QUARTERLY REPORT 2

September 2022 – February 2023

Diamyd Medical AB (publ), Fiscal year 2022/2023

Precision Medicine for Autoimmune Diabetes in Pivotal Phase 3

Diamyd Medical's B-share is traded on Nasdaq First North Growth Market under the ticker DMYD B.
Further information is available on https://www.diamyd.com

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September 1, 2022 – February 28, 2023

- Net result: MSEK -57.9 (-46.5), second quarter: MSEK -25.0 (-9.0).
- Result per share: SEK -0.8 (-0.6), second quarter: SEK -0.3 (-0.1)
- Cash flow from operating activities: MSEK -52.4 (-18.2), second quarter: MSEK -25.4 (-18.6)
- Cash and short-term investments at February 28, 2023: MSEK 101.6 (228.4).

Other events during the second quarter, December 1, 2022 – February 28, 2023

- Patient recruitment for the pivotal Diamyd® Phase 3 trial is progressing according to plan
- Patent protection was received in the US and Japan for the GABA formulation Remygen®
- DiaPrecise, a Diamyd® Type 1 Diabetes Precision Medicine prevention trial, was approved to start by the Swedish Medical Agency
- A gene-based Precision Medicine patent for prevention and treatment of autoimmune diabetes was granted in Eurasia

Significant events after the second quarter

- Diamyd Medical partners with JDRF to advance the DIAGNODE-3 Phase 3 trial in Type 1 Diabetes

Other events after the second quarter

- Remygen® trial results to be presented in April
- Karin Rosén, M.D, PhD, joined Diamyd Medical's Board of Directors

"Thanks to JDRF's very large network, strong brand and financial support, the collaboration significantly strengthens our preparations for market and further accelerates patient recruitment for the Phase 3 trial DIAGNODE-3."

Ulf Hannelius, CEO

Comments by CEO Ulf Hannelius

It is with great pride and humility that we at Diamyd Medical begin a multi-year collaboration with JDRF, the leading global type 1 diabetes research and advocacy organization. Thanks to JDRF's very large network, strong brand and financial support, the collaboration significantly strengthens our preparations for market and further accelerates patient recruitment for the Phase 3 trial DIAGNODE-3. The collaboration is a clear sign of our progress in the field, and we are grateful to be part of the collective effort to advance the treatment of type 1 diabetes.

Further strengthened by this collaboration, we continue forward with our precision medicine antigen-specific immunotherapy, Diamyd®. Our pivotal Phase 3 trial DIAGNODE-3 (www.diagnode-3.com) is advancing steadily, with the trial ongoing in eight European countries and set to commence in the US this summer. We also await with interest the results fromReGenerate-1, the investigator-initiated trial in Uppsala, Sweden, evaluating Remygen, our patent-protected GABA-based candidate that demonstrated promising clinical results in the Phase 1 part of the trial. Work is also in full swing in our biomanufacturing facility in Umeå. The facility is managed by our subsidiary Diamyd Biomanufacturing, and the primary purpose is to manufacture GAD, the active component in Diamyd®, for future studies and commercial use.

As we prepare to launch the Phase 3 trial in the US and following our recent health economic assessment of Diamyd® in the US, we are pleased to welcome Dr. Karin Rosén to our Board of directors. This move enhances our understanding of the US market, as Karin Rosén brings a wealth of experience in the pharmaceutical industry, with a strong background in business development, strategic planning, and commercialization. Her extensive knowledge of the US market and regulatory landscape will undoubtedly be valuable in our discussions about launching and commercializing Diamyd® in the United States and around the world.

As a further step to establish ourselves in the US, we have become members of Nordic Innovation House in Silicon Valley (www.nordicinnovationhouse.com/siliconvalley). Nordic Innovation House is a unique collaboration between the Nordic countries to offer Nordic companies a springboard to the most interesting innovation centers in the world. As part of the membership, Diamyd Medical will have access to a physical address in Palo Alto, office and meeting space as needed, and expanded opportunities for exposure to the Silicon Valley ecosystem.

