

Rhythm and Camurus Announce License Agreement for Extended Release FluidCrystal Setmelanotide

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BOSTON and LUND, Sweden, January 5, 2016— Rhythm and Camurus announced today a license agreement for the use of Camurus' drug delivery technology, FluidCrystal®, to formulate setmelanotide (RM-493), Rhythm's novel melanocortin-4 receptor (MC4R) agonist. Under the terms of the agreement, Camurus has granted Rhythm a worldwide license to the FluidCrystal technology to formulate setmelanotide and to develop, manufacture, and commercialize this new formulation that has the potential for once-weekly dosing, administered as a subcutaneous injection. Rhythm plans to initiate a Phase I clinical trial with the setmelanotide FluidCrystal formulation after completing GMP manufacturing.

"We have developed a setmelanotide formulation with Camurus with an impressive sustained-duration profile," said Bart Henderson, President of Rhythm. "We believe this new formulation will provide a significant benefit to patients, improving compliance and ease of use with once-weekly dosing."

"The partnership with Rhythm follows the formulation development and preclinical assessment of this compelling drug candidate based on our FluidCrystal Injection depot technology," said Fredrik Tiberg, President and CEO of Camurus. "Rhythm's setmelanotide represents a novel approach to treating patients suffering from life-threatening obesity due to these rare and serious genetic disorders."

The license granted to Rhythm is specific to the FluidCrystal technology incorporating setmelanotide. The formulation has been developed in a collaboration between the companies. Under the terms of the license agreement, Rhythm is responsible for manufacturing, development, and commercialization of the setmelanotide FluidCrystal formulation worldwide. Camurus is eligible to receive an upfront payment and progressive payments of approximately \$65 million, of which the majority are sales milestones. In addition, Camurus is eligible to receive tiered, mid to mid-high, single digit royalties on future sales of the product.

About Setmelanotide (RM-493)

Setmelanotide is a potent, first-in-class MC4R agonist in development for the treatment of obesity caused by genetic deficiencies in the MC4 pathway, a key pathway in humans that regulates energy expenditure, homeostasis, and appetite. The critical role of the MC4 pathway in weight regulation was validated with the discovery that single genetic defects along this pathway result in early-onset and severe obesity. A Phase 2 setmelanotide trial is ongoing for the treatment of Prader-Willi syndrome (PWS), a rare genetic disorder that causes life-threatening obesity. Recent scientific evidence implicates defects in the MC4 pathway as the likely cause of the weight and appetite abnormalities in PWS. A second Phase 2 trial is ongoing for the treatment of pro-opiomelanocortin (POMC) deficiency obesity, a very rare, life-threatening genetic disorder of the MC4 pathway associated with unrelenting appetite and obesity.

About FluidCrystal Injection Depot

The FluidCrystal Injection depot delivers therapeutic levels of drug substance over extended periods—tunable from days to months—from a single injection. While traditional depot therapeutics comprise complicated microsphere technology, Camurus' depot offers a liquid solution that transforms into a controlled release liquid crystal gel matrix in situ on contact with minute quantities of aqueous fluid at site of injection. The FluidCrystal delivery system overcomes traditional side effects associated with high initial drug release on injection (drug burst) and poor drug stability by effectively encapsulating the drug compound in the nanopores of the depot matrix throughout the entire process from injection until final degradation. This, together with the ready-to-use product design, makes the system highly suitable for sustained parenteral delivery of peptides and proteins. FluidCrystal is a registered trademark of Camurus AB.

About Rhythm (www.rhythmtx.com)

Rhythm is a biopharmaceutical company focused on developing peptide therapeutics for the treatment of rare genetic deficiencies that result in life-threatening metabolic disorders. Rhythm's lead peptide product candidate is setmelanotide, a first-in-class melanocortin 4 receptor (MC4R) agonist for the treatment of rare genetic disorders of obesity. The company

is based in Boston, Massachusetts.

About Camurus

Camurus is a Swedish research-based pharmaceutical company committed to developing and commercializing innovative and differentiated medicines for the treatment of severe and chronic conditions. New drug products with best-in-class potential are conceived based on the proprietary FluidCrystal® drug delivery technologies and an extensive R&D expertise. Camurus' clinical pipeline includes products for treatment of cancer, endocrine diseases, pain, and addiction, developed in-house and in collaboration with international pharmaceutical companies. The company's share is listed on Nasdaq Stockholm under the ticker "CAMX." For more information, visit www.camurus.com.