

DeveloGen AG receives US\$ 500.000 Funding from the Juvenile Diabetes Research Foundation for Beta Cell Research

Göttingen, 23 February 2010. DeveloGen AG, a company focused on the discovery and development of therapies for the treatment of diabetes and other metabolic diseases announced today that it will receive US\$ 500,000 from the Juvenile Diabetes Research Foundation, New York, USA (JDRF). The funds are dedicated to aid in the research of mechanisms for the protection of beta cells.

In this two year project titled “Development of Novel Therapeutic Agents Enhancing Human Beta Cell Survival“, DeveloGen, together with the Istituto San Raffaele, Milan, Italy, will investigate the influence of certain substances on human beta cells. A particular focus of the work will be on mechanisms which have the potential to protect insulin producing beta cells from dying. The research project is expected to deliver important insight into the development of novel therapies with the potential of a disease modifying treatment of diabetes mellitus, a disease affecting an estimated 246 million patients worldwide.

Dr. Cord Dohrmann, CEO of DeveloGen AG said: “The development of novel therapies in the area of beta cell regeneration and beta cell protection belongs to DeveloGen’s core interests. We are delighted and proud to perform this project together with the Istituto San Raffaele. The repeated receipt of funding from the JDRF, the world’s most renowned privately funded charitable organisation in the area of diabetes, is appreciation of the work done at DeveloGen and motivation at the same time”.

Richard A. Insel, MD, Chief Scientific Officer at JDRF, said: “JDRF is pleased to be supporting research to pursue new approaches to promote the functioning and survival of insulin-producing beta cells. The results of this project could contribute to the discovery of breakthrough therapies for people with type 1 diabetes.”

About Diabetes

Diabetes is a global epidemic with devastating human, social and economic consequences. In 2007 it was estimated that 246 million people worldwide have diabetes, representing roughly 6% of the adult population. The number is expected to reach 380 million by 2025, representing over 7% of the adult population. Diabetes/obesity is the fastest growing disease in the USA, afflicting one in four Americans and accounting for well over 30% of the Medicare budget. Global pharmaceutical sales for diabetes drugs has grown over the last ten years to over US\$ 17 billion in 2005. Overall, anti-diabetic drugs sales are expected to grow to over US\$ 22 billion by 2012.

About beta cell regeneration and beta cell protection

Accumulating scientific evidence in humans indicates that new beta cells are continuously generated in response to changing insulin demands of the body. DeveloGen is identifying and using mechanisms involved in the dynamic regulation of beta cell mass to develop drugs that stimulate the regeneration or protection of beta cells in diabetic patients. DeveloGen has identified novel secreted factors from early embryonic stages of pancreas development that have the ability to stimulate beta cell differentiation and/or proliferation. *In vivo* administration of these factors leads to an increase in beta cell mass and improved glycemic control. Further development of these drug candidates will provide alternative therapies to current treatment options including islet cell transplantation but also insulin

therapy. In addition, already identified drug candidates may be effective tools for the expansion and functional preservation of islets to be used in transplantation procedures as well as the generation of transplantable beta cells from stem cells.

About DeveloGen AG

DeveloGen AG is a biopharmaceutical company engaged in the discovery and development of novel therapeutics for the treatment of metabolic and endocrine diseases. The Company has a highly innovative and deep preclinical discovery pipeline addressing the key drivers in the development of diabetes and obesity such as insulin resistance and loss of insulin-producing beta cells. This pipeline includes programs for the potential treatment of obesity through orally available small molecules based on novel and proprietary targets as well as growth factors targeting beta cell regeneration (type 1 and type 2 diabetes). In addition, the Company is developing DG3173 (Somatoprim), a potentially best-in-class somatostatin analogue for the treatment of acromegaly, carcinoid tumors and diabetic retinopathy, which has recently completed a Phase 1 clinical trial. DeveloGen is based in Goettingen, Germany. For more information on DeveloGen, please visit www.develogen.com.

About Juvenile Diabetes Research Foundation

The Juvenile Diabetes Research Foundation (JDRF) was founded in 1970 by the parents of children with juvenile diabetes - a disease that strikes children suddenly, makes them insulin dependent for life, and carries the constant threat of devastating complications. Since inception, JDRF has provided more than US\$ one billion to diabetes research worldwide. More than 80 percent of JDRF's expenditures directly support research and education about research. JDRF's mission is constant: to find a cure for diabetes and its complications through the support of research. For more information please visit www.jdrf.org.

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