treatments. Both rabeximod and T20K aim to address critical gaps in current treatment options, promising improved efficacy, tolerability, and administration convenience, thereby positioning themselves as significant contenders in their respective markets.

It is to be noted that the Board of Directors and the management of Cyxone see the potential for both compounds to have positive effects also in other autoimmune diseases, and thus, to broaden the market potential.

BACKROUND AND MOTIVE

The Company's product portfolio currently includes two substances: rabeximod and T20K. Rabeximod, a candidate drug with a favorable safety profile, is in Phase II clinical trials for moderate to severe active RA. T20K is in preclinical development for MS. Both substances have mechanisms for growth in other indications; rabeximod may treat other autoimmune diseases, and T20K may address central nervous system (CNS) conditions.

Despite advances, there is still a need for safer, more effective treatments for RA and MS. The Company aims to offer new, effective, secure, and easy-to-use drugs for autoimmune-inflammatory conditions to improve patient quality of life. Cyxone also aims to collaborate with established pharmaceutical companies during clinical phases to finance, develop, and launch rabeximod globally.

Additional working capital is needed for the next 12 months. To continue development and fund the Phase II study for RA and the ongoing development of T20K, the Board has decided to conduct a rights issue. The primary purpose of the rights issue is to fund rapid development programs with small exploratory studies for patients who do not respond well to TNFa inhibitors. Additionally, the focus will remain on T20K development and overall operational activities.

Use of proceeds

Through the Rights Issue, the Company can receive a maximum of approx. SEK 23 million. The capital provided to the Company through the capitalization is intended to finance:

- Collaborative preclinical studies with world-leading expert in RA to investigate the use of rabeximod in patients that do not respond to TNFa inhibitors – 25 percent of the issue proceeds.
- Explore optimal conditions for a combination between T20K and a kappa opioid receptor agonist (KORA) to halt MS progression (by T20K) and promote repair of damaged nerve structures (by KORA) preparing for clinical studies – 25 percent of the issue proceeds.
- Studies aimed to support patent protection of rabeximod and T20K/KORA – 10 percent of the issue proceeds.
- Overhead costs including legal, regulatory, and patent advice – 40 percent of the issue proceeds.

Future capital need

The Board's assessment is that the net proceeds from a fully subscribed rights issue are sufficient to finance the Company's ongoing operations until Q3 2025, furthering the rabeximod and the T20K project. If the Company through the Rights Issue does not obtain the necessary capital to finance the operations for a period of at least 12 months ahead, the Company intends to evaluate alternative financing solutions.

Interests and conflicts of interest in connection with the offer

Sedermera, MCL and Hagberg & Aneborn receives e a pre-agreed compensation for services rendered in connection with the Offer. In addition to what is stated above, Sedermera, MCL and Hagberg & Aneborn have no financial or other interests in the Rights Issue.

Persons in Cyxone’s management and Board have submitted pre-subscription commitments in the Rights Issue. The subscription obligations provided are described in more detail under the section "Terms & Conditions" in the Memorandum. Furthermore, a number of Board members and senior management in Cyxone own shares in the Company. Holdings for each person are presented in more detail under the section "Board and senior management" in the Memorandum. There is no conflict of interest within administrative, management and control bodies or with other persons in leading positions in Cyxone, nor are there any other natural or legal persons involved in the Rights Issue who have financial or other relevant interests in the Company.

CEO COMMENT

Coming back to Cyxone this year is fascinating! Through my 50-year-long career in pharma/life science, I have had the joy of experiencing different roles, and various company structures and working with a wide range of diseases. All this I bring with me to my "new-old" CEO role at Cyxone, and I will, together with the experienced team and the seasoned Board, work tirelessly to make sure we create the best fundament for future deals with strategic partners in the field. I want to start this comment by mentioning the Board members and providing some background on why I firmly believe we have the best conditions to create value for patients and Cyxone's shareholders. Michael, Jürgen, Andrew, and Maarten all have extensive experience and knowledge that complement each other. For instance, Jürgen is a doctor specializing in neurology with 20+ years' experience in operational and strategic clinical development of new drugs, and Maarten, our newest member, is a licensed rheumatologist and has a doctorate in immunology and also holds advisory positions within Big Pharma. Michael and Andrew have extensive business experience, having had leading positions within multinational companies – both within the medical field and other fields. I am sure we can achieve great things.

I am impressed by the progress made in recent years with both T20K and rabeximod. In the first half of this year, Cyxone has made significant strides with rabeximod, confirming the biological target protein in an independent scientific analysis and gaining recognition from a renowned arthritis research group in Europe. These milestones are crucial for advancing our drug candidate toward future treatment in areas with significant medical needs for improved therapies. With the renewed trust to lead Cyxone and our exciting projects, I am encouraged by these achievements. I see great potential in both our current drug candidates and aim to accelerate their development.

The new formulation patent for rabeximod, extending its protection by 20 years, is a vital cornerstone for the value of the project and is essential in discussions with potential licensing or collaboration partners. The revised strategy from our newly appointed Board focuses on conducting smaller, exploratory studies with rabeximod in patients who do not respond adequately to TNFa-inhibitors or other biological treatments and who do not experience sufficient improvement with current treatment options. The outcomes of these efforts will be fascinating, especially given the recently confirmed insights into rabeximod's mechanism of action.

Our work on the T20K project for MS continues to harness the significant potential of this substance. In conclusion, several vital advancements have recently been made for both T20K and rabeximod, laying a solid foundation for future studies and activities. I am enthusiastic and optimistic as I return to the Company and look forward to the future with great confidence. I will highly prioritize and continue the development of rabeximod and its new salt formulation. In parallel, we will also develop a clear plan to optimize the value of our exciting T20K project in MS.

To continue our development, we aim to raise funds to advance our efforts with both T20K and rabeximod in the form of preclinical and clinical studies and finding strategic partners. Strategic collaborations in these clinical stages – especially in indications like RA, where further clinical development would mean significant costs for a small company like Cyxone – are quite common. We firmly believe that with a well-executed preclinical and early clinical study data package for rabeximod, we will be in a great position to reach strategic agreements and create increased value for the compound. I welcome you to join us on Cyxone's journey ahead!

***Kjell Stenberg*, CEO Cyxone AB**

BUSINESS OVERVIEW

Background

Cyxone is a clinical-stage biotech company specializing in developing treatments for autoimmune and autoinflammatory diseases. Cyclone aims to create safer and more effective drugs to improve patient quality of life, with rabeximod offering benefits for early and later stages of RA and T20K showing promising results in delaying the onset and severity of MS symptoms. Rabeximod is in Phase II development while T20K is ready for clinical development.

The mechanism of action of the Company's compounds, rabeximod and T20K, enables development in additional autoimmune and autoinflammatory diseases beyond RA and MS. Both compounds are also convenient for patients, as they are orally administered.

Rabeximod

There is no cure for RA, and treatments for patients with RA aim to control pain and inflammation. Although several options exist, only a few patients achieve long-term clinical responses. Rabeximod is an oral, non-injectable, drug candidate for patients with moderate to severe RA. Rabeximod's effect is based on suppressing the differentiation and function of proinflammatory macrophages. Previous clinical phase 2a data in RA have shown a favorable safety profile, confirmed optimal dose and signal of adequate treatment effect in patients with very severe RA. Rabeximod is a substance that works together with methotrexate and is well positioned to complement the second-line combination with methotrexate and TNFα inhibitors to improve the conditions for patients to achieve their treatment goals.

Rabeximod has a unique mechanism of action compared to currently marketed RA therapies and therapies in development. Rabeximod selectively targets RA via inflammatory cells and macrophages, central to the inflammatory process that causes tissue destruction and clinical symptoms in RA. The biological target protein for rabeximod was identified in Q1 2024, showing that rabeximod has a unique mechanism of action (First-in-Class), which also explains the favorable safety profile documented for the drug. Rabeximod is a mature and well-managed Phase II project, where an extensive package of data from pharmacological, preclinical, and clinical studies, as well as an established manufacturing process, has been strengthened with new patent protection and in 2024, new information regarding its mechanism of action. With a fully completed Phase IIa study in RA with positive effect after 16 weeks with a good safety profile. Cyxone intends to document the Company's substance further to optimize the value of collaboration and build data in combination with TNF alpha inhibitors and possibly also study additional patient groups in the autoimmune segment in an investigator-sponsored study to optimize value creation, before a collaboration with a pharmaceutical company. The Company intends to enter a strategic research collaboration with a renowned European research group in RA to conduct a mechanistic study with rabeximod in inadequate responders to TNF alpha inhibitors – a widely used treatment regimen in the disease and the largest selling pharmaceutical segment in RA, with revenues exceeding USD 20bn per year.

T20K

There is no curative treatment available for MS, and most existing therapies are only moderately effective in preventing disease relapse and have limited effect on increasing disability over time. T20K inhibits T-cell proliferation by modulating the release of the cytokine IL-2. IL-2 is a cytokine with an essential role in T-cell activation and T-cell proliferation. Improperly regulated T-cell activation is one of the underlying factors of many autoimmune diseases and causes inflammatory conditions that can result in tissue and organ damage.

T20K is based on a natural plant protein that has been modified to have good medicinal properties. The substance has been shown to inhibit the release of the body's own substance IL-2, which is considered central to the development of MS. T20K prevents the breakdown of the myelin and can thus potentially delay the onset of the disease and reduce the severity of the symptoms. The hope is that T20K will be able to slow the progression of the disease, prevent relapses and delay the need for second-line treatments.

