



Press Release, March 21, 2013

Information about Summons to Extraordinary General Meeting of Diamyd Medical AB

The following summons to an Extraordinary General Meeting of Diamyd Medical AB will be available at Diamyd Medical's website www.diamyd.com from Monday March 25, 2013.

Summons to Extraordinary General Meeting of Diamyd Medical AB

The shareholders of Diamyd Medical AB (publ) are hereby summoned to an Extraordinary General Meeting at 2:00 p.m. on Monday, April 22, 2013, at Garnisonen Konferens, Karlavägen 100 in Stockholm, Sweden.

Attendance

Shareholders who wish to attend the Meeting must be recorded in the register of shareholders held by Euroclear Sweden AB by Tuesday April 16, 2013, and must also notify Diamyd Medical of their intention to attend the Meeting by mail to Diamyd Medical, Karlavägen 108, SE-115 26 Stockholm, by e-mail to investor.relations@diamyd.com or on the Company's website, www.diamyd.com not later than Tuesday, April 16, 2013. The notification should state the shareholder's name, address, telephone number, personal identity number or company registration number, registered shareholding and the name of any shareholder's representative. Shareholders whose shares are registered in custodial accounts must ask the custodian to temporarily register the shares in the shareholder's name (registration of entitlement to vote) to obtain the right to participate in the Extraordinary General Meeting. The shares must be registered not later than April 16, 2013.

Proposed agenda

1. Opening of the Meeting and election of Chairman.
2. Establishment and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to certify the minutes.
5. Verification of whether the Extraordinary General Meeting has been duly convened.
6. Presentation of proposal regarding the restructuring of the Diamyd Group.
7. Resolution regarding distribution of subsidiary.
8. Resolution regarding reduction of share capital for repayment to shareholders.
9. Resolution regarding stock dividend.
10. Resolution regarding amendment of articles of association.
11. Election of Board of Directors.
12. Resolution regarding Board fees.
13. Resolution regarding reduction of the statutory reserve.
14. Close of Meeting.

Election of Chairman of the Meeting (item 1)

The Board proposes that lawyer (and Board member) Erik Nerpin be elected Chairman of the Extraordinary General Meeting.

Proposal regarding the restructuring of the Diamyd Group (item 6)

As announced in a press release on February 18, 2013, a group of shareholders in Diamyd Medical AB, together representing a majority of votes in and share capital in the Company, reached an agreement that included the following. Shares in the subsidiary Diamyd Therapeutics AB, which will own the existing diabetes operations and the holding in Periphagen, Inc., will be distributed to shareholders. The company will be capitalized at approximately SEK 50 million. The company will have Series A shares and Series B shares in the manner that Diamyd Medical AB has today. Following the distribution of Diamyd Therapeutics AB, all Series A shares in Diamyd Medical AB will immediately be converted to Series B shares. The rest of the liquid assets amounting to more than SEK 300 million, and the holdings in Protein Sciences Corporation and Mercodia AB will remain in Diamyd Medical AB. The greater part of the liquid assets in Diamyd Medical AB is proposed to be distributed to

the shareholders as soon as possible. Some cash will be set aside to be used to manage the other remaining assets until the value of those assets can be realized and distributed to the shareholders.

Based on the above agreement, the Board of Diamyd Medical AB presents the proposals detailed in the agenda.

Resolution regarding distribution of subsidiary (item 7)

The Board proposes that the Meeting resolve on a dividend in the form of all shares in the wholly owned subsidiary Diamyd Therapeutics AB (“the Subsidiary”), whereby three (3) Series A shares in Diamyd Medical AB are to carry entitlement to one (1) Series A share in the Subsidiary and three (3) Series B shares in Diamyd Medical AB are to carry entitlement to one (1) Series B share in the Subsidiary. If the shareholding in Diamyd Medical AB cannot be evenly divided by a factor of three, a proportion of one share in the Subsidiary is received. Such proportions of shares will be added together to make up full shares, which will subsequently be sold. The proceeds from this sale will be paid to the relevant shareholders via Euroclear Sweden AB. Based on the carrying amount on August 31, 2012, the proposed dividend will amount to SEK 1,100,000. The proposed record date for entitlement to distribution in kind is April 25, 2013, meaning that the final date for trading in the shares of Diamyd Medical AB, including the right to receive dividends in the form of shares in the Subsidiary is April 22, 2013. The intention is that shares in the Subsidiary will be available for trading on NASDAQ OMX First North. The Subsidiary will be renamed Diamyd Medical AB. The distribution of shares in the Subsidiary is considered to be covered under Lex Asea provisions, meaning that the distribution will not give rise to any taxation. Instead, the acquisition value of the shares in Diamyd Medical AB will be allocated across the shares in Diamyd Medical AB and the Subsidiary.

Resolution regarding reduction of share capital for repayment to shareholders (item 8)

The Board proposes that the Meeting resolve to reduce the Company’s share capital by a maximum of SEK 2,957,913 by cancelling a maximum of 5,915,826 shares, each with a quotient value of SEK 0.50. The purpose of the reduction is a repayment to the Company’s shareholders in the total amount of not more than SEK 118,316,532. This reduction is to be executed on the basis of voluntary redemption, whereby the shares that are ultimately cancelled correspond to those shares for which cancellation has been requested by the Company’s shareholders. The right to request cancellation accrues to shareholders who have redemption rights. Each shareholder is to receive one (1) redemption right per share held and five (5) redemption rights entitle the shareholder to request redemption of one (1) share in the Company. For each share redeemed, the shareholder will receive cash payment of SEK 20.

