



Press release

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Diamyd Medical's competitor signs multimillion dollar agreement

Aventis has entered into an agreement with Peptor from Israel that involves Aventis investing more than USD 100 million in Peptor's diabetes project. This is not only good news for Peptor but also for Diamyd Medical as a major pharmaceutical company has now confirmed that both Peptor's and Diamyd Medical's strategies of developing treatments for LADA patients are correct.

Diamyd Medical's competitor Peptor from Israel has entered into an agreement with Aventis for the continued development and marketing of a pharmaceutical preparation for the treatment of autoimmune diabetes. This preparation is similar in certain respects to the diabetes vaccine that Diamyd Medical is developing.

Aventis, one France's largest pharmaceutical companies, has announced in a press release that an exclusive license agreement has been signed with Peptor, Israel. The agreement is for the continued development and commercialization of a new pharmaceutical that has been developed for the treatment of insulin-dependent diabetes and LADA patients, that is patients with adult-onset diabetes who have antibodies to the body's own protein GAD.

According to the Jerusalem Post the agreement means that Aventis is to invest more than USD 100 million in the project as well as that the sales of the new pharmaceutical are expected to exceed USD 1 billion by 2006 or 2007.

Peptor's pharmaceutical is based on a modified peptide from the HSP60 heat-shock protein. Peptor has completed Phase II studies on newly diagnosed type 1 diabetes patients and Phase II studies are in progress with LADA patients. Aventis' press release reports that the clinical effect of the pharmaceutical is mediated via immunoregulation specific to the illness. There are an estimated 10-12 million people in the US, Japan and Europe with autoimmune diabetes (type 1 diabetes and LADA) and there is no treatment available today to check the development of the disease

"The agreement between Peptor and Aventis should be very good news not only for Peptor but also for Diamyd Medical," says the CEO of Diamyd Medical AB Anders Essen-Möller. "It means that a major pharmaceutical company has now confirmed that both Peptor's and Diamyd Medical's strategies of developing a pharmaceutical for LADA patients is correct. Diamyd Medical's preparation is based on the GAD molecule, which we believe is more specific for diabetes than Peptor's molecule. If both Peptor and Diamyd Medical are successful with their diabetes pharmaceutical preparations, a combined treatment could be possible. A treatment with both the molecules could aim at decreasing the inflammation in the area around the insulin-producing cells in two ways."

Diamyd Medical's Phase II studies of Diamyd, the GAD-based preparation for the treatment of patients with adult-onset diabetes to stop the development of insulin dependency, are proceeding according to plan. The results of the studies are expected to be available within nine months. Diamyd Medical then intends to cooperate with a major pharmaceutical company to further develop the preparation.

About Diamyd Medical:

Diamyd Medical's business idea is to identify and develop pharmaceuticals up to Phase II. Projects will then be sold or licensed to larger pharmaceutical companies for continued commercialization. The development and marketing of related diagnostic tests and substances can be undertaken to promote contacts with researchers and prepare the market for the coming pharmaceuticals.

The company has identified two therapy projects. The most advanced is the Diamyd diabetes vaccine, which is in clinical Phase II studies. The Company's other project is a filter for the specific elimination of GAD antibodies. The filter can be used as a complement to vaccination for diabetes as well as for the neuromuscular disease SMS.

Diamyd Medical's diagnostic business focuses on the marketing of its own development, a GAD antibody diagnostic kit to identify people who run the risk of developing insulin-dependent diabetes. Furthermore, the active substance in the vaccine, the GAD protein, is marketed to researchers. The company has also begun marketing recently a number of antigens in the US. The production of another diabetes-related protein, IA-2, was also begun recently. The company plans to start selling a certain amount of this protein before the end of the year or at the beginning of 2003.

Diamyd Medical AB (publ) is developing a vaccine for insulin-dependent and is traded on the O-list of the Stockholm Stock Exchange.

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