One of our holdings, the deeptech company MainlyAI, of which we are a main shareholder, is also based both in Sweden and in Silicon Valley. MainlyAI recently appointed Mikael Nordenstjerna as the new CEO and we collaborate closely with MainlyAI in the VINNOVA-funded ASSET project (www.asset.healthcare), which focuses on screening, risk prediction, and preventive treatment of TID. Artificial Intelligence is already a significant player in pharmaceutical development, and I firmly believe it will revolutionize the way we develop novel treatments in the future. Having the opportunity to monitor this field at the forefront is of great value, and we look forward to collaborating with MainlyAI on their journey to change the way companies can work more efficiently with artificial intelligence.

A notable development in the T1D field that highlights the commercial opportunities is the recent $2.9 billion acquisition of ProventionBio, the company behind the FDA-approved therapeutic TZIELD, by Sanofi. Additionally, Vertex Pharmaceuticals has been making strategic moves in the T1D space, with a very recent larger license deal with CRISPR Therapeutics, acquiring Viacyte last year and Semma Therapeutics in 2019 to focus on cell-based treatments for T1D. These acquisitions emphasize the growing recognition of the value of novel therapies and innovative technologies in the T1D field and underscore the increasing demand for solutions that address the root causes of the disease, rather than just managing its symptoms. It is also significant that all the major insulin manufacturers have recently announced price reductions close to 80% for insulin in the US. This development signals that we are entering a new era of diabetes management, and we find inspiration in these positive changes as we continue our own endeavors at Diamyd Medical.

We stand on the threshold of a new era in the T1D field, and together, we will continue to push the boundaries of what can be achieved. This needs to be done with full respect to the current challenging macro environment, balancing breakthrough innovations with financial prudence. The new partnership with JDRF is a major

development for us and I want to thank you for joining us on this transformative journey, and we eagerly look forward to the milestones we will reach together in the years to come.

Stockholm, April 5, 2023

Ulf Hannelius, President and CEO

Other events during the second quarter

December 1, 2022 – February 28, 2023

Patient recruitment for the pivotal Diamyd® Phase 3 trial is progressing according to plan

Diamyd Medical announced that patient recruitment for the single pivotal precision medicine Phase 3 trial DIAGNODE-3 is progressing according to plan. Patient recruitment is ongoing in eight European countries and is being prepared to start in the US this summer. The trial is expected to be fully enrolled during the summer of 2024.

Diamyd Medical received patent protection in the US and Japan for GABA formulation Remygen®

The US Patent and Trademark Office (USPTO) and the Japanese Patent Office informed Diamyd Medical that they will grant the patent for the Company's oral formulation of the GABA-based study drug Remygen®. Remygen® is currently in Phase 2 development through the ReGenerate-1 trial in individuals with long-term Type 1 Diabetes. Results are expected in April 2023.

A Diamyd® Type 1 Diabetes Precision Medicine prevention trial with Diamyd® was approved to start

The Swedish Medical Products Agency and the Ethical Review Authority approved the start of DiaPrecise, an open-label prevention trial with the antigen-specific immunotherapy Diamyd®. The trial will evaluate the safety, feasibility and immune response of intralymphatic injections of Diamyd® in children at risk of Type 1 Diabetes, who also carry the genetically defined haplotype HLA DR3-DQ2. DiaPrecise is part of the ASSET program (AI for the Sustainable Prevention of Autoimmunity in Society), coordinated by Diamyd Medical and funded by Sweden's Innovation Agency VINNOVA.

A gene-based Precision medicine patent for prevention and treatment of autoimmune diabetes was granted in Eurasia

The patent granted by the Eurasian Patent Office is valid until 2035. It primarily protects the use of a GAD autoantigen to treat or prevent autoimmune diabetes in individuals carrying the HLA DR3-DQ2 gene. GAD is the active component in the antigen-specific immunotherapy Diamyd® that is being evaluated in the confirmatory Phase III trial DIAGNODE-3.