T20K is a substance that researchers at the Medical University of Vienna, Austria, first demonstrated to inhibit proinflammatory cytokines such as IL-2 and effectively reduce clinical symptoms in a preclinical model. The substance is based on a technology based on cyclotides (natural circular protein substances). Cyclotides are relatively small and contain about 30 chemical amino acids. Cyclotide is tightly bound together with chemical bonds (so-called cysteine knots), which means that it has beneficial properties from a pharmacological perspective. The Company's hope is that T20K will be able to offer advantages that today's drugs cannot, both regarding the effect of the substance and its side effects.

The Company has also investigated T20K in combination with a kappa opioid receptor agonist (KORA). A combination that in preclinical experiments shows promising synergistic therapeutic effects and potentially disease-modifying

properties in MS. This is an area in which the Company sees very interesting opportunities and where further preclinical research activities are ongoing.

Cyxone holds an exclusive fully paid license from the Medical University of Vienna (which co-owns the patent together with the University of Freiburg) regarding the cyclotide technology on which T20K is based. For Cyxone, this license means a right and opportunity for the Company to use and develop the patents and patent applications related to the cyclotime technology. The Company also sees opportunities for the development of other future potential drug candidates, mainly in areas where there is currently a lack of effective and safe drugs.

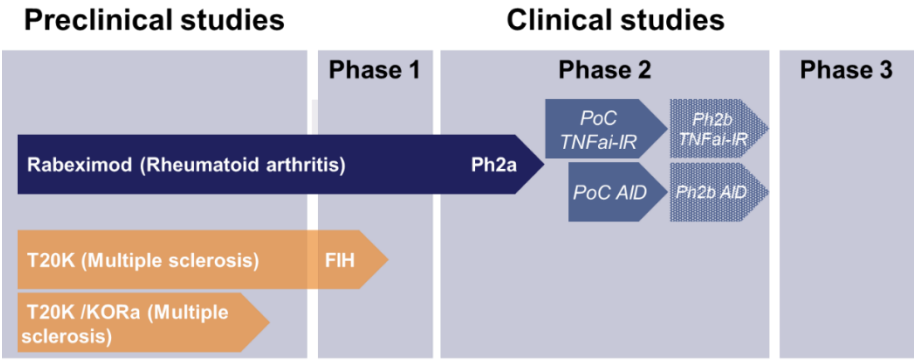
For T20K, Cyxone intends to conduct a preclinical study to demonstrate synergies with a combination of compounds in Q3-Q4 2024. Given a positive outcome of the study, Cyxone's priority is to find a strategic partner for T20K.

Business model

Cyxone will, going forward, focus on obtaining further data for rabeximod and T20K through preclinical studies to prepare and present a data package to generate interest from potential strategic partners. Besides this, Cyxone will also explore the potential of rabeximod in investigator-sponsored studies on patients to keep the Company's burn rate as low as possible. With this data package, Cyxone intends to seek a pharmaceutical industry partner for each project. It is the conviction of the Board and management that the investment in the planned preclinical studies, as well as potential small investigator-sponsored studies, is offering superior possibilities for return on investment with short lead times and low burn rate. The data from the planned trials will be very important in discussions with potential partners and hence improve the potential deal terms for Cyxone’s shareholders.

The near-time goal for Cyxone is to execute mechanistic studies in tissue from patients not responding well to standard of care, but also to explore the potential of rabeximod in other autoimmune diseases. Cyxone has completed a Phase IIa study in moderate to severe RA with clear signals of efficacy shown after 16 weeks of treatment. The Company intends to document the substance further to optimize the value prior to a partnering, build data in combination with TNF alpha inhibitors, and possibly also study additional patient groups in the autoimmune segment. Rabeximod's mechanism of action indicates that the substance could be active in other inflammatory conditions than RA. Cyxone has multiple opportunities to create value through rabeximod.

T20K also has the potential to create high value for Cyxone and attract large interest. The plan is to demonstrate, in preclinical studies, that the drug can become an effective, safe treatment for MS patients. After the preclinical studies in T20K, Cyxone aims to find a strategic partner to take the project through advanced development stages and on to commercialization.



PoC TNFai-IR: Proof of Concept TNF-alpha inhibitor inadequate response.
PoC AID: Proof of Concept autoimmune disease model.

Objectives

2024-2026

- Initiation of collaboration with world-leading clinical experts for the treatment of RA in patients unresponsive to anti-TNF alpha therapy.
- Preclinical studies to explore details of rabeximod's mechanism of action to guide prioritization of future clinical studies.
- Preclinical studies to investigate T20K's ability to halt the progression of MS symptoms in early, middle and late stages of development.
- Explore combinations of T20K and a kappa opioid receptor agonist (KORA) to optimize efficacy versus safety in the EAE model.

- Preclinical studies to explore the potential use of rabeximod in other diseases where the pathophysiological processes are likely to be inhibited by rabeximod.
- Initiate partnership discussions in mid-late 2025 for rabeximod and/or T20K, depending on the results of the preclinical studies.
- Obtain advice from regulatory authorities and conduct a pre-IND program with a combination of T20K and a KOR agonist results from preclinical studies of T20K. Investigate the potential of T20K alone or in combination with KOR agonist in disease.
- Identify pharmaceutical partners that can fund clinical trials for T20K and/or rabeximod.

MARKET & COMPETITORS

Autoimmune diseases

The immune system has a complex set of mechanisms to protect the body against foreign substances, such as viruses, bacteria and tumor cells, while protecting healthy tissues. But under certain circumstances, the immune system can cause harm instead of good.

A number of well-known immune-related diseases such as RA, MS, systemic lupus erythematosus (SLE), type 1 diabetes, Crohn's disease, psoriasis and psoriatic arthritis are categorized along a scale ranging from autoimmune disease to autoinflammatory disease. While a disease like psoriatic arthritis is more of an autoinflammatory disease, rheumatoid arthritis and multiple sclerosis have a more distinct autoimmune element.

Many major public diseases are caused by a dysfunctional immune system. Autoimmune diseases, such as MS and RA, are based on the body overreacting to the body's own substances, which results in a chronic inflammatory condition that causes various tissues in the body to break down. The result is functional impairments, chronic pain and a series of sequelae. There are currently no drugs that cure autoimmune diseases and the drugs that are used often cause severe side effects in already weakened patients.

Rheumatoid arthritis

RA patients suffer from symptoms such as swollen and tender joints, pronounced pain, stiffness, fever and fatigue, with serious negative consequences for their quality of life. Rheumatoid arthritis is a chronic, systemic, inflammatory, autoimmune disease that causes an inflammation of the synovial membrane (a thin cell membrane in the joint capsule). RA affects more than 20 million people globally, with more than three out of four sufferers being women.[1]

Characteristic of RA is the irreversible breakdown of joint tissue caused by the immune system, mainly via inflammatory macrophages. Active RA not only causes joint damage, functional impairment, reduced quality of life and socio-economic deterioration, but also causes cardiovascular disease and a range of other sequelae.

If the disease is left untreated, the effect is that more and more joints are affected, where the inflamed synovial membrane gives rise to irreversible breakdown of cartilage and bone tissue in the joint, with disfigured joints as a result. The pain and disability that arises affects the individual's ability to work and carry out daily tasks.

Multiple Sclerosis

MS is a chronic inflammatory, demyelinating autoimmune disease that affects the central nervous system (CNS). It is a complex disease that involves an interaction between cells in the CNS (astrocytes, oligodendrocytes, neurons and microglia) and immunological-inflammatory cells (T cells, B cells and macrophages). Myelin-specific T cells are believed to play a critical role in the pathogenesis of MS; the presence of circulating myelin-reactive T cells in MS patients has been reported to be extensive. The specific mechanisms that cause the activation and migration of these cells into the CNS are so far unknown, but several theories surrounding immunomodulatory factors are being investigated. For example, the gut microbiota has been suggested to have an impact on immune function in MS and has been shown to change with disease activity.[2]

MS is a disease of the central nervous system, which attacks the brain and spinal cord. In MS, the body's own immune system attacks the protective myelin layer that surrounds the nerve fibers, causing inflammation and in some cases damaging the nerve fibers. This affects nerve impulses that cannot travel properly. Because MS affects the nerve cells, the disease means that the affected organ loses its ability to function normally.[3]

Worldwide, approximately 2.8 million people, mainly women, are affected by MS. It is a very heterogeneous disease with several different symptoms and functional impairments and where most patients experience a worsening of the functional impairments over time. Common symptoms include loss of vision, decreased strength in an arm or leg, or an increased sensation of numbness in the legs. Other common symptoms linked to MS include fatigue, spasms, incontinence, sexual dysfunction, difficulty walking and depression.[4]

Market potential

The standard treatments that exist today often cause a series of problematic side effects, which contribute to treatment compliance not being maintained, which means that the treatment effect decreases, and that the patient

[1] *World Health Organization, The Global Burden of Disease Report, 2004; American College of Rheumatology; The Arthritis Foundation.*
[2] *Correale et al, Nature reviews neurology, 2022; Thirion et al, Genome medicine, 2023.*
[3] *Multiple skleros (MS), neruo.se 2021.*
[4] *Hjärnfonden – Vad är MS (https://www.hjarnfonden.se/om-hjarnan/diagnoser/ms/)*

gradually develops resistance to the treatment. Large groups of patients do not obtain sufficient treatment effect with today's drugs and therefore do not reach their treatment goals. New effective drugs that are safe and easy to use therefore need to be developed and offered to these patients.

