



THIS PRESS RELEASE MAY NOT BE RELEASED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, BELARUS, CANADA, HONGKONG, JAPAN, NEW ZEALAND, RUSSIA, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH SUCH ACTION IN WHOLE OR IN PART, IS SUBJECT TO LEGAL RESTRICTIONS. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER, OR A SOLICITATION OF ANY OFFER, TO BUY OR SUBSCRIBE FOR ANY SECURITIES IN DIAMYD MEDICAL AB IN ANY JURISDICTION. PLEASE REFER TO THE "IMPORTANT INFORMATION" SECTION BELOW.

Press release June 9, 2023

Diamyd Medical provides an update regarding the ongoing new share issue

Background

On May 24, Diamyd Medical announced a decision on a new share issue. As reported in the press release, it was Diamyd Medical's intention that the subscribers to the new issue (the holders of BTA) would, in addition to shares, also receive warrants free of charge. As the Board of Directors' issue authorization at the time of the decision did not include the issue of warrants and as the limits of the articles of association for the share capital and number of outstanding shares needed to be increased, Diamyd Medical convened an extra general meeting to be held on June 26, at which the necessary decisions on the issue of warrants and changes to the articles of association would be made.

However, the intended issue structure could not be implemented, among other things because the registration procedure regarding the prospectus risked being delayed and thus also the intended timeline. The offer in the currently ongoing new share issue therefore, as also appears from the prospectus, only concerns a new issue of shares and does not entail any right to warrants. The prospectus is available on Diamyd Medical's website www.diamyd.com.

Funding in autumn 2023

Diamyd Medical still intends to carry out a financing. As it is not considered optimal to implement a financing during the summer, Diamyd Medical intends to come back with information in August-September. At that time, it is expected that the necessary measures regarding raising the capital limits of the articles of association and authorizing the Board of Directors to decide on the issue of warrants have been taken, see further below.

Ongoing new issue

The Board of Directors of Diamyd Medical has, in accordance with what is reported in the prospectus (page 31), made a commitment not to cancel, revoke or temporarily withdraw the offer to subscribe to the new share issue. Such a commitment is common in issue prospectuses. In light of this commitment, Diamyd Medical considers itself prevented from taking any special measures regarding the ongoing new share issue.

Extraordinary general meeting on 26 June

Diamyd Medical has previously convened an extraordinary general meeting which will take place on June 26. The general meeting will be held regarding the proposal to change the capital limits of the articles of association. The Board of Directors will, however, withdraw the proposal to issue warrants.

New extraordinary general meeting

Diamyd Medical will convene a further extraordinary general meeting which is planned to take place at the end of June/early July. The notice will be published in a separate press release. At this general meeting, proposals for issuance authorization shall be considered, which shall include the right to issue shares as well as warrants.

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 3 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 2b 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 biomanufacturing 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. 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 further information, please contact:

Ulf Hannelius, President and CEO

Phone: +46 736 35 42 41

E-mail: ulf.hannelius@diamyd.com

Diamyd Medical AB (publ)

Box 7349, SE-103 90 Stockholm, Sweden. Phone: +46 8 661 00 26, Fax: +46 8 661 63 68

E-mail: info@diamyd.com Reg. no.: 556242-3797 Website: <https://www.diamyd.com>

The information was provided by the contact person above, for publication on June 9, 2023, 16.50 