Significant events after the second quarter

Diamyd Medical partners with JDRF to advance the DIAGNODE-3 Phase 3 trial in Type 1 Diabetes

Diamyd Medical and JDRF, the leading global type 1 diabetes research and advocacy organization, have entered into a four-year research and development collaboration including a non-dilutive $5 million award to Diamyd Medical to support its ongoing Phase 3 trial with the precision medicine antigen-specific immunotherapy Diamyd®. The grant will be funded under JDRF's Industry Discovery & Development Partnerships program that focuses on commercialization of therapeutics and devices for the treatment, cure, and prevention of type 1 diabetes and its complications.

Other events after the second quarter

Remygen® trial results to be presented in April

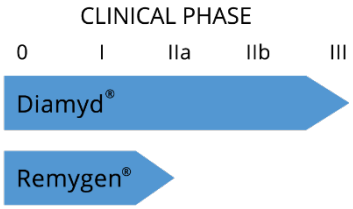
The database for Uppsala University Hospital's ReGenerate-1 trial, which evaluates the safety and efficacy of Diamyd Medical's study drug Remygen® in individuals with Type 1 Diabetes, will be locked imminently whereupon the data will be sent to the contract research organization that carries out the statistical analysis. Topline results are expected to be announced in April.

Diamyd Medical brougth Karin Rosén, M.D, PhD, to its Board of Directors

Karin Rosén, M.D, Ph.D, San Francisco, joined the Board of Directors as an adjunct member, and will be proposed for election to the Board at the next General Meeting of Shareholders. Dr. Rosén has deep experience from the biotechnology industry with more than two decades of working in senior leadership positions in global clinical development and U.S. and global medical affairs across her time with Horizon Therapeutics, GSK (GlaxoSmithKline), Aimmune Therapeutics and Genentech, a member of the Roche group.

Two drugs in clinical development

Diamyd® *and* ***Remygen®*** *are drugs in clinical development that focus on the underlying disease mechanisms of diabetes; the dysfunction and loss of insulin-producing beta cells in the pancreas.*



Diamyd® is an antigen-specific immunomodulating precision medicine therapy for the treatment and prevention of autoimmune diabetes (type 1 diabetes and LADA, Latent Autoimmune Diabetes in Adults).

Clinical data indicate the potential of Diamyd® to halt or stop the autoimmune destruction of insulin-producing beta cells in individuals that carry the HLA DR3-DQ2 haplotype. The effect is achieved by antigen-specific reprogramming of immune cells by administration of low doses of Diamyd® in superficial lymph nodes. By maintaining the endogenous insulin production, Diamyd® has the potential to make a significant difference in the daily life of patients as well as significantly reduce the complications of type 1 diabetes. Topline results from the Phase IIb trial DIAGNODE-2 demonstrated a significant treatment effect of Diamyd® in the predefined genetic patient group. A confirming Phase III trial, DIAGNODE-3, is on-going.

Remygen® is an oral regenerative and immunomodulatory drug candidate for the treatment of autoimmune- and type 2 diabetes. By stimulating the growth of insulin-producing cells, Remygen® has the potential to reverse the disease progression in autoimmune- and type 2 diabetes. Based on clinical data, Remygen® has also the potential to protect against hypoglycemia by improving the hormonal response. Remygen® is now being investigated in a clinical Phase I/II trial (ReGenerate-1), where clinical efficacy is evaluated with the aim of optimizing the treatment regimen ahead of registration-based trials.

Clinical trials

Type 1 Diabetes is a devastating disease which requires daily treatment with insulin to sustain life. The importance of finding a drug that improves the prospects for patients with diabetes is of utmost importance. The effect of intralymphatic administration of Diamyd®, an antigen-specific precision medicine immunotherapy aimed at stopping the immune system's attack on insulin-producing beta cells in autoimmune diabetes, is evaluated in the Phase III trial DIAGNODE-3 and in the Phase I/II trial DIAGNODE-B.