Cyxone's compounds rabeximod and T20K are initially focused on the indications RA and MS, respectively, but the Company also foresees potential in additional autoimmune diseases, which could broaden the market potential substantially. Below is a brief description of the market for RA and MS.

The estimated market value for RA drugs was USD 28.9 billion in 2023 and is estimated to reach a market value of USD 29.1 billion in 2029. The largest selling product in the segment is AbbVie's blockbuster Humira, estimated to approximately USD 14.4 billion. However, Humira is seeing a sharp decline in sales as a result of the entry of biogeneric products into the market. For example, Abbvie's product Rinvoq is expected to take off with steady sales growth. Meanwhile, the estimated market value for pharmaceuticals treating MS in 2023 was USD 19.8 billion and is estimated to reach a market value of USD 26.7 billion in 2030. The largest selling product in the segment is Ocrevus (ocrelizumab) from Roche with revenues of USD 7 billion, expected to peak at USD 9 billion, and at USD 7.5 billion in 2030. The second largest product in revenues is Kesimpta (ofatumumab) from Novartis, with revenues of USD 2 billion in 2023, expected to increase to USD 5.5 billion in 2030. The five largest products in the MS segment reported revenues of USD 13 billion in total during 2023[5].

TNF alpha inhibitors are a widely used treatment regimen in autoimmune disease and the largest-selling pharmaceutical segment in RA. The effort planned in Cyxone for 2024-2025 will add further to the understanding of the combination of rabeximod to the current standard of care, including the TNF-alpha inhibitors, to best position the product for a future launch and to generate the best possible terms from a deal with a partner. TNF-alpha inhibitors are the largest selling class in the RA/autoimmune segment, but still only second-line therapy after Methotrexate and similar oral agents. According to information from the Company's KOL outreach, as much as 30-40% of patients do not respond well to TNF-alpha inhibitors. There are other drugs on the market for the treatment of RA, but severe side effects characterize them, and several of the potential candidates for RA have failed in trials. Among the most dominant pharmaceutical companies within the RA segment in terms of turnover at present are Abbvie, Pfizer and Johnson & Johnson.

There are also challenges in treating MS, where there is no cure but only treatments that have slowed down the progression of the disease. The primary pillar in treatment of MS is immunomodulatory therapy as well as treatments that relieve and modify symptoms associated with the disease, such as pain, erectile dysfunction and other secondary symptoms. There are 2.8 million patients with MS and out of these, 85% have relapsed remitting MS (RRMS), which often develops into secondary progressive MS over time. The standard of care is interferons, with the limitations that they are injectable products, S1P-receptor modulators such as siporimod, monoclonal antibodies such as natalizumab, alemtuzumab, ocrelizumab and other products such as teriflunomide, mitoxantrone, glatiramer and cladribine. One of the key challenges in the current market environment is that high cost of treatment with new generation of therapies offered to patients, although they have modest single agent activity. In the US, disease modifying therapy has a per patient cost of around USD 90,000 per year. Among the most dominant pharmaceutical companies within the MS segment in terms of turnover and/or efforts in the segment at present are Novartis, Roche, Bristol Myers Squibb, Sanofi, Merck KGaA and Biogen.

[5] *Global Data*

BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and senior management are described below. All members of the Board of Directors and senior management can be reached at the Company's address; Hyllie Boulevard 34, 215 32 Malmö, Sweden. The members of the Board, their position, when they were first elected to the Board and whether they are considered independent of the Company and its senior management and major shareholders are described in the table below.

According to Cyxone's Articles of Association, the Board of Directors shall consist of at least three and not more than eight members elected annually at the Annual General Meeting for the period until the next Annual General Meeting. The Company's Board of Directors consists, as of the date of this memorandum, of four elected members, including the Chairman.

Name	Position	Board member since	Independent in relation to the Company and Senior Management	Independent in relation to major shareholders
Michael Oredsson	Chairman	2023	Yes	Yes
Andrew Scorey	Board member	2023	Yes	Yes
Jürgen Reess	Board member	2023	Yes	Yes
Maarten Kraan	Board member	2024	Yes	Yes

More information about the Board of Directors

Michael Oredsson – Chairman of the Board since 2023

Education and background
Michael Oredsson has a bachelor's degree in economics with an international focus from Lund University. During his career, Michael Oredsson has had experience from leading positions in multinational food companies such as Nestlé, Coca-Cola Company and Mars Inc. in Sweden, Germany and France and between 1993 and 2000 within Pharmacia in Sweden and Australia. Since 2000, Michael Oredsson has worked as CEO for a number of listed and privately owned life science companies in Sweden, Denmark, Australia and Belgium, including Probi and BioInvent in Lund. In addition, Michael Oredsson has had about ten board assignments, three of which as chairman of the board.

Other current assignments
Board member and CEO of The Akkermansia Company SA, NLSC – Northern Lights Southern Cross AB and NLSC – Northern Lights Southern Cross Belgium B.V.

Shareholdings
632,056 shares.

Andrew Scorey – Board member since 2023

Education and background
Andrew Scorey has a Bachelor of Business studies from the University of Cape Town, South Africa, Executive degrees in Business and Marketing. Andrew Scorey has broad experience from leading senior roles in general management marketing from the pharmaceutical and food industries. Andrew Scorey has, among other things, held several international roles within Abbott Corporation, Nestlé and Novartis, operating in the USA, South America, South Africa, Great Britain, Switzerland, Southeast Asia and China.

Other current assignments
Managing director of ADPSCOREY ApS and ADPSCOREY Holding ApS.

Shareholdings
632,056 shares.

Jürgen Reess – Board member since 2023

Education and background
Jürgen Reess holds a medical degree and a doctorate from the University of Ulm, Germany. Jürgen Reess is a doctor specialized in neurology with over 20 years of experience in operational and strategic clinical development of new drugs, most recently as Corporate Senior Vice President for International Project Management at Boehringer Ingelheim, Human Pharma. Jürgen Reess led the development, approval and launch of several blockbuster therapies

for autoimmune and CNS diseases at Boehringer Ingelheim. Jürgen Reess is co-founder of the US-based biotech company MoglingBio and currently Chief Medical Officer at SciRhom and member of the CNS Scientific Advisory Board at Pivotal bioVenture Partners.

Other current assignments
CEO of MoglingBio Inc.

Shareholdings
632,056 shares.

Maarten Kraan – Board member since 2024

Education and background
Maarten Kraan is a doctor and licensed rheumatologist and has a doctorate in immunology at Leiden University in the Netherlands. During his academic career he worked at the University of Leiden and as a docent at the University of Amsterdam. He has held several leading roles in preclinical and clinical drug development and Regulatory Affairs at several pharmaceutical companies in both Europe and the USA.

Other current assignments
Senior Medical Advisor at AM Pharma, CMO at Citryll and board member at Toleranzia AB.

Shareholdings
0 shares.

Information about the management

Kjell Stenberg – CEO since 2024

Education and background
Kjell Stenberg holds a PhD in Medical Science from Karolinska Institutet. For 25 years, Kjell held various senior roles in AstraZeneca's R&D and was global licence manager in the field of neurology. Over the past 24 years, Kjell has co-founded and led biotech companies such as Combio A/S, ACQ Med AB, BioMS Medical Corp, Accequa AB, Aptahem AB, Cyxone AB and Pepdura AB. In addition to these, he has also served on the boards of biotech companies such as Galecto Biotech AB, Novation Pharmaceuticals Inc, Notify Therapeutics A/S, PCI Biotech Holding ASA. Kjell has also served as a partner in the investment fund Medwell Capital Corp. in Canada and as a financial advisor in Nodes Advisors in Switzerland. Kjell has also been a long-time member of the independent Eurostars evaluation group.

Other current assignments
Board member at Accequa AB, Pepdura AB and Abbmo Holding AB.

Shareholdings
5,127,076 shares through Abbmo Holding AB.

Henrik Hang – Interim CFO since 2024

Education and background
Henrik Hang holds a Master of Science in Business Administration with a specialisation in financial management. He has many years of experience as CFO in several international companies listed on Nasdaq First North Growth Market. He has previously held CFO positions in the pharmaceutical industry and has a passion for working with growth companies.

Other current assignments
No other current assignments.

Shareholdings
0 shares.

Additional information about the Board and Management

There are no family ties between Board members and/or the senior management. None of the above-mentioned Board members or senior management have entered into an agreement with the Company regarding benefits after the end of the assignment. With the exception of conflicts of interest which are explained in the section "Legal information, ownership structure and supplementary information" in the Memorandum, there are no conflicts of interest or potential conflicts of interest between the Board members' and senior management's commitments towards the Company and their private interest and/or other commitments.

During the past five years, no Board member or senior management (i) has been convicted in any fraud-related case, (ii) acted as a representative of a company placed in bankruptcy or involuntary liquidation, (iii) by a regulatory or supervisory authority (including recognized professional associations) has been bound by, or has been subject to criminal sanctions, or (iv) prohibited by court from being a member of an issuer's administrative, management, or supervisory body or from exercising managerial or executive functions of an issuer.

