



Press release, August 27, 2014

Study with Diamyd Medical's diabetes vaccine awarded EU-funding

Diamyd Medical (NASDAQ OMX First North, Ticker: DMYD B) informs that the ongoing combination study DIABGAD has been awarded EUR 120 000, corresponding to about SEK 1.1 million, in EU-funding. The grant comes from an FP7 project where Linköping University and Diamyd Medical are included. The DIABGAD study aims to evaluate whether vitamin D and ibuprofen act synergistically with the diabetes vaccine Diamyd® in order to preserve the insulin producing capacity in children newly diagnosed with type 1 diabetes. The first results from the study are expected to be presented in the beginning of 2015.

“It is truly encouraging that the EU chooses to support DIABGAD,” says Professor Johnny Ludvigsson at Linköping University, who is the lead investigator and sponsor of the study. “This funding helps and strengthens us in our efforts to reach a new combination therapy for type 1 diabetes.”

“The combination program for the diabetes vaccine Diamyd® is of interest to both researchers and industry,” says Anders Essen-Möller, Chairman of Diamyd Medical. “The funding from the EU reflects this and the concept will be discussed further with Diamyd Medical's Scientific Advisory Board on September 16 in conjunction with a European diabetes conference in Vienna.”

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 wellbeing 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 ($p=0.1$) versus placebo regarding preservation of the patients' endogenous insulin secretion 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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