



Press Release February 11, 2019

Follicum selects novel peptide drug candidate for the treatment of diabetes and protection of beta cells

Follicum AB ("Follicum" or "the company"), a biotech company focusing on research and development of peptide-based drugs, today reports that a drug candidate has been selected for the treatment of diabetes and protection of beta cells. The drug candidate has shown unique effects in both *in vitro* and *in vivo*-models, including diabetes-related complications. The drug will now be tested in a preclinical program prior to upcoming clinical trials. The choice of drug candidate represents a significant milestone for both Follicum and for the diabetes project which is part of a large collaborative diabetes network called LUDC-IRC at Lund University supported by the Novo Nordisk Foundation.

Follicum AB ("Follicum" or "the company"), is a biotechnology company that develops new peptide drugs in two areas, hair loss and diabetes. In the diabetes project, peptides are being developed for the treatment of the disease itself as well as for some of the complications that are strongly over-represented in diabetics. Although several treatments are already on the market, new ones are urgently required. Furthermore, many contribute to an improved insulin release, but do not target the complications caused by the high blood sugar levels in a diabetic. These include cardiovascular disease including thrombus and myocardial infarction, fatty liver and impaired kidney function.

Follicum's peptides have shown a positive effect on insulin release, an effect that is more pronounced at higher blood sugar levels. Thus, the peptides could contribute to stabilizing blood sugar levels, i.e. exactly mirroring the aim with diabetes treatment. In addition to high blood sugar levels, presence of inflammatory factors is normal in diabetic patients, which, among other things, leads to a deterioration of insulin-producing beta cell function. In addition to the effects on insulin release, Follicum's peptides have been shown to protect the beta cells when they are exposed to high sugar levels or inflammatory factors. If the function of the body's own beta cells can be maintained, the ability of the diabetic patient to control blood sugar levels increases, and thereby, the risk of complications decreases. Additionally, the company also studies the direct effects of the peptides on various diabetes-related complications.

Using an extensive selection process, the company has now chosen the most promising drug candidate for further development, initially in preclinical development by running further safety and efficacy studies of safety. Based on the results of the preclinical program, the company will start the planning of a clinical phase I study in 2020. In addition to the selected drug candidate, three "follow-up" candidates have also been selected. These exhibit individual effect profiles that differ from the main candidate and they will be evaluated in parallel for treatment of other complications than those targeted by the main drug candidate.

Jan Alenfall, CEO comments:

"We are delighted to be able to select a drug candidate in the diabetes project. Several of our peptides exhibit good effects in initial studies. The peptides show different profiles between them, with effects on different types of diabetes-related complications. We now intend to evaluate this further in parallel with the preclinical development of the chosen drug candidate, not least because potential partners for the project have shown interest in the different types of complications."

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This information is information that Follicum is obliged to make public according to the EU Market Abuse Regulation. The information was provided through the agency of the contact persons above, for publication on the 11th of February 2019.

About Diabetes

Diabetes is rapidly increasing globally. The disease is characterized by poor blood sugar control due to defective insulin signaling, which causes serious sequelae such as cardiovascular disease, renal failure, obesity, blindness and diabetic foot ulcers. Diabetes as well as its accompanying illnesses represent a major burden, partly for the individual patient, but also

for the entire health care system. There is thus an already large and growing global need for new therapies that address effective control of glucose levels in combination with preventive effects on the various diabetic complications. Follicum's strategy is to drive a well-developed project in the diabetes field that is attractive to global partners.

About Follicum's peptides

Follicum's peptides consist of altered or unchanged fragments of human proteins. The selection of peptide sequences is based on over 20 years of academic research and the precursors of the peptides have shown good effects on the repair of tissue damage, especially in blood vessels.

About Follicum AB

Follicum is a biotech company focusing on the discovery and development of peptide-based drugs. The primary focus is in hair growth stimulation, where Follicum has obtained very promising results with FOL-005 in a recently completed clinical trial. In diabetes, Follicum's research has resulted in a new peptide class which significantly increases the release of insulin in pre-clinical models. The company was founded in 2011, and is based in Lund, Sweden. Follicum is listed on the Swedish small cap exchange Spotlight since 2014. www.follicum.com.