Compensation and other benefits in 2023

Name and position	Remuneration/ salary	Other remuneration	Pension	In total
Bert Junno[1]	350	-	-	350
Michael Oredsson[2]	200	-	-	200
Mikael Lindstam[3]	100	-	-	100
Saad Gilani[4]	-	-	-	-
Jürgen Reess[5]	100	-	-	100
Theresa Comiskey Olsen[6]	50	-	-	50
Andrew Scorey[7]	100	-	-	100
Carl-Magnus Högerkorp[8]	1 390	-	330	1 720
Others in the executive management	*1 368*	-	*115*	*1 483*
In total	**3 658**	**-**	**445**	**4 103**

[1] *Chairman of the Board until 21/06/23 and thereafter board member until 30/5/24.*
[2] *Chairman of the Board as of 21/06/23.*
[3] *Board member until 21/06/23.*
[4] *Board member until 09/05/23.*
[5] *Board member as of 21/06/23.*
[6] *Board member until 09/05/23.*
[7] *Board member as of 21/06/23.*
[8] *CEO until 22/04/24.*

FINANCIAL INFORMATION

The information in this section must be read together with Cyxone's audited annual reports for the financial years 2022 and 2023, including associated notes and audit reports, as well as the unaudited interim report for the period January – March 2024, which are incorporated into the Memorandum by reference. Unless otherwise expressly stated, no other information in the Memorandum has been revised or reviewed by Cyxone's auditor. All of the above reports have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial Reporting Council's recommendation RFR 1 Supplementary accounting rules for groups and IAS 34 Interim reporting have been applied.

Reference to these reports is made as follows:

Interim report January – March 2024
The group's income statement (page 8), the group's balance sheet (page 10), and change in equity for the group (page 11) and the group's cash flow analysis (page 12).

Annual report 2023
The group's income statement (pages 22), the group's balance sheet (page 23), change in equity for the group (pages 24), the group's cash flow analysis (page 25), notes (pages 30-52) and auditor's report (pages 54-56).

Annual report 2022
The group's income statement (pages 29-30), the group's balance sheet (page 31), the group's cash flow analysis (page 34), change in equity for the group (pages 32-33), notes (pages 41-66) and auditor's report (pages 68-70).

Information of special importance in the audit report

The auditor's report in the 2023 annual report deviates from the standard wording as it contains information of particular importance. The information in its entirety appears below. Please note that this is a translation to English from the original.

"Information of special importance
We would like to draw attention to the information in the management report in the section Risks and uncertainty factors, where it appears that the annual report has been prepared based on the conditions for continued operations. The valuation of the company's intangible assets is dependent that there are sufficient liquid funds. Management assesses that current cash and cash equivalents are sufficient to finance ongoing basic operations of the business during the next 12-month period from the balance sheet date but not any additional value-creating activities. One there is a continuing need to find resources to generate value-enhancing preclinical and clinical results. It is further clear from the same section that the board is actively working with various financing solutions, but that there is substantial uncertainty regarding whether and when further funding will be obtained. We have not modified our statements because of this."

Financial calendar

- Publication of the Interim Report 2024-04-01 – 2024-06-30: 29 August 2024.
- Publication of the Interim Report 2024-07-01 – 2024-09-30: 7 November 2024.
- Publication of the Year-end Report 2024-01-01 – 2024-12-31: 25 February 2025.

LEGAL INFORMATION, OWNERSHIP STRUCTURE & SUPPLEMENTARY INFOMATION

General company information

Cyxone AB is a Swedish public limited company that was formed and registered on 13 July 2025. The Board has its seat in Malmö, Skåne County, and the Company's representatives can be reached via the Company's office address Hyllie boulevard 34, 215 32 Malmö, Sweden, and telephone number +46 (0) 70 781 88 08. Cyxone's corporate identification number is 559020-5471 and its identification code (LEI) is 54930034OH16ROAY4K87. The Company's operations are conducted in accordance with the Swedish Companies Act (2005:551). The Company is a reconciliation company, and its share register is maintained by Euroclear. The Company's website is www.cyxone.com. The information on the website is not part of the Memorandum unless this information is incorporated into the Memorandum by reference.

General information about the shares

Cyxone's shares are issued in accordance with the Swedish Companies Act (2005:551) and are denominated in Swedish kronor (SEK). The Company has one series of shares. The shares have been admitted to trading on Nasdaq First North since 7 June 2016 and are traded under the short name CYXO and have ISIN code SE0007815428. All shares are fully paid, and the shares are freely transferable.

According to Cyxone's registered articles of association, which were adopted at a general meeting on 27 October 2023, the share capital may not fall below SEK 8,200,000.00 and not exceed SEK 32,800,000.00, divided into a minimum of 205,000,000 shares and a maximum of 820,000,000 shares. Registered share capital in the Company before the Offer amounts to SEK 8,637,041.44, divided into 215,926,036 shares, where each share has a quota value of SEK 0.04.

Certain rights attached to the shares

The shareholders' rights regarding profit distribution, voting rights, pre-emptive rights when new shares are subscribed, etc. are governed partly by Cyxone's articles of association, which are available via the Company's website, and partly by the Swedish Companies Act (2005:551).

Voting rights at the general meeting

At the annual general meeting, all shares have a voting value of 1, and each person entitled to vote may vote for his/her full number of shares without limitation. All shares give shareholders the same preferential right when issuing warrants and convertibles to the number of shares they own.

Preferential right to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, the shareholders as a general rule have preferential rights to subscribe for such securities in relation to the number of shares held before the issue.

Right to dividends, share of the Company's profit and retention in liquidation

All shares in the Company give equal rights to profit distribution as well as to the Company's assets and any surplus in the event of winding up through liquidation or bankruptcy. The new shares carry the right to a dividend for the first time on the first dividend record date that falls after the new shares have been registered with the Swedish Companies Registration Office. The new shares have the same right to dividends as the existing shares.

Decisions on profit distribution are made by the general meeting and payment is taken care of by Euroclear. The right to a dividend accrues to anyone who is a registered shareholder in the share register kept by Euroclear on the record date before the dividend as decided by the general meeting. Dividends, to the extent that such is decided upon, are normally paid out as a cash amount per share through Euroclear's provision but can also consist of something other than cash. If the shareholder cannot be reached through Euroclear, the shareholder's claim on the Company regarding the dividend amount remains and such claim is subject to a ten-year statute of limitations. In case of prescription, the dividend amount accrues to the Company. The Company does not apply any restrictions or special procedures regarding cash dividends to shareholders residing outside Sweden. With the exception of possible restrictions resulting from banking and clearing systems, payment is made in the same way as for shareholders resident in Sweden. For shareholders who are not domiciled in Sweden for tax purposes, Swedish withholding tax is also normally payable.

Change in shareholder rights

The general meeting has the opportunity to make decisions on changes to the articles of association, which may entail changes to the shareholders' rights. The Companies Act sets out certain majority requirements for such decisions at the general meeting to be valid. If a decision to amend the articles of association results in the shareholders' right to the Company's profit or other assets being reduced by the fact that the purpose of the Company's operations must be wholly or partly other than to give profit to the shareholders, that the right to transfer or acquire shares in the Company is restricted through consent- , reservation of pre-emption or home bid or otherwise results in the legal relationship between shares being disrupted, it is required that the decision be supported by all present shareholders and that these together represent more than nine tenths of all shares in the Company. If a decision to amend the articles of association means that the number of shares for which the shareholders may vote at the general meeting is limited, that the net profit after deduction for covering the balance sheet loss must be set aside to a certain extent to a restricted fund, or that the use of the Company's profit or its retained assets at its dissolution is limited in a different way than by changing the Company's purpose to be wholly or partly other than giving profit to shareholders or by the net profit after deduction for coverage of balanced loss to a certain extent being allocated to a restricted fund, the decision is required to be assisted by at least two-thirds of the votes cast and nine-tenths of the shares represented by the meeting. However, the above-mentioned majority requirements do not apply if a decision is supported by shareholders with at least two-thirds of both the votes cast and the shares that are represented at the general meeting, if the change only results in the rights of certain or certain shares being impaired and consent is given by all present at the general meeting owners of such shares and these owners together represent at least nine-tenths of all shares whose rights are impaired or if the change impairs the rights of only an entire class of shares and owners of half of all shares of this type and nine-tenths of the shares of this type represented at the general meeting agree to the change.

Public takeover offers and forced redemptions

In the event that a public takeover offer was to be submitted regarding the shares in Cyxone, the Takeover rules (rules regarding public takeover offers regarding shares in Swedish limited companies whose shares are traded on certain trading platforms) issued by the College of Swedish corporate governance (the “Takeover Rules”). If the Board or the CEO of the Company, due to information derived from the person who intends to make a public takeover offer regarding shares in the Company, has reasonable grounds to assume that such an offer is imminent, or if such an offer has been made, may According to the Takeover rules, the company may only take measures after a decision by the general meeting that are likely to worsen the conditions for the submission or implementation of the offer. However, this does not prevent the Company from searching for alternative offers.

A takeover offer can apply to all or part of the shares in a company and can either be voluntary through a public takeover offer or mandatory through a so-called mandatory bid. Obligation to bid arises when an individual shareholder, alone or together with related parties, achieves a holding that represents at least 30 percent or more of the votes in a company. During a public takeover offer, the shareholders are free to decide whether they wish to sell their shares in the public takeover offer. After a public takeover offer, the person who submitted the offer may, under certain conditions, be entitled to redeem the remaining shareholder's shares in accordance with the rules on compulsory redemption in ch. 22. The Companies Act (2005:551). Such forced redemption may take place if bidders obtain more than 90 percent of the shares in the Company. Correspondingly, a shareholder whose shares may be subject to redemption is entitled to such redemption by the majority shareholder. This process is part of the minority protection, which aims to create a fair treatment of all shareholders, where the shareholders who are forced to dispose of their shares must receive fair compensation.

