

Press release, July 18, 2016

Diamyd Medical and UCLA advances therapeutic development for type 1 diabetes

Diamyd Medical (Nasdaq Stockholm First North, Ticker: DMYD B) announced today that Diamyd Medical has agreed to further advance its Antigen Based Technology together with researchers at the University of California, Los Angeles (UCLA). Strong synergistic effects have earlier been reported in an animal model receiving GABA in combination with either GAD65 or proinsulin. This new preclinical study will evaluate if GABA in combination with both autoantigens improves efficacy even further. Diamyd Medical licenses exclusive rights from UCLA for the therapeutic use of GABA alone or in combination with antigens for the treatment of diabetes and other inflammation-related conditions.

"The new study is an important component in evaluating a next-generation antigen-specific immunotherapy for autoimmune diabetes based on our licensed and patented technologies," says Ulf Hannelius, President & CEO of Diamyd Medical.

Previously published results show that GABA in combination with either GAD65 or proinsulin result in strong synergistic effects on enhancing beta cell health and reversing hyperglycemia in preclinical type 1 diabetes mouse models. A first clinical study where GABA is combined with the diabetes vaccine Diamyd[®] is on-going at the University of Alabama, Birmingham.

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 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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