Remygen®, which aims to stimulate the growth of beta cells in patients with diabetes, is evaluated in patients in the Phase I/II trial ReGenerate-1.

Ongoing clinical trials

Trials with Diamyd® in lymph nodes

- **DIAGNODE-3 – DIAMYD® IN LYMPH NODES WITH ORAL SUPPLEMENTATION OF VITAMIN D**
  The placebo-controlled Phase III trial DIAGNODE-3 will include approximately 330 individuals aged 12 to 28 who have been recently diagnosed with Type 1 Diabetes and who carry the genetically defined haplotype HLA DR3-DQ2. The trial will be conducted at approximately 50 clinics, where almost half of all individuals with Type 1 Diabetes are estimated to carry the current haplotype. After an initial month in which all trial participants receive vitamin D, the individuals will be randomized 2:1, ie two out of three trial participants will receive three intralymphatic injections of Diamyd® and one in three will receive the corresponding placebo at one month intervals, with one primary reading 24 months after trial start. The design provides, based on efficacy data from previous studies on the HLA-restricted patient population, a high probability of reaching the primary endpoints; preservation of stimulated C-peptide and lower HbA1c. The Coordinating Investigator for the trial is Professor Johnny Ludvigsson at Linköping University. The Sponsor of the trial is Diamyd Medical.

- **DIAGNODE-B – ADDITIONAL INJECTION OF DIAMYD® IN LYMPH NODES**
  The aim of the trial is to evaluate the safety of a booster (fourth/fifth) injection with Diamyd® and the effect on the immune system and the endogenous insulin production. DIAGNODE-B is an open-label investigator-initiated clinical trial enrolling Type 1 Diabetes patients who carry the genetically defined haplotype HLA DR3-DQ2 and are previously treated with intralymphatic injections of Diamyd®. The trial is planned to include approximately 6 patients who have either been treated with four injections in DIAGNODE-1, who will then receive a 5th intralymphatic injection of Diamyd®, or patients who participated in DIAGNODE-2, who will receive a 4th intralymphatic injection of Diamyd®, approximately 4 years after the last injection. The patients will be followed for 12 months after injection. The trial is conducted at the Clinical Research Unit at the University Hospital in Linköping. Sponsor of the trial is Linköping University with Professor Johnny Ludvigsson as Sponsor's representative.

Trial with Remygen® (GABA)

- **REGENERATE-1 – REMYGEN® /ALPRAZOLAM**
  An open-label, investigator initiated clinical trial with Remygen®. The trial includes 35 patients aged 18-50 who have had Type 1 Diabetes for more than five years with low to non-existing insulin production. Safety and initial efficacy results from the dose escalation section of the trial have paved the way to initiate the main trial and have also demonstrated a potential effect of Remygen® to improve the hormonal response to hypoglycemia. The main trial evaluates whether the insulin-producing cells can be regenerated and if the hormonal response to hypoglycemia can be improved using Remygen® and the combination of Remygen® and Alprazolam. The trial is led by Professor Per-Ola Carlsson at Uppsala University, Sponsor of the trial. Results are expected in April 2023.

Manufacturing of GAD65 in Umeå

A new facility for manufacturing of biological products is being set up in Umeå, the Capital of Västerbotten County in Sweden, for the manufacture of recombinant GAD65, the active pharmaceutical ingredient in the antigen-specific immunotherapy Diamyd®, currently in late-stage clinical development. The 20 000 square feet site, comprising of clean rooms, laboratory facilities, warehousing and office space, will facilitate full control, predictability and scalability of the manufacturing technology of the active ingredient. Diamyd Medical has chosen Cytiva's configurable single-use bioprocess manufacturing platform FlexFactory for the process that is based on baculovirus-insect cell expression system. Small-scale experimental production of GAD65 is established at the manufacturing facility. Large-scale production is being set up with the aim of having the biomanufacturing facility operational during 2023. The property where the manufacturing is being established is owned by Diamyd Medical.