The shares that are newly issued in the Rights Issue described in the Memorandum are not subject to any offer made as a result of an obligation to bid, right of redemption or obligation to resolve. No public takeover offers have been made regarding the shares during the current or previous financial year.

Ownership structure

As of the date of the Memorandum, the number of shareholders in the Company amounts to approx. 6,900. As far as the Board is aware, there are no shareholders' agreements or other agreements between the Company's shareholders aimed at joint influence over the Company. As far as the Board is aware, there are also no further agreements or equivalent that could lead to the control of the Company being changed or prevented.

As of the date of the Memorandum, there are, to the Company's knowledge, no natural or legal persons who own five percent, or more than five percent, of all shares or votes in Cyxone.

Share capital development and information on securities

The table below shows the development of the share capital since the Company's formation.

Year	Event	Subscrip-tion price (SEK)	Quota value (SEK)	Change in no. of shares	Change in share capital (SEK)	Total no. of shares	Total share capital (SEK)
2015	Formation	-	100.00	500	50,000.00	500	50,000.00
2015	Share issue	100.00	100.00	4,500	450,000.00	5,000	500,000.00
2015	Split (1:1,000)	-	0.01	4,995,000	0	5,000,000	500,000.00
2016	Split (1,000:1,375)	-	0.075	1,625,000	0	6,625,000	500,000.00
2016	Share issue	3.45	0.075	1,300,000	98,113.21	7,925,000	598,113.21
2016	Share issue	5.00	0.075	5,000,000	377,358.49	12,925,000	975,471.70
2017	Warrant exercise	5.00	0.075	2,405,992	181,584.30	15,330,992	1,157,056.00
2017	Warrant exercise	5.00	0.075	2,467,119	186,198.40	17,798,111	1,343,254.40
2018	Share issue	6.62	0.075	1,916,372	144,631.94	19,714,483	1,487,886.34
2018	Share issue	2.50	0.075	17,743,034	1,339,097.65	37,457,517	2,826,983.99
2019	Warrant exercise	5.37	0.075	11,622,863	877,197.70	49,080,380	3,704,181.68
2020	Share issue	4.45	0.075	202,274	15,265.97	49,282,654	3,719,447.65
2020	Share issue	4.45	0.075	214,858	16,215.71	49,497,512	3,735,663.36
2020	Share issue	4.45	0.075	4,490,888	338,935.13	53,988,400	4,074,598.49
2020	Share issue	4.70	0.075	4,075,000	307,547.34	58,063,400	4,382,145.83
2021	Warrant exercise	3.24	0.075	1,928,157	145,519.94	59,991,557	4,527,665.77
2021	Warrant exercise	3.24	0.075	3,685,499	278,148.29	63,677,056	4,805,814.06
2022	Share issue	1.75	0.075	34,767,672	2,623,974.44	98,444,728	7,429,788.50
2023	Reduction	-	0.04	-	-3,491,999.38	98,444,728	3,937,789.12
2023	Share issue	0.17	0.04	117,481,308	4,699,252.32	215,926,036	8,637,041.44
2024[1]	Share issue	0.04	0.04	575,802,760	23,032,110.40	791,728,796	31,669,151.84

[1] *Provided that the Rights Issue is fully subscribed.*

Incentive programs

As of March 31, 2024, Cyxone had no outstanding warrants or convertibles.

Essential agreements

With the exception of agreements entered into within the framework of normal operations, the Company or another group company has not entered into any agreement that is of material importance to the group during a period of one year immediately prior to the publication of the Memorandum.

Legal, governmental and arbitration proceedings

Cyxone has not been a party to any authority proceedings, legal proceedings or arbitration proceedings (including pending matters or those that the Board of the Company is aware may arise) during the past twelve months, and which recently had or could have significant effects on the Company's financial position or result. The Company's board is also not aware of any circumstances that could lead to any such authority proceedings, legal proceedings or arbitration proceedings.

Transactions with closely related parties

During the period covered by the historical financial information and up to and including the date of this memorandum, the Company has not been a party to any related party transactions, which individually or collectively are material to the Company.

Conflicts of interest in the Company

People on Cyxone’s Board and management own shares in the Company or are involved in companies that own shares in Cyxone. None of the Board members or management have been chosen or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties. No Board member or senior management has any private interests that may conflict with the Company's interests.

Dividend policy

Cyxone has so far not paid any dividends and has no dividend policy. There are also no guarantees that a dividend will be proposed or decided on in the Company for a given year. Cyxone is a development company where generated profits are planned to be set aside for development of the business. No share dividend is therefore planned for the coming years. In the future, when the Company's results and financial position allow, a share dividend may become relevant. Proposals for possible future dividends will be decided by the Board of Cyxone and then presented for decision at the annual general meeting.

TERMS & CONDITIONS

Preferential right

Those who on the record date 30 July 2024 were registered as shareholders in the share register maintained by Euroclear on behalf of the Company have preferential rights to subscribe for new shares in relation to the number of shares held on the record date, whereby one (1) existing share in the Company entitles to one (1) subscription right and three (3) subscription rights give the right to subscribe for eight (8) new shares.

Issue volume

The Rights Issue covers a maximum of 575,802,760 newly issued shares, corresponding to a total of approximately SEK 23 million before transaction related costs.

Subscription price

The subscription price in the Rights Issue is SEK 0.04 per share. Brokerage is not charged.

Record date

The record date at Euroclear for determining who is entitled to receive subscription rights in the Rights Issue was the 30 July 2024. The last day for trading in the Company's shares with the right to participate in the Rights Issue was 26 July 2024. The first day for trading in the Company's shares without the right to participate in the Rights Issue was 29 July 2024.

Subscription period

Subscription of shares with the support of subscription rights must take place by cash payment during the period from and including 1 August 2024 until and including 15 August 2024. The Board shall have the right to extend the subscription period. The Board of Directors for the Company reserves the right to extend the subscription period, which, if relevant, will be announced by the Company via press release no later than the last day of the subscription period.

Subscription of shares without the support of subscription rights must be done by subscription on a certain subscription form during the period from and including the 1 August 2024 to and including the 15 August 2024. The Board shall have the right to extend the subscription period. Payment for subscribed ordinary shares must be made in cash no later than the fourth banking day after the settlement note showing notice of allocation is sent to the subscriber, or such later date as the Board determines.

Subscription rights

The right to subscribe for shares is exercised with the support of subscription rights. For each existing share in the Company held as of the record date, one (1) subscription right is obtained. Three (3) subscription rights give the right to subscribe for eight (8) new shares.

Trading in subscription rights

Trading in subscription rights takes place on Nasdaq First North Growth Market during the period from and including 1 August 2024 to and including 12 August 2024. The ISIN code for the subscription rights is SE0022574703. Shareholders must contact their bank or other administrator with the necessary permission directly to carry out the purchase and sale of subscription rights. Subscription rights which are acquired during the aforementioned trading period give, during the subscription period, the same right to subscribe for new shares as the subscription rights shareholders receive based on their holdings in the Company on the record date.

Not exercised subscription rights

Subscription rights which have not been sold no later than 12 August 2024 or used for subscription of shares no later than 15 August 2024 will be booked out of all VP accounts without compensation. No special notification takes place when subscription rights are cancelled.

Issue report and subscription forms

Direct registered shareholders

The shareholders or representatives of shareholders who, on the record date of 30 July 2024, were registered in the share register kept by Euroclear on behalf of the Company, receive a pre-printed issue statement with an attached payment notice, a special notification form with the support of subscription rights, a notification form for subscription without the support of subscription rights. The memorandum will be available on the Company's website www.cyxone.com and Hagberg & Aneborn's website www.hagberganeborn.se for download. Anyone who is included in the list of mortgagees etc. kept separately in connection with the share register, does not receive any information but is notified separately. VP-note reporting the registration of Subscription Rights on the shareholder's VP account was not sent out.

Subscription with support from subscription rights

Subscription of new shares with the support of subscription rights must take place by cash payment during the period from and including the 1 August 2024 to and including the 15 August 2024. Please note that it may take up to three banking days for the payment to reach the recipient's account. Subscription and payment must take place in accordance with one of the two options below.

1. *Issue report – pre-printed payment notice from Euroclear*
   In the event that all subscription rights obtained on the record day are used for subscription of shares, the pre-printed payment receipt from Euroclear must be used as a basis for notification of subscription by payment. The special notification form must therefore not be used. No additions or changes may be made to the text printed on the payment receipt. Subscription is binding.

2. *Special subscription form*
   In the event that a different number of subscription rights is used than what appears from the pre-printed payment nitice from Euroclear, the special subscription form must be used. Registration for subscription by payment must take place in accordance with the instructions stated on the special subscription form. The pre-printed payment notice from Euroclear must therefore not be used. Special registration form can be ordered from Hagberg & Aneborn via phone or e-mail as below.

Special subscription form must be at the disposal of Hagberg & Aneborn no later than 15.00 on 15 August 2024. Any subscription form that is sent by post should therefore be sent in good time before the last day of subscription. Only one entry form per person or legal entity will be considered. In the event that more than one registration form is submitted, only the last one received will be considered. Incomplete or incorrectly completed special registration forms may be disregarded. Subscription is binding.

Completed special subscription form is sent or delivered to:
Hagberg & Aneborn Fondkommission AB
Issue: Cyxone AB
Jungfrugatan 35
114 44 Stockholm
Phone: 08-408 933 50
E-mail: info@hagberganeborn.se (scanned subscription form)

Nominee-registered shareholders

Shareholders whose holdings of shares in the Company are nominee-registered with a bank or other trustee will not receive an issue report. Subscription and payment must take place in accordance with instructions from the respective nominee.

