



Press release, April 17, 2015

## **Diamyd Medical increases investment in stem cell activity**

*Diamyd Medical (Nasdaq Stockholm First North Ticker: DMYD B) announced today that the Company invests an additional SEK 0.8 million in Cellaviva AB, Sweden's first commercial biobank for stem cells.*

Diamyd Medical's investment of SEK 0.8 million in Cellaviva AB is made in connection with Mabtech AB buying into Cellaviva in an issue totaling SEK 6 million together with other shareholders prior to the introduction of Cellaviva's first product; collection and storage of umbilical cord blood stem cells, where parents are given the opportunity to save stem cells from their newborn child.

The reason for Diamyd Medical to be one of the major owners of Cellaviva is based on Diamyd Medical's vision that in the future, it should be possible to differentiate insulin-producing cell from stem cells. These could then help the donor, or close relatives who have developed type 1 diabetes, primarily siblings and parents. Since the cells are autologous, no continuous immunosuppression should be needed, which typically is necessary following transplantation of unrelated tissue.

"Diamyd Medical is focused on the development of the diabetes vaccine Diamyd<sup>®</sup> to stop or delay the destruction of insulin-producing cells," says Anders Essen-Möller, President and CEO of Diamyd Medical. "To be able to increase the number of insulin-producing cells of a type 1 diabetes patient, where the autoimmune destruction has been arrested, is a next step – a step that many diabetes patients are waiting for."

Cellaviva has evolved from a project from Karolinska Institutet Innovations AB. After the transaction, Diamyd Medical's shareholding in Cellaviva will be approximately 39%.

### **About the diabetes vaccine Diamyd<sup>®</sup>**

Type 1 diabetes is a devastating disease which requires daily treatment with insulin to sustain life. The importance of finding a cure should not be underestimated. Diamyd<sup>®</sup> is considered to be the world's furthest developed Antigen Based Therapy (ABT) for treating the disease. Diamyd<sup>®</sup> has been used in clinical studies with more than 1,000 patients and has shown a good safety profile. In a European Phase III study Diamyd<sup>®</sup> showed good clinical effect in several subgroups, and a limited overall 16% efficacy (p=0.10) in preserving endogenous insulin secretion. To enhance the overall effect, combination treatments with Diamyd<sup>®</sup> and other approved agents are being pursued. Diamyd<sup>®</sup> is easy to administer in any clinical setting. The potential annual market is estimated to several billion dollars.

### **About Diamyd Medical**

Diamyd Medical is dedicated to working toward a cure for type 1 diabetes and LADA. The Company's projects include development of combination regimens with the GAD-based diabetes vaccine Diamyd<sup>®</sup> for arresting the destruction of insulin-producing beta cells. The Company exclusively licenses UCLA-rights to GAD65, the active ingredient in the vaccine, for which the last patent expires in 2032. Additionally, the Company exclusively licenses UCLA patents for using GABA for the treatment of diabetes and other inflammation-related conditions.

Diamyd Medical is one of the major shareholders in the stem cell company Cellaviva AB, which is establishing a Swedish commercial bank for private family saving of stem cells in umbilical cord blood and other sources of stem cells. Stem cells can be expected to be used in 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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