



FOR IMMEDIATE RELEASE

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### **Cypress Bioscience Signs \$5 Million Term Loan with Transamerica Business Credit Corporation**

September 9, 1999, San Diego, CA - Cypress Bioscience, Inc. (NASDAQ: CYPB), announced today that it has signed a \$5 million term loan agreement with Transamerica Business Credit Corporation's Technology Finance Division of Farmington, CT. The company has initially drawn down \$2 million of this loan. The new funds will be used to support the company's recent commercial launch of the PROSORBA® column, a therapeutic medical device. The PROSORBA column was approved by the U.S. Food and Drug Administration for use in the therapeutic reduction of the signs and symptoms of moderate to severe rheumatoid arthritis in adult patients with long standing disease who have failed or are intolerant to disease-modifying anti-rheumatic drugs (DMARDs).

"We are pleased to have obtained this funding which, we believe, will help facilitate the growth of the company with minimal dilution," said Jay D. Kranzler, M.D., Ph.D., Chairman of the Board and Chief Executive Officer of Cypress.

"We are excited to partner with Cypress during this phase of their growth," said Christopher M. Mathieu, Vice President – Life Sciences, of Transamerica Technology Finance, "and hope that this financing will promote the success of the PROSORBA column."

Under the terms of the loan agreement, Cypress will draw down an additional \$1 million prior to the end of 1999. The remaining loan balance of \$2 million will be drawn down at the option of the company and is subject to Cypress meeting certain financial criteria. Each tranche of the loan is repayable at interest only for six months. Thereafter, there are twenty-four equal payments of principal and interest. The loan is secured by certain assets of the company. In connection with this agreement, Cypress granted Transamerica a five-year warrant to purchase 168,851 shares of the company's common stock at an exercise price of \$2.96 per share.

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### About Cypress Bioscience, Inc.

Cypress Bioscience, Inc. develops and markets medical devices and therapeutics for the treatment of certain types of immune disorders and is engaged in the development of novel therapeutic agents for the treatment of blood platelet disorders. In March 1999, the Company entered into an agreement that granted Fresenius AG and Fresenius Hemotechnology, Inc. an exclusive license to manufacture and distribute the PROSORBA column in the U.S., Europe and certain other territories. In April 1999, Cypress launched sale of the PROSORBA column for the treatment of moderate to severe RA in adult patients. The PROSORBA column was previously approved by the FDA in 1987 for use in Idiopathic Thrombocytopenic Purpura (ITP), an immune bleeding disorder. In addition, Cypress is developing Cyplex™ (Infusible Platelet Membranes), which is positioned to become an alternative for traditional platelet infusions. For more information about the PROSORBA column and Cypress, please visit the company's web site at [www.cypressbio.com](http://www.cypressbio.com).

### About Transamerica Technology Finance

Transamerica Technology Finance provides intermediate-term financing and revolving credit solutions for emerging growth and technology-based enterprises. Transamerica Technology Finance is a division of Transamerica Business Credit Corporation, a wholly owned subsidiary of Transamerica Corporation, an Aegon Company.

*Except for historical information contained herein, this news release contains forward-looking statements about Cypress Bioscience, Inc. that involve risks and uncertainties, including, but not limited to, the Company's and Fresenius' ability to market successfully the ProSORBA column for use as a treatment for RA or to achieve growth in sale of the ProSORBA column; whether the Company will be able to satisfied the financial criteria required to draw down the final \$2 million of the loan; whether the Company will be successful in collaborating with Fresenius; the Company's ability to receive regulatory approval for Cyplex™ on a timely basis, if at all; and whether Cyplex will become a substitute for traditional platelet infusions, as well as other risks detailed from time to time in the Company's SEC reports, including its report on the most recent Form 10-K.*