Subscription without the support from subscription rights

Subscription of ordinary shares without pre-emptive rights must take place during the same period as subscription of shares with pre-emptive rights, that is from and including the 1 August 2024 to and including the 15 August 2024. The Board of Directors for the Company reserves the right to extend the subscription period, which, if relevant, will be announced by the Company via press release no later than the last day of the subscription period.

Notification of subscription without pre-emptive rights takes place by filling in the notification form for subscription without subscription rights, signing it and then sending or handing it to Hagberg & Aneborn with contact details as above. The subscription form can be ordered from Hagberg & Aneborn via telephone or e-mail as above. The registration form can also be downloaded from the Company's website www.cyxone.com and from Hagberg & Aneborn's website www.hagberganeborn.se.

The subscription form must be received by Hagberg & Aneborn no later than 15.00 on 15 August 2024. Subscription forms that are sent by post should therefore be sent in good time before the last day of subscription. It is only permitted to submit one (1) application form for subscription without the support of subscription rights. In the event that more than one subscription form is submitted, only the last one received will be considered. Incomplete or incorrectly filled-in subscription forms may be disregarded. Subscription is binding.

Please note that shareholders who have their holdings registered as trustees must notify their trustee of subscription without priority in accordance with his procedures.

Important information when subscribing without the support of subscription rights

NID-number is required

National ID or National Client Identifier (NID number) is a global identification code for private individuals. According to Directive 2014/65/EU ("MiFID II"), from January 3, 2018, all natural persons have an NID number, and this number needs to be entered in order to make a securities transaction.

If such a number is not specified, Hagberg & Aneborn may be prevented from carrying out the transaction for the natural person in question. If you only have Swedish citizenship, your NID number consists of the designation "SE" followed by your social security number. If you have several or something other than Swedish citizenship, your NID number can be another type of number. For more information on how to obtain a NID number, contact your bank. Remember to find out your NID number in good time, as the number needs to be entered on the subscription form.

LEI-number for legal persons

Legal Entity Identifier (LEI) is a global identification code for legal entities. According to MiFID II, from January 3, 2018, legal entities must have an LEI code in order to carry out a securities transaction. If such a code does not exist, Hagberg & Aneborn may not carry out the transaction for the legal person in question.

Subscription from accounts covered by specific rules

Subscribers with accounts that are covered by specific rules for securities transactions, for example IPS account, ISK account (investor savings account) or custody account/account in capital insurance, must check with their respective administrators whether and how subscription of shares can be made in the Rights Issue.

Shareholders residing in certain unemployed jurisdictions

Shareholders residing outside Sweden (does not refer to shareholders residing in the USA, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where participation would require an additional prospectus, registration or other authority permission) who have the right to subscribe for shares in the Rights Issue, can contact Hagberg & Aneborn by telephone as above for information on subscription and payment. Due to restrictions in the securities laws of the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where participation would require additional prospectus, registration or other regulatory approvals, no subscription rights are offered to holders with registered addresses in one of these countries. Accordingly, no offer to subscribe for shares in the Company is directed to shareholders in these countries.

Allocation by subscription without support of subscription rights

If not all shares are subscribed with the support of subscription rights, the allocation of the remaining shares within the framework of the Rights Issue's maximum amount shall take place: primarily to those who have subscribed for shares with the support of subscription rights (regardless of whether they were shareholders on the record date or not) and who have registered an interest in subscription of shares without the support of subscription rights and in the event that allocation to these cannot take place in full, allocation must be made pro rata in relation to the number of subscription rights that each of those who have registered an interest in subscribing to shares without the support of subscription rights used for subscription of shares; secondarily to others who subscribed for shares in the Rights Issue without the support of subscription rights and in the event that allocation to these cannot take place in full, allocation must be made pro rata in relation to the total number of shares for which the subscriber has applied for subscription; and thirdly to those who have submitted guarantee commitments regarding the subscription of shares, in proportion to such guarantee commitments. To the extent that allocation in any stage according to above cannot be done pro rata, allocation must be done by lottery.

Notice of allocation in the case of subscription without support of subscription rights

Notification of any allocation of shares, subscribed without pre-emptive rights, is given by sending an allocation notification in the form of a settlement note. Cash must be paid no later than four (4) banking days after the issuance of the settlement note. No notice is given to those who have not received an allocation. If cash is not paid in time, a number of shares may be transferred to someone else. Should the sale price in the event of such a transfer be lower than the price according to the Rights Issue, the person who originally received the allocation of these shares may be liable for all or part of the difference.

Those who subscribe for shares without pre-emptive rights through their administrator will receive notification of subscription according to their administrator's procedures.

Paid subscribed shares (BTA)

Subscription by payment is registered with Euroclear as soon as this can take place, which normally means a few banking days after payment. The subscriber then receives a VP notice with confirmation that the booking of paid subscribed shares (BTA) has taken place on the subscriber's VP account. The newly subscribed shares are booked as BTA in the VP account until the Swedish Companies Registration Office registers the rights issue and the BTA is converted into shares, without special notification from Euroclear Sweden AB, which is expected to happen around week 35, 2024.

According to the Swedish Companies Act, under certain conditions part of the rights issue may be registered with the Swedish Companies Registration Office. If this option for partial registration is used in the present issue, several series of BTA will be issued, whereby the first series will be named ("BTA 1") in Euroclear. BTA 1 will be converted into shares as soon as a first possible partial registration has taken place. A second series of BTA ("BTA 2") will be issued for subscription which took place at such a time that subscribed shares could not be included in the first partial registration and will be converted into shares as soon as the rights issue is finally registered with the Swedish Companies Registration Office, which is estimated to take place around week 35, 2024.

Trading in BTA

Trading in BTA will take place on the Nasdaq First North Growth Market from and including 1 August 2024 until the Swedish Companies Registration Office has registered the Rights Issue and BTA has been converted into shares, without special notification from Euroclear Sweden AB, which is expected to take place around week 35, 2024. ISIN code for BTA is SE0022574711.

Trading in new shares

As of the date of the Memorandum, the Company's shares are admitted to trading on the Nasdaq First North Growth Market. The Company's shares are traded under the short name CYXO and have ISIN code SE0007815428. The new shares will be admitted to trading in connection with the conversion of BTA into shares, which is expected to take place around week 35, 2024.

Announcement of outcome of the rights issue

The results of the Rights Issue will be announced around the 16 August 2024 through a press release from the Company.

Shares, share capital and dilution

Through the Rights Issue, the number of shares in the Company will increase by a maximum of 575,802,760 shares, from 215,926,036 shares to 791,728,796 shares, and the share capital will increase by a maximum of SEK 23,032,110.40, from SEK 8,637,041.44 to SEK 791,728,796.00. For existing shareholders who do not participate in the Rights Issue, this means, in the case of full subscription, a dilution effect of approximately 72.7 percent of votes and capital in the Company.

Other information

The Board of Cyxone does not have the right to cancel, revoke or temporarily withdraw the Rights Issue to subscribe for new shares in the Company in accordance with the terms of the Memorandum.

Subscription of new shares is irrevocable, and the subscriber cannot cancel or modify a subscription of new shares. An incomplete or incorrectly completed registration form may be left without consideration. If the cash for subscribed

shares is paid in late, is insufficient or is paid incorrectly, the notification of subscription may be left without consideration or subscription may take place with a lower amount. Cash paid that has not been used will be refunded. If several registration forms of the same category are submitted, only the registration form that Hagberg & Aneborn received last will be considered. Payment received late for amounts under SEK 100 will only be refunded on request.

Pre-subscription commitments

In connection with the Offer, Cyxone has received pre-subscription commitments totaling approximately SEK 0.26 million, corresponding to approximately 1.1 percent of the Rights Issue. The pre-subscription commitments entered into are not secured via advance transaction, bank guarantee, blocking funds, pledging or similar arrangements. Consequently, there is a risk that one or more parties will not fulfill their respective obligations. For further description, see the section "Risk factors – pre-subscription commitments commitments not secured".

The table below summarize the pre-subscription commitments that the Company received as of the date of the Memorandum.

Pre-subscription commitments

Pre-subscriber	Corp. id. no.	Address	Amount (SEK)	Part of the total offer (%)
Abbmo Holding AB	559316-5151	Brobyvägen 20, 647 51 Åkers Styckebruk	125,000.00	0.54
Michael Oredsson			67,419.20	0.29
Jürgen Reess			67,419.20	0.29
In total			**259,838.40**	**1.13**

RISK FACTORS

An investment in securities is associated with risk. This section describes the risk factors and important circumstances that are considered essential for Cyxone's operations and future development. The risk factors stated in this section are limited to such risks that are deemed to be specific to Cyxone and/or Cyxone's shares and that are deemed to be essential for an investor to be able to make a well-founded investment decision. Cyxone has thereby assessed the materiality of the risk factors on the basis of the probability of their occurrence and the expected extent of their negative effects for the Company's operations, results and/or financial position and the risks have therefore, in cases where a risk has not been able to be quantified, graded on a qualitative scale with the designations low, medium and high. The risk factors are presented in a limited number of categories which include Cyxone's operational and industry-related risks, legal and regulatory risks, financial risks and risks related to Cyxone's shares and the Rights Issue. The risk factors deemed most significant as of the date of the Memorandum are presented first in each category, while the risk factors follow without particular ranking. The statement below is based on the Company's assessment and information that is available on the day of the Memorandum.