The record date for receiving redemption rights is Thursday, April 25, 2013, meaning the final day of trading in the shares in Diamyd Medical AB including the right to receive redemption rights is April 22, 2013. The notification period to request redemption is between April 30 and May 21, 2013. Redemption rights are intended to be traded on the NASDAQ OMX Stockholm between April 30 and May 16, 2013. The redemption amount will be paid as soon as the Swedish Companies Registration Office has registered the decision of a reduction in share capital in accordance with this item and an increase in share capital in accordance with item 9 below, the proposed stock dividend, which is expected to take place around June 15, 2013. The Board believes that the reduction in share capital can be implemented without the permission of the Swedish Companies Registration Office, or a general court, since the Company is to simultaneously implement a stock dividend, which will entail that neither the Company’s restricted shareholders’ equity nor its share capital will be reduced.

Resolution regarding stock dividend (item 9)

To enable the reduction in share capital in accordance with item 8 above without the permission of the Swedish Companies Registration Office or, in disputable cases, at a general court, the Board proposes that the Company implement a stock dividend simultaneously with the redemption, on the basis of which the Company’s share capital is restored to a minimum of the amount that the share capital totaled prior to the reduction. Accordingly, the Board proposes that the Meeting resolve on a stock dividend under which the Company’s share capital is to increase by SEK 2,957,913 on the basis of a transfer from non-restricted shareholders’ equity. The stock dividend is to take place without issuing new shares and entails that the quotient value of the share will be raised.

Resolution regarding amendment of articles of association (item 10)

The Board proposes that the Meeting resolve on the following amendments to the articles of association. It is proposed that Diamyd Medical AB be renamed Mertiva AB. At the same time, the subsidiary Diamyd Therapeutics AB will be renamed Diamyd Medical AB. All series A shares will be converted to series B shares, after which all shares will thus be series B shares.

Election of Board of Directors (item 11)

It is proposed that the new Board of Directors comprise Håkan Blomdahl (also Chairman of the Board), Anders Essen-Möller (re-election) and Tommy Israelsson.

Håkan Blomdahl (born 1968) has a MSc from the Stockholm School of Economics and a MSc in Engineering Physics from KTH Royal Institute of Technology. Håkan has been working since 10 years as CEO of his own investment company Capital Cube AB. Other board assignments are Eatwell Solutions AB and Dala Energi AB.

Tommy Israelsson (born 1947) is a business economist and engineer and has worked as CFO and CEO for 10 years and auditor for 29 years, the last four years at PWC. Tommy has since one year been working with financial consulting in his own company, and as a director of the board of three smaller companies.

Resolution regarding Board fees (item 12)

Annual Board fees of SEK 200,000 are proposed, of which the Chairman will receive SEK 100,000 and the remaining two Board members will each receive SEK 50,000.

Resolution regarding reduction of the statutory reserve (item 13)

The Board proposes that the Company's entire statutory reserve, amounting to SEK 96,609,000 at August 31, 2012, be assigned to an unrestricted reserve to be utilized in line with decisions taken by future General Meetings. Following the implementation of the reduction, the statutory reserve will thus be dissolved in its entirety. The resolution is contingent on the Swedish Companies Registration Office or, in disputable cases, a general court, providing permission to reduce the statutory reserve.

Other information

At the time of the summons, the number of shares in the Company is 29,579,133 shares, of which 1,437,876 Series A shares (1 vote) and 28,141,257 Series B shares (1/10 of a vote). The total number of votes is 4,252,001.7.

The Board's complete proposed resolution and other documentation for the General Meeting will be available at the Company's offices as well as on the Company website www.diamyd.com, from March 28, 2013, and will be sent to those shareholders who so request.

Stockholm, March 2013
Diamyd Medical AB (publ)
Board of Directors

For more information, please contact:

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About Diamyd Medical

Diamyd Medical was founded in 1996 and is active in the field of pharmaceutical development. Diamyd Medical is headquartered in Stockholm, Sweden. The Company's development project consists of the protein GAD for the treatment and prevention of autoimmune diabetes. Two Swedish researcher-initiated Phase II studies are ongoing. One study evaluates whether GAD can prevent type 1 diabetes in children who are at high risk of developing the disease and one study evaluates whether GAD in combination with relatively high doses of vitamin D and ibuprofen can preserve the body's own ability to control the blood sugar level in children and adolescents newly diagnosed with type 1 diabetes.

Diamyd Medical also has holdings in the gene therapy company Periphagen Holdings, Inc. (USA), the vaccine company Protein Sciences Corporation (USA) and the diagnostics company Mercodia AB (Sweden).

Diamyd shares are listed on Nasdaq OMX (segment Small Cap) in Stockholm (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York Mellon (PAL). Further information is available on the Company's website: www.diamyd.com.

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.

Diamyd Medical AB (publ)

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