



Press Release, March 25, 2021

Diamyd Medical carries out a directed share issue and raises proceeds of SEK 60 million

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Diamyd Medical AB ("Diamyd" or "the Company") has, in accordance with the announcement made in a press release on March 25, 2021, successfully completed a directed share issue of 2 400 000 B-shares at a price of SEK 25 per share (the "Directed Share Issue"). Through the Directed Share Issue, the Company will receive gross proceeds of SEK 60 million. The Directed Share Issue was subscribed by qualified investors.

The Directed Share Issue of 2 400 000 B-shares was carried out with deviation from the existing shareholders' preferential right after a resolution by the Board of directors based on the authorisation granted by the Annual General meeting held on November 26, 2020.

The proceeds from the Directed Share Issue will be used to support the Company regarding the pivotal Phase 3 trial with the diabetes vaccine Diamyd®. The study is designed to confirm the efficacy and safety of Diamyd® in individuals recently diagnosed with type 1 diabetes that carry the genetic HLA haplotype DR3-DQ2. Approximately 330 patients will be recruited for the study and the trial will be carried out at approximately 50 clinics in Europe and in the United States.

"We are delighted to see new investors in Diamyd Medical and the interest in supporting our phase 3 precision medicine trial in type 1 diabetes", says Ulf Hannelius, CEO of Diamyd Medical.

The subscription price was determined via a so-called accelerated book-building procedure led by G&W Fondkommission ("Financial adviser"). The subscription price corresponds to a discount of approximately 19,6 percent in relation to the closing price on Nasdaq First North Growth Market on March 25, 2021. Through the Directed Share Issue, the Company will receive gross proceeds of SEK 60 million.

The Directed Share Issue was primarily subscribed by a number of well-renowned investors, which included, among others Modelio Equity, Tellus Fonder, Fårö Capital and Thorén Tillväxt.

The Board of directors' assessment, based on the accelerated book building procedure executed by the Financial adviser, is that the Directed Share Issue was carried out on customary terms in accordance with market conditions. The reason for the deviation from the shareholders' preferential rights was to raise capital on market conditions for the Company's continued expansion in a time and cost-effective manner, as well as to diversify the shareholder base with Swedish and international institutional investors.

Through the Directed Share Issue, the total the number of -shares in the Company will increase by 2 400 000 to 71 569 796 and the share capital will increase by SEK 243 414 to SEK 7 258 812. The Directed Share Issue entails a dilution of 3.4% of the total number of shares and 2.5% of the total number of votes for existing shareholders, based on the total number of shares in the Company after the Directed Share Issue.

In connection with the Directed Share Issue, the Company's largest shareholder, Anders Essen-Möller, has agreed to lend 2 400 000 B-shares to Aktieinvest FK AB in order to facilitate delivery of the shares. The shares will be returned in connection with the Directed Share Issue being registered with the Swedish Companies Registration Office.

Adviser

G&W Fondkommission has been appointed Financial adviser in connection with the Directed Share Issue. Aktieinvest FK AB is the issuing agent.

About Diamyd Medical

Diamyd Medical develops therapies for type 1 diabetes. The diabetes vaccine Diamyd® is an antigen-specific immunotherapy for the preservation of endogenous insulin production. Significant results have been shown in a genetically predefined patient group in a large-scale meta-analysis as well as in the Company's European Phase IIb trial DIAGNODE-2, where the diabetes vaccine was administered directly into a lymph node in children and young adults with recently diagnosed type 1 diabetes. A new facility for vaccine manufacturing is being set up in Umeå for the manufacture of recombinant GAD65, the active ingredient in the therapeutic diabetes vaccine Diamyd®. Diamyd Medical also develops the GABA-based investigational drug Remygen® as a therapy for regeneration of endogenous insulin production and to improve hormonal response to hypoglycaemia. An investigator-initiated Remygen® trial in patients living with type 1 diabetes for more than five years is ongoing at Uppsala University Hospital. Diamyd Medical is one of the major shareholders in the stem cell company NextCell Pharma AB.

Diamyd Medical's B-share is traded on Nasdaq First North Growth Market under the ticker DMYD B. FNCA Sweden AB is the Company's Certified Adviser; phone: +46 8-528 00 399, e-mail: info@fnca.se

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This information is such information as Diamyd Medical AB (publ) is obliged to disclose under the EU Market Abuse Regulation. The information was provided by the contact person above, for publication 25 March 2021, 22.15 CET.

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This press release contains certain forward-looking information that reflects the Company's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.