



Press release, April 20, 2016

Diamyd Medical increases strategic investment in the stem cell company Cellaviva

Diamyd Medical (Nasdaq Stockholm First North, Ticker: DMYD B) today announced that the Company has increased its investment in the associated company Cellaviva AB with an additional SEK 1.3 million. The investment is made within the framework of a convertible loan of SEK 2.7 million, mainly directed at existing shareholders.

The convertible loan will, among others, be used to finance Cellaviva's development of existing service offerings to include saving of stem cells from umbilical cord and for the establishment of Cellaviva's research bank.

“With this investment Diamyd Medical strengthens its commitment in the stem cell area,” says Ulf Hannelius, President and CEO of Diamyd Medical. “We envisage there is continuing progress made within research that may be significant for future use of stem cells in the treatment of diseases like type 1 diabetes.”

Diamyd Medical is presently the largest shareholder in Cellaviva AB, Sweden's first biobank for family saving and research on stem cells from the umbilical cord. If fully converted, the convertible loan would increase Diamyd Medical's shareholding in Cellaviva marginally from about 44.5 % to about 45 %.

About Cellaviva AB

Cellaviva is Sweden's first biobank for family preservation of and research on stem cells from the umbilical cord. Stem cells from the umbilical cord are collected at birth, analyzed, frozen, and saved for possible future use. Every cell in the body is stemming from stem cells that have unique properties, which make them attractive from a medical perspective. The operations work under approval from the Swedish Health and Social Care Inspectorate (IVO). Read more at www.cellaviva.se.

About Diamyd Medical

Diamyd Medical is dedicated to finding a cure for autoimmune diabetes through pharmaceutical development and investments in stem cell and medical technology.

Diamyd Medical develops the diabetes vaccine Diamyd[®], an Antigen Based Therapy (ABT) based on the exclusively licensed GAD-molecule. The Company's licensed technologies for GABA and Gliadin have also potential to become key pieces of the puzzle of a future solution to prevent, treat or cure autoimmune diabetes, and also certain inflammatory diseases. At this time six clinical studies are ongoing with Diamyd[®]. Diamyd Medical is with its holdings of 45% one of the major shareholders in the stem cell company Cellaviva AB. Stem cells can be expected to be used in Personalized Regenerative Medicine (PRM), for example for restoration of beta cell mass in diabetes patients where the autoimmune component of the disease has been arrested. Diamyd Medical also has holdings in the medtech company Companion Medical, Inc., San Diego, USA and in the gene therapy company Periphagen, Inc., Pittsburgh, USA.

Diamyd Medical's B-share is traded on Nasdaq Stockholm First North under the ticker DMYD B. Remium Nordic AB is the Company's Certified Adviser.

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