Press release, October 27, 2017

Update concerning prevention studies with the diabetes vaccine Diamyd®

Diamyd Medical today announced that the results from the investigator initiated prevention trial DiAPREV-IT 2 will be brought forward to 2020. The Swedish Medical Products Agency has approved a change to the trial led by Associate Professor Helena Elding Larsson, Lund University, where the diabetes vaccine Diamyd® is administered subcutaneously and vitamin D orally to a group of individuals at high risk of being diagnosed with type 1 diabetes. The change entails that recruitment will stop at 26 children instead of 80 children and that the children's metabolic and immunological parameters will be followed in total for 2 years after the first injection instead of 5 years.

Associate Professor Helena Elding Larsson has decided on these changes to the investigator sponsored trial after consultation with Diamyd Medical. The decision is based on the results presented from DiAPREV-IT 1 in June this year, which prompts a deeper mechanistic analysis of existing data, primarily regarding biomarkers, and from the data being collected from DiAPREV-IT 2. The trial is now expected to be completed in about 2 years instead of as previously estimated 7 years.

"The change is in line with the company's strategy where we focus our resources on taking intralymphatic administration of Diamyd® in newly diagnosed patients to market, as well as identifying new biomarkers to tailor and optimize treatments for and prevention of type 1 diabetes, says Ulf Hannelius, CEO of Diamyd Medical.

About Diamyd Medical
Diamyd Medical is dedicated to finding a cure for diabetes and other serious inflammatory diseases through pharmaceutical development and investments in stem cell and medical technology.

Diamyd Medical develops the diabetes vaccine Diamyd®, for antigen-specific immunotherapy based on the exclusively licensed GAD-molecule. Four investigator initiated clinical trials are ongoing with Diamyd®. The Company's trial DIAGNODE-2, where the diabetes vaccine is administered directly into the lymph node, is expected to start recruiting patients this fall. Diamyd Medical also develops Remygen®, a proprietary GMP manufactured oral GABA-based study drug. An investigator initiated placebo controlled trial with GABA and Diamyd® in patients recently diagnosed with type 1 diabetes is ongoing at the University of Alabama at Birmingham. Exclusive licenses for GABA and positive allosteric modulators of the GABAA receptor for the treatment of diabetes and inflammatory diseases constitutes alongside with the diabetes vaccine and Remygen® key assets. Diamyd Medical is also one of the major shareholders in the stem cell company NextCell Pharma AB and 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 First North under the ticker DMYD B. FNCA Sweden AB is the Company's Certified Adviser.

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