The site employs highly qualified specialists. Production scientists in action.

Key figures for the Group

	3 months Dec-Feb 2022/23	3 months Dec-Feb 2021/22	**6 months Sep-Feb 2022/23**	6 months Sep-Feb 2021/22	12 months Sep-Aug 2021/22
Research and development costs, MSEK	-13.6	-9.3	-35.3	-40.1	-75.6
Liquid assets and short-term investments	101.6	228.4	101.6	228.4	159.7
Solidity, %	89	88	89	88	91
Result per share, before and after dilution, SEK	-0.3	-0.1	-0.8	-0.6	-1.4
Liquidity and short-term investment per share, SEK	1.3	3.0	1.3	3.0	2.1
Equity per share, SEK	2.0	3.7	2.0	3.7	2.8
Total Cash flow per share, SEK	-0.4	-0.2	-0.2	0.8	-0.4
Share price per closing, SEK	14.3	15.2	14.3	15.2	14.6
Number of shares per closing	76 926 939	76 926 939	76 926 939	76 926 939	76 926 939
Average numbers of shares	76 926 939	76 926 939	76 926 939	76 127 807	76 926 939
Average number of employees	21	19	20	19	18

Consolidated statement of comprehensive income

KSEK	Note	3 months Dec-Feb 2022/23	3 months Dec-Feb 2021/22	6 months Sep-Feb 2022/23	6 months Sep-Feb 2021/22	12 months Sep-Aug 2021/22
OPERATING INCOME						
Net income		113	231	324	358	454
Other operating income		1 528	13	2 285	46	2 131
TOTAL OPERATING INCOME		1 641	244	2 609	404	2 584
OPERATING EXPENSES						
External research and development costs		-13 586	-9 305	-35 290	-40 086	-75 567
External patent- and license costs		-1 121	-1 550	-1 806	-2 274	-4 403
Personnel costs		-5 816	-4 801	-11 750	-9 174	-20 259
Other external costs	2	-3 440	-2 279	-6 806	-4 881	-11 669
Other operating expenses		-387	-93	-854	-263	-1 240
Depreciation and impairment of material and immaterial assets		-1 131	-824	-2 353	-1 274	-4 383
Result of shares in participations		-1 111	-	-2 178	-	-3 239
TOTAL OPERATING EXPENSES		-26 592	-18 851	-61 037	-57 952	-120 760
OPERATING RESULT		**-24 951**	**-18 607**	**-58 428**	**-57 548**	**-118 176**
Gain on sale of financial assets		-	6 653	-	6 653	6 653
Interest income and similar profit items		-18	3 078	506	4 593	8 259
Interest expense and similar loss items		0	-108	-3	-179	-253
RESULT BEFORE TAXES		**-24 970**	**-8 984**	**-57 926**	**-46 481**	**-103 517**
Income tax		-	-	-	-	-
NET RESULT FOR THE PERIOD		**-24 970**	**-8 984**	**-57 926**	**-46 481**	**-103 517**