Business and industry related risks

Cycone is a development company

Cyxone works exclusively with research and product development, and as of the date of the Memorandum, the Company's development portfolio consists of two drug candidates in the clinical phase. The first drug candidate rabeximod is being developed for the treatment of RA and is in clinical phase II. The second drug candidate T20K for MS is in early clinical phase. Preclinical and clinical studies are extensive and time-consuming, and since Cyxone's development project is in the clinical phase, it is not currently possible to say with certainty that the Company will take its drug candidates to the commercialization phase. Results from preclinical studies and early clinical studies do not always agree with results in pivotal, registration-based studies. There is therefore a risk that the Company's studies will not indicate sufficient safety and/or efficacy for the Company's drug candidates to be launched on the market, which may lead to future income being delayed or, alternatively, not being fully or partially absent. Furthermore, preclinical and clinical studies are expensive to conduct and associated with great uncertainty and risk regarding schedules, delays, costs and results in the studies. In addition, Cyxone's ability to start, complete and complete studies can also be affected by delays related to macroeconomic factors. There is a risk that Cyxone is forced to interrupt its studies or needs to carry out more extensive studies than the board of the Company currently deems necessary, which can delay the development process and cause, among other things, increased costs, delayed commercialization and, by extension, reduced or non-existent cash flow. The fact that the Company is in the clinical phase means that it can be difficult to evaluate the sales potential, as the Company may either drive the development together with partners or out-license/sell parts of the development. Based on the above, there is a risk that revenues will be completely or partially absent, which could have a negative impact on Cyxone's future earning power.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a high negative impact on the Company's revenue potential, cash flow and thus financial position.

Limited project portfolio

Cyxone was formed in 2015 and has not yet launched any drugs on the market, either individually or through collaboration partners, and therefore has not yet conducted any sales or generated any sales revenue, which is why it may be difficult to evaluate the Company's sales potential. Cyxone has invested significant amounts in the development of the Company's project portfolio consisting of the rabeximod and T20K projects, and additional investments will be required for the ongoing and accelerated development of the Company's drug candidates. Considering the Company's relatively limited development portfolio in the early clinical phase and the large proportion of research and capital that remains to be invested in the Company's drug candidates, it may have a negative impact on Cyxone's operations and opportunities to generate income in the future if one or more of the Company's drug candidates were to suffer setbacks. The narrow focus on the Company's project portfolio towards the treatment of RA and T20K also exposes Cyxone to the fact that the value and potential of the Company's project portfolio may decrease or disappear completely, for example if the research area in general were to suffer problems or if one of the Company's competitors was more successful way would succeed in developing and commercializing drugs with similar properties to the Company's candidates. The Board of Directors for Cyxone further assesses that further studies are required before out-licensing or sale of any of the Company's drug candidates can become relevant. There is a risk that the Company will not be able to attract any licensees or buyers for its drug candidates and that it may therefore be difficult to evaluate the Company's potential in this phase. The aforementioned can lead to delays for the Company and thus non-existent commercialization as well as reduced or non-existent cash flow.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a high negative impact on the Company's results and financial position.

Commercialization and market acceptance

In light of the fact that the Company is in clinical phase, none of the Company's drug candidates have been commercialized. Even in the event that Cyxone obtains relevant authority approvals for the marketing and sale of the Company's drug candidates, there is a risk that sales, locally or globally, will not meet the Company's expectations and that the commercial successes will not materialize. Market acceptance and sales of the Company's drug candidates will depend on a number of factors, including product characteristics, clinical documentation and results, obtaining acceptance by physicians, patients, competing products, distribution channels, availability, sales and marketing efforts, and access to adequate reimbursement systems and price subsidies. Furthermore, it is difficult to determine which resources are required to possibly achieve commercialization of the Company's drug candidates as these are in early research and development stages, thus there is a risk that a possible commercialization will be significantly more costly than the Company has calculated. An unsuccessful commercialization or lack of market acceptance of the Company's drug candidates may lead to the Company's opportunities to generate future sales revenue and reach profitability being delayed or, alternatively, completely or partially, not occurring.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a high negative impact on the Company's results and financial position.

License regarding cyclotide technology

Accequa AB, which is co-owned by former board member Bert Junno, and former board member Mikael Lindstam and Cyxone's CEO Kjell Stenberg in 2015 received an exclusive license from the Medical University of Vienna (Medizinische Universität Wien) for the cyclotime technology on which the Company's drug candidate T20K is based, and which Accequa AB in its turn has handed over to the Company. For Cyxone, the change of parties and the acquisition of the license rights means an exclusive right and opportunity for the Company to use and develop the patents and patent applications related to the cyclotime technology. The Medical University of Vienna has the right to terminate the license agreement with the Company and recover all intellectual property rights related to the cyclotime technology in the event that the Company ceases to develop the patents and patent applications relating to the cyclotime technology, or in the event that the Company commits a breach of contract and does not undertake correction within the prescribed time. In the event that the Medical University of Vienna were to terminate the license agreement in light of the above, there is a risk that the Company's income may be wholly or partially absent in relation to the Company's projects that are based on the cyclotime technology, which in turn could have a negative impact on the Company's future earning capacity and profitability.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a medium negative impact on the Company's results and financial position.

Competition

The pharmaceutical industry is highly competitive. The Company's competitors mainly consist of pharmaceutical companies as well as academic institutions that are active in research into new drugs and treatment methods in autoimmune diseases. Among others, large and well-defined pharmaceutical companies such as Hoffmann-LA Roche, Novartis, Biogen and Sanofi, have recognized drugs for MS. Competitors, including those described above, may have greater financial and other resources than the Company and its partners, which may give them advantages in, for example, research and development, contacts with licensing authorities, marketing and launching of medicines. There is therefore a risk that the Company's competitors succeed in commercializing products earlier than the Company and its partners, that competitors obtain patent protection, or that competitors develop products and/or treatment methods that are more effective, safer or cheaper than the Company's drug candidates, which may result in such competitors establishes a strong market position before the Company can enter the market. Such competing products may limit Cyxone's ability to commercialize its drug candidates and thereby generate revenue in the future.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. In the event that the risks materialize, it could potentially have a high negative impact on the Company's and operating profit.

Collaborators and suppliers

Cyxone intends to license out its drug candidates and/or start partnerships with companies that have the resources to carry out later stages of clinical development and then commercialize the drug candidates. Cyxone is thus dependent on current and future license, collaboration, supplier and other agreements with experienced partners for the development and successful commercialization of the Company's current and future drug candidates, such as clinical contract research organizations (Contract Research Organization, CRO) for the implementation of the Company's clinical studies. In addition, the Company is, and will likely continue to be, dependent on collaborations with various suppliers and contract manufacturers (Contract Manufacturing Organization, CMO) for the production

and storage of Good Manufacturing Practice material (good manufacturing practice, GMP) and the substances required for the implementation of The company's preclinical and clinical studies. There is a risk that current, or future, suppliers, manufacturers, licensees and partners choose to discontinue their cooperation with the Company, do not fulfill their commitments, or cannot continue the cooperation on terms favorable to the Company. There is also a risk that potential negative study results may have a negative impact on the Company's ability to attract potential partners. Nor can it be guaranteed that the Company's suppliers, manufacturers or partners fully meet the quality requirements set by the Company or relevant authorities. There is also a risk that the Company will not succeed in entering into collaborations at all or will not succeed in entering into collaborations on favorable terms for the Company when the need exists. In the event that any of the above risks occur, Cyxone considers that it could have a negative impact on the Company's operations in the form of delayed commercialization, additional costs for the Company and possibly also lead to limited or non-existent revenues.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a significant negative impact on the Company's revenue potential and financial position.

Key personnel and qualified personnel

Cyxone has established an organization with qualified people to create the best possible conditions for research, development and commercialization of the Company's drug candidates. Cyxone is run by a small organization consisting of three full-time employees, and the Company's future growth is highly dependent on the knowledge, experience and commitment of the Company's management and other key personnel. The Company may fail to retain these key personnel and to recruit new qualified personnel in the future, which could have a negative impact on the Company's opportunities to commercialize its drug candidates and thus negatively affect the Company's profitability and future earning capacity. New recruitments can also take a long time to implement. If any of the Company's key personnel terminates their employment, it may lead to delays or interruptions in Cyxone's operations and continued development.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a medium negative impact on the Company's business development and operating profit.

Legal and regulatory risks

Patents and other intellectual rights

Cyxone has, via Accequa AB from the Medical University of Vienna, acquired the exclusive license rights to patents and patent applications related to the cyclotide technology on which the drug candidate T20K is based. In addition, Cyxone has also acquired the exclusive right to the drug candidate rabeximod with associated patent rights from OxyPharma AB. As of the date of the Memorandum, Cyxone's patent portfolio thus consists of granted patents and pending patent applications within two patent families, rabeximod and T20K respectively.

