

Healthcare industry BW

Combination of businesses of SYGNIS and GENETRIX' subsidiary X-Pol proposed

SYGNIS Pharma AG and GENETRIX announced today, that the biotechnology companies SYGNIS and GENETRIX have signed a binding Term Sheet under which the companies propose to combine the GENETRIX' DNA sequencing subsidiary X-Pol Biotech and SYGNIS. Goal is to develop and market X-Pol Biotech, S.L.'s DNA sequencing technologies and products.

SYGNIS will acquire 100 percent ownership of X-Pol by way of capital increase against contribution in kind and therefore X-Pol will become a 100 percent subsidiary of SYGNIS. After the proposed transaction, the existing shareholders of X-Pol are expected to hold 77.5 percent of SYGNIS shares. Cash and existing financial facilities, such as SEDA are expected to cover the financial needs of SYGNIS after the transaction until achieving positive cash flows. The executive and supervisory boards of both companies have voted unanimously for the proposed key terms of the transaction. The transaction is subject to an exemption granted by BaFin from the obligations pursuant to Section 35 of the German Takeover Act (Wertpapiererwerbs- und Übernahmegesetz), in particular to submit a mandatory tender offer to the existing shareholders of SYGNIS in connection with the transaction. It is also dependent on the approval of SYGNIS shareholders at the next shareholders' meeting. It is proposed that Pilar de la Huerta (CEO of GENETRIX) will join the SYGNIS Management Board following the closing of the transaction.

The transaction takes advantage of SYGNIS' long lasting expertise in the biotechnology business and its stock listing in combination with GENETRIX' expertise in the upcoming field of molecular diagnostics.

Experiences and Starches combine

"Qualiphi®" is the most advanced commercial product in the X-Pol portfolio. Very recently GENETRIX signed a first global and exclusive licensing agreement for X-Pol's "Qualiphi®" polymerase product with Qiagen, the global sample and assay technologies company. X-Pol's DNA polymerases, due to their unique properties, are believed to increase the performance of DNA amplifications significantly. X-Pol's polymerases enable a wide range of applications for DNA amplification, repair, sequencing and modification of genetic targets of research and clinical interest. Polymerases such as "Qualiphi®" are necessary for the amplification of large DNA fragments and complete genomes, and are an essential tool for any research that requires the use of DNA from any species. In conjunction with the advances made in the field of DNA sequencing and personalised medicine, the market for polymerases is estimated to grow by 25% annually for the coming years. Current estimates have calculated the current global isothermal DNA amplification market alone to be of up to €70 million.

Peter Willinger, CFO of SYGNIS commented: "We are very excited to leverage our assets and, thus, create a new SYGNIS, with a new profile based on its long lasting expertise. The company will have an entirely new focus and business and will provide a lower risk profile with the near term visibility of revenues and profitability."

Dr. Frank Rathgeb, CMO of SYGNIS complemented: "The scientific team of X-Pol is a frontrunner in the polymerases field. We are happy to join forces with these excellent scientists and will put a clear focus on building on the X-Pol DNA sequencing business and related activities within the field of molecular diagnostics."

Pilar de la Huerta, CEO of GENETRIX added: "The combination of both companies offers great opportunities: access to the international healthcare capital markets and cash to advance our technologies and products and to build a strong company on top of that. The SYGNIS team and its Heidelberg biotech network offer us direct access to the scientific excellence of that region; we will use this huge potential to its full effect."