Consolidated balance sheet

KSEK	Note	28 Feb 2023	28 Feb 2022	31 Aug 2022
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Patents		-	-	-
Tangible assets	3			
Land and buildings		25 194	24 414	22 609
Machinery and equipment		24 080	26 381	23 139
Financial assets	4			
Deferred tax		1 598	1 857	1 676
Participation in associated companies		13 285	32 220	15 463
Other long-term receivables		626	626	626
TOTAL NON-CURRENT ASSETS		64 783	85 497	63 513
CURRENT ASSETS				
Trade receivables		86	60	251
Other receivables		2 687	1 981	2 194
Prepaid expenses and accrued income		6 544	6 219	10 897
Short term investments		-	20 008	39 907
Liquid assets		101 602	208 396	119 761
TOTAL CURRENT ASSETS		110 919	236 665	173 011
TOTAL ASSETS		**175 701**	**322 162**	**236 524**
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		7 802	7 802	7 802
Statutory reserve		200	200	200
Non-restricted equity				
Share premium reserve non-restricted		390 507	390 507	390 507
Profit or loss brought forward		-184 130	-67 095	-80 613
Net result for the period		-57 926	-46 481	-103 517
TOTAL EQUITY		156 453	284 934	214 379
PROVISIONS				
Pensions and other obligations		744	4 250	777
TOTAL PROVISIONS		744	4 250	777
CURRENT LIABILITIES				
Trade payables		6 753	11 705	9 778
Other payables		7 827	3 172	6 559
Prepaid income and accrued expenses		3 923	18 102	5 030
TOTAL CURRENT LIABILITIES		18 503	32 979	21 367
TOTAL EQUITY AND LIABILITIES		**175 701**	**322 162**	**236 524**

Consolidated statement of cash flow

KSEK	Note	3 months Dec-Feb 2022/23	3 months Dec-Feb 2021/22	6 months Sep-Feb 2022/23	6 months Sep-Feb 2021/22	12 months Sep-Aug 2021/22
OPERATING ACTIVITIES						
Operating profit/loss		-24 951	-18 607	-58 428	-57 547	-118 176
Interest received		105	-	292	-	67
Interest paid		0	-108	-3	-179	-253
Non-cash flow items						
Depreciation		1 131	824	2 353	1 273	4 383
Other non-cash flow items		1 111	39	2 178	308	3 239
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-22 604**	**-17 853**	**-53 608**	**-56 145**	**-110 741**
Increase (-) decrease (+) receivables		-1 648	279	4 025	15 250	10 095
Increase (+) decrease (-) payables		-1 131	-975	-2 864	22 720	7 426
NET CASH FLOW FROM OPERATING ACTIVITIES		**-25 383**	**-18 549**	**-52 447**	**-18 175**	**-93 219**
INVESTING ACTIVITIES						
Investment in material assets		-3 844	-3 436	-5 879	-46 199	-34 652
Investment in financial assets		-	-	-	-	-
Divestment of financial assets		-	-	-	-	-8 815
Gain on sale of sold financial assets		-	6 653	-	6 653	6 653
Matured short-term investments		-	-	39 907	-	89 984
Investment in short term investments		-	-4	-	-20 007	-129 891
NET CASH FLOW FROM INVESTING ACTIVITIES		**-3 844**	**3 213**	**34 028**	**-59 553**	**-76 722**
FINANCING ACTIVITIES						
New issue		-	-	-	150 000	150 000
Issue expense		-	-	-	-7 845	-7 845
NET CASH FLOW FROM FINANCING ACTIVITIES		-	-	-	**142 155**	**142 155**
TOTAL CASH FLOW FOR THE PERIOD		**-29 227**	**-15 336**	**-18 418**	**64 427**	**-27 786**
Cash and cash equivalents at beginning of period		130 922	220 654	119 761	139 376	139 376
Net foreign exchange difference		-92	3 078	259	4 593	8 171
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**101 602**	**208 397**	**101 602**	**208 397**	**119 761**

Consolidated statement of changes in equity

KSEK	Share Capital	Statutory Reserve	Share premium reserve non restricted	Other non-restricted equity	Total Shareholders' equity
STARTING BALANCE OCTOBER 31, 2021	7 259	200	248 895	-80 613	175 741
Net result	-	-	-	-103 517	-103 517
New issue	543	-	149 457	-	150 000
Issue expenses	-	-	-7 845	-	-7 845
CLOSING BALANCE AUGUST 31, 2022	7 802	200	390 507	-184 130	214 379
OPENING BALANCE SEPTEMBER 1, 2022	**7 802**	**200**	**390 507**	**-184 130**	**214 379**
Net result	-	-	-	-57 926	-57 926
CLOSING BALANCE FEBRUARY 28, 2023	**7 802**	**200**	**390 507**	**-242 056**	**156 453**