Patents, which form an important part of Cyxone's assets, have a limited lifespan and there is a risk that granted patents do not provide sufficient commercial protection, as objections or other invalidity claims against granted patents can be made after the patent has been granted. If Cyxone, or Cyxone's license partners, were to be forced to defend their patent rights against a competitor, or have a patent declared invalid, this could entail extensive costs for the Company, which could affect the Company's operations and financial position significantly negatively. In addition, the costs of a dispute, even in the event of an outcome favorable to the Company, can be significant. There is also a risk that the scope of an approved patent is not large enough to protect against other players developing similar drug candidates. There is also a risk that the Company's ongoing patent applications will not be granted, that the Company will not succeed in registering and completing all necessary patent applications at a reasonable cost, or that the Company's license agreement for the use of patents and patent applications or other intellectual property rights will be terminated. It may also turn out that other actors have applied for patents regarding drug candidates covered by the Company's and/or the Company's license partner's patent applications, without the Company's knowledge. There is therefore a risk that the Company may infringe, or be alleged to infringe, patents held by third parties. A possible infringement of third-party patents may limit the possibilities for the Company or its potential partners to use the Company's drug candidates as planned. As a result, the Company's patent applications may also have a lower priority in relation to other patent applications or limit the Company's ability to commercialize drug candidates and obtain the necessary patent protection, which could have a negative impact on Cyxone's opportunities to further develop the Company's drug candidates. The above could mean difficulties or delays in the commercialization of future products and thus also difficulties in generating income. If any of the above risks were to materialize, it would hinder or prevent continued development and successful commercialization of the Company's drug candidates, and ultimately the Company's ability to generate licensing and sales revenue in the future.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a high negative impact on the Company's assets and financial position.

Authority permission and registration

In order for Cyxone to be able to conduct clinical studies and market and/or sell medicines, permission must be obtained, and registration must take place with the relevant authority in each market, for example the Swedish Medicines Agency, the American Food and Drug Administration ("FDA") in the USA and the European Medicines Agency ("EMA") within the EU. Obtaining the required permits is time- and cost-consuming and can increase the cost, delay or prevent the development of the Company's drug candidates. In the event that Cyxone, directly or via possible future partners, does not succeed in obtaining the necessary permits and registrations from authorities, the Company may be negatively affected in the form of the clinical studies being delayed or, in the worst case, unable to be initiated. Also comments on the Company's proposed approach to future clinical studies may lead to delays and/or increased costs for Cyxone. Furthermore, applicable rules and interpretations may change, which may negatively affect the Company's conditions for meeting regulatory requirements. In addition, permits and registrations can be withdrawn after the Company, or its partners have received them. In the event that the Company alone, or via partners, does not succeed in obtaining relevant permits or registrations, or if permits or registrations are withdrawn, this may result in increased costs, the Company's ability to generate income being wholly or partially absent, delays in development work, or The Company is forced to shut down all or parts of its operations, as well as lead to the Company's market position deteriorating in relation to the Company's competitors.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a medium negative impact on the Company's assets, revenue potential and financial position.

Side effects, product liability and insurance coverage

Cyxone is exposed to various liability risks such as the risk of potential product liability claims that may arise in connection with the manufacture of drugs, clinical studies or the marketing and sale of drugs in the event that the Company's drug candidates are commercialized. For example, patients who participate in the Company's ongoing and possible future clinical studies, or people who otherwise come into contact with the Company's medicines, may suffer side effects or other related injuries. Even if clinical studies were to be carried out by a collaboration partner, there is a risk that the Company may be held responsible for any incidents. Potential side effects or product liability claims can delay or stop the Company's development work as well as limit or prevent the commercial use of the Company's drug candidates and thus lead to increased costs, which could have a negative impact on the Company's opportunities to generate profitability. There is also a risk that the Company may be sued by patients who suffer from side effects, partly by test subjects and patients within the framework of the Company's clinical studies, partly by other people who may in the future use the Company's medicines, whereby the Company may be liable for damages. The company's insurance coverage may be insufficient to cover any costs that may arise as a result of side effects or other product liability claims, for example if a claim is outside the insurance coverage or if the claim for damages exceeds the insurance amount. In addition, this type of insurance does not normally cover damage to reputation that may occur regardless of the outcome of a potential liability claim. There is therefore a risk that the Company's insurance cover cannot fully cover any future legal claims directed against the Company, which may entail significant costs and have a negative impact on the Company and its operations, both reputationally and financially.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a high negative impact on the Company's results and financial position.

Processing of personal data

Within the framework of Cyxone's operations, the Company collects and processes personal data, especially in connection with clinical studies. The company is thus covered by Regulation (EU) 2016/679 of the European Parliament and of the Council ("GDPR") and it is of great importance that the handling of personal data takes place in accordance with applicable data protection management. There is a risk that Cyxone will not currently, or in the future, meet the requirements of the GDPR. Incorrect or insufficient processing of personal data, shortcomings in the Company's obligations towards those whose personal data is processed and other violations according to the GDPR may result in sanctions in the form of fines amounting to the higher of EUR 20 million or 4 percent of the Group's annual turnover, which may entail significant costs and have a significant negative impact on the Company and its operations, both reputationally and financially.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is low. If the risks materialize, it could potentially have a medium negative impact on the Company's costs and financial position.

Financial risks

Financing needs and capital

The development projects that Cyxone pursues, in combination with the fact that the Company does not generate, and has not yet generated, any sales revenue, entail significant costs. Furthermore, it may take a long time before the Company's drug candidates are commercialized and ongoing cash flow can be generated from the Company's operations. Any delays in the Company's development project may mean that positive cash flow is generated later than planned. The Company may therefore, depending on when a positive cash flow can be achieved, also in the future need to acquire additional capital in addition to the capital acquired through the Rights Issue. There is a risk that the Company will not be able to acquire any capital when the need arises or that it cannot be acquired on favorable terms for the Company, which could significantly negatively affect the Company's operations and financial position. In addition, the ability to raise external capital can be affected by factors beyond the Company's control, such as economic fluctuations and market fluctuations, which can make it more difficult or more expensive for the Company to acquire new capital. If Cyxone is unable to obtain sufficient financing, the Company may be forced to stop planned development projects, carry out restructuring of all or parts of the business, or be forced to conduct the business at a lower pace than planned, which may lead to delayed or non-existent commercialization of the Company's drug candidates as well as delayed or non-existent licensing and sales revenue.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a high negative impact on the Company's results, cash flow and financial position.

Exchange rate changes

Cyxone is based in Sweden and reports its financial position and results in SEK, which means that transactions in foreign currency are converted to SEK. Currency flows in connection with the purchase and sale of goods and services in currencies other than SEK give rise to so-called transaction exposure. In many cases, Cyxone is dependent on international subcontractors to carry out studies and production of materials. Cyxone is therefore exposed to currency risk through the purchases of services and inputs for research and development that are made in different currencies. Cyxone's purchases are made predominantly in the currencies of EUR, GBP, NOK, CHF, DKK and USD. Exchange rate changes may therefore negatively affect Cyxone's cash flow, income statement and balance sheet.

Cyxone assesses that the probability of the risks, in whole or in part, being realized is medium. If the risks materialize, it could potentially have a medium negative impact on the Company's assets, liabilities and results.

Risks related to the shares and the Rights Issue

Future share issues and dilution

Cyxone is still in the early clinical development phase, and it is difficult to assess in advance when the Company can generate income and become profitable. To enable continued development of Cyxone's drug candidates, the Company needs additional financing. If additional financing is arranged through equity capital, further new issues of shares or other securities in the Company for current shareholders, unless they participate in such possible new issues, means a dilution of their ownership stake in the Company. As the timing and terms of any future new issues will depend on Cyxone's situation and market conditions at the time in question, the Company cannot predict or estimate the amount, timing or other terms of such new issues. Depending on the conditions for any additional new issues, such new issues may have a negative impact on Cyxone's share price.

Share price development, volatility and liquidity

The risk of volatility is particularly high in companies that, like Cyxone, have not yet launched a drug on the market, which means that the share price is largely based on expectations of what the Company may perform in the future. A smaller company on an unregulated market, which is the case for Cyxone, runs a particularly high risk that trading in its securities will not be active and liquid. During the 12-month period that ended on June 30, 2024, the Company's shares had a highest closing price of approximately SEK 0.68 and a lowest of approximately SEK 0.08. If an active and liquid trade does not develop in Cyxone's shares, or does not prove to be sustainable, it may mean difficulties for the holders to dispose of securities in the Company, quickly or at all, and the market price after the Rights Issue is implemented may differ significantly from the price in the Rights issue. If any of these risks were to materialize, it could have a material adverse effect on the market price of the shares and the ability of holders to recover invested capital.

Limited trading in subscription rights and BTA

Subscription rights and BTA's will be subject to trading on the Nasdaq First North Growth Market. There is a risk that active trading in the subscription rights and BTA will not develop, that there will not be sufficient liquidity or that the subscription rights cannot be sold. If active trading does not develop, the price of the subscription rights and BTA will depend, among other things, on the price development of the Company's shares and may be subject to greater

volatility than applies to said shares. The price of Cyxone's shares may fall below the subscription price in the Rights Issue as a result of reasons attributable to Cyxone as well as a general decline in the stock market.

Pre-subscription commitments

In connection with the Offer, Cyxone has received pre-subscription commitments totaling approximately SEK 0.26 million, corresponding to approximately 1.1 percent of the Rights Issue. Received pre-subscription commitments are not secured via advance transaction, bank guarantee, blocking funds, pledging or similar arrangements. Thus, if all or parts of these commitments were not fulfilled, there would be a risk that the Offer would not be subscribed to the planned extent, with the effect that the Company would be provided with less capital than calculated to finance the operation.

AVAILABLE DOCUMENTS

Copies of the following documents are available at the Company's office (Cyxone AB, Hyllie Boulevard 34, 215 32 Malmö) during regular office hours. The documents are also available in electronic form on the Company's website, www.cyxone.com.

- Certificate of incorporation (certificate of registration).
- Articles of association.

Please note that the information on the website does not form part of the Memorandum.