



Press release, August 12, 2014

Diamyd Medical reinforces focus on business development

Diamyd Medical (NASDAQ OMX First North, Ticker: DMYD B) informs that its lead candidate therapeutic Diamyd[®] for treatment and prevention of type 1 diabetes experiences an increased interest. Consensus is that the disease must be attacked by inducing tolerance to beta cell auto-antigens at a time when the inflammatory components of the immune system are kept at bay. Diamyd[®] is the furthest developed beta cell specific auto-antigen (GAD65 formulated in alum) available and the Company is currently in discussion with half a dozen parties about new combination studies. Diamyd Medical is therefore preparing to meet this increased interest by reinforcing its focus on business development.

“We are pleased with the way the interest for Diamyd[®] is developing,” says Peter Zerhouni, President and CEO of Diamyd Medical. “Strategically, our business development resources will be focused on two main interests; the Diamyd[®] diabetes vaccine and our new interest in Personalized Regenerative Medicine, in particular for the treatment of diabetes. To make available further management resources for this, the Board has asked the Company Chairman, Anders Essen-Möller, to assume responsibility for Diamyd Medical’s external communication, with the aim of meeting the interest from potential partners and other stakeholders. Anders Essen-Möller has a documented and successful experience in leading organizations to high-level deals.”

Type 1 diabetes is an autoimmune disease where the immune system attacks the patients’ own insulin producing beta cells. For these patients, daily treatment with insulin is mandatory to sustain life. The importance of finding a cure is high for the world’s health care systems and the well-being of patients. The annual market for an easy to use, successful therapeutic is estimated to several billion dollars.

About Diamyd[®]

Diamyd[®] is a therapeutic under development for the treatment and prevention of autoimmune diabetes. Diamyd[®] has been used in trials totaling more than one thousand patients with an excellent safety profile. Diamyd has shown an overall 16% efficacy (p=0.1) in a European Phase III trial and is currently being further developed in combination regimens with other therapeutic compounds. Diamyd[®] is easy to administer in any clinical setting.

About Diamyd Medical

Diamyd Medical is dedicated to fight type 1 diabetes and to work towards a cure for the disease. Diamyd Medical’s current projects include development of combination regimens for arresting the successive destruction of insulin producing beta cells using the Company’s GAD65-based diabetes vaccine, such as for example Diamyd[®] + Vitamin D with or without an anti-inflammatory compound; and Diamyd[®] + GABA, for which Diamyd Medical licenses exclusive intellectual rights from the University of California in Los Angeles (UCLA). Diamyd Medical has further acquired 46% of the stem cell company Cellaviva AB that is establishing a Swedish commercial bank for private family saving of umbilical cord blood and other sources of stem cells. Stem cells

are required for Personalized Regenerative Medicine (PRM), for example to restore beta cell mass in diabetes patients where autoimmunity has been arrested.

Remium Nordic AB is the Company's Certified Adviser.

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