Income statement for the parent company

KSEK	Note	3 months Dec-Feb 2022/23	3 months Dec-Feb 2021/22	6 months Sep-Feb 2022/23	6 months Sep-Feb 2021/22	12 months Sep-Aug 2021/22
OPERATING INCOME						
Net income		181	47	405	70	506
Other operating income		1 628	13	2 179	46	1 593
TOTAL OPERATING INCOME		1 809	60	2 584	116	2 099
OPERATING EXPENSES						
External research and development costs		-13 586	-9 305	-35 290	-40 086	-75 567
External patent- and license costs		- 1 121	-1 550	-1 806	-2 274	-4 403
Personnel costs		-5 816	-4 801	-11 750	-9 174	-20 259
Other external costs	2	-3 822	-2 032	-7 313	-4 665	-11 587
Other operating expenses		-387	-93	-854	-263	- 1 240
Depreciation and impairment of material and immaterial assets		-857	-762	-1 666	-1 211	-2 503
TOTAL OPERATING EXPENSES		-25 588	-18 542	-58 680	-57 674	-115 559
OPERATING RESULT		**-23 779**	**-18 482**	**-56 096**	**-57 558**	**-113 460**
Impairment of participation in associated companies		-	-	-	-	-3 818
Gain on sale of financial assets		-	6 653	-	6 653	6 653
Interest income and similar profit items		110	3 127	706	4 666	8 497
Interest expense and similar loss items		0	-108	-3	-179	-253
RESULT BEFORE TAXES		-23 669	-8 810	-55 393	-46 418	**-102 381**
Taxes		-	-	-	-	-
NET RESULT FOR THE PERIOD		**-23 669**	**-8 810**	**-55 393**	**-46 418**	**-102 381**

Balance sheet for the parent company

KSEK	Note	28 Feb 2023	28 Feb 2022	31 Aug 2022
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		-	-	-
Tangible assets				
Machinery and equipment		23 823	26 381	22 868
Financial assets				
Shares in subsidiaries		15 900	14 900	14 900
Long-term recievables from subsidiaries		15 000	9 325	9 325
Participation in associated companies	4	28 403	32 220	28 403
Other long-term receivables		626	626	626
TOTAL NON-CURRENT ASSETS		83 751	83 451	76 120
CURRENT ASSETS				
Trade receivables		111	25	251
Receivables subsidiaries		129	-	-
Other receivables		2 296	2 093	2 351
Prepaid expenses and accrued income		6 517	6 244	11 203
Short term investments		-	20 008	39 907
Liquid assets		97 145	207 986	119 238
TOTAL CURRENT ASSETS		106 198	236 357	172 950
TOTAL ASSETS		**189 949**	**319 809**	**249 070**
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		7 802	7 802	7 802
Statutory reserve		200	200	200
Non-restricted equity				
Share premium reserve non-restricted		390 507	390 507	390 507
Profit or loss brought forward		-169 476	-67 095	-67 095
Net result for the period		-55 393	-46 418	-102 381
TOTAL EQUITY		173 640	284 996	229 033
PROVISIONS				
Pensions and other obligations		744	4 250	777
TOTAL PROVISIONS		744	4 250	777
CURRENT LIABILITIES				
Trade payables		5 294	11 283	9 584
Other payables		6 417	3 532	4 722
Payables subsidiaries		-	-	-
Prepaid income and accrued expenses		3 853	15 748	4 953
TOTAL CURRENT LIABILITIES		15 565	30 563	19 260
TOTAL EQUITY AND LIABILITIES		**189 949**	**319 809**	**249 070**

Notes

Note 1 – General information and accounting principles
This interim report includes the parent company Diamyd Medical AB (publ), Corp. Reg. No. 556242-3797 and the subsidiary Diamyd Biomanufacturing AB, Corp. Reg. No. 559041-0931. The Group was formed on October 31, 2021. Unless otherwise stated, all amounts are in thousands of Swedish kronor (KSEK). Figures, if not otherwise stated, refer to the Group.

Interim and annual reports are prepared with the application of the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012: 1 Annual Report and Consolidated accounts (K3).

Note 2 – Related-party transactions
During the period companies represented by immediate family members of the main owner and Board member Anders Essen-Möller were contracted as consultants. Total compensation for consultancy services and salaries to immediate family members amounted to KSEK 724 (574). As working Board member, Anders Essen-Möller has through a company owned by Essen-Möller been compensated by KSEK 463 (448). Pricing has been set by the arm's length principle.

KSEK	Sep-Feb 2022/23	Sep-Feb 2021/22
Consultant fees and salaries to related parties	724	574
Consultant fees to Board members	463	448

Note 3 – Material assets

KSEK	28 Feb 2022/23	31 Aug 2021/22
Opening accumulated cost	51 857	7 343
Purchases, inventory	2 622	20 038
Purchases, property	3 257	24 476
Reclassification inventory	-1 403	-
Closing accumulated cost	56 333	51 857
Opening accumulated depreciation	-6 108	-1 790
Depreciation, period	-2 354	-4 318
Reclassification depreciation	1 403	-
Closing accumulated depreciation	-7 059	-6 108
Closing carrying amount	**49 274**	**45 748**

Note 4 – Financial assets

Group
Financial assets have been reduced by MSEK 18.9 in the consolidated balance sheet, due to the adjustment for accumulated results from shares in the associated company NextCell Pharma AB. The effect for the period is MSEK -2.2. The result is disclosed with a three-month delay.

Parent company
Diamyd Medical AB owns shares in NextCell Pharma AB (corporate registration no 556965-8361) who develops stem cell therapies and operates a stem cell bank for private family saving of stem cells. As of February 28, 2023, the carrying amount was approximately MSEK 27.2. Diamyd Medical's share of the equity as well as share of the

votes was as of the same date approximately 12.5 %. Diamyd Medical holds 20 % of the shares in the artificial intelligence company MainlyAI AB (corporate registration no 559258-7358). As of February 28, 2023, the carrying amount was MSEK 1.2.

Risks

Diamyd Medical's operations are associated with risks related to inter alia, drug development, commercialization, financing, intellectual property, collaborations with partners, authority decisions, agreements, and key personnel. For a description of the Company's risks, please see the Annual Report for the fiscal year 2021/2022. No significant changes in the Company's risk assessment have occurred since the Annual Report was issued.

Statement

The Board of Directors and the CEO certify that the interim report gives a fair overview of the business, position and profit or loss of the Company and describes the principal risks and uncertainties that face the Company.

This report has not been reviewed by the Company's auditors.

Stockholm, April 5, 2023

Erik Nerpin
Chairman of the Board

Anders Essen-Möller
Board member

Maria-Teresa Essen-Möller
Board member

Torbjörn Bäckström
Board member

Mark A. Atkinson
Board member

Karin Hehenberger
Board member

Ulf Hannelius
President & CEO

Financial Calendar

Quarterly Report 3	June 28, 2023
Year-end Report	October 11, 2023

About Diamyd Medical

Diamyd Medical develops precision medicine therapies for Type 1 Diabetes. Diamyd® is an antigen-specific immunotherapy for the preservation of endogenous insulin production. DIAGNODE-3, a confirmatory Phase III trial is actively recruiting patients with recent-onset Type 1 Diabetes in eight European countries and is being prepared to start recruiting patients in the US this summer. Significant results have previously been shown in a large 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 Diamyd® was administered directly into a lymph node in children and young adults with recently diagnosed type 1 diabetes. A manufacturing facility is being set up in Umeå for the manufacture of recombinant GAD65, the active ingredient in the antigen-specific immunotherapy 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 individuals 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 as well as in the artificial intelligence company MainlyAI 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.

For more information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above, at 08.15 CET on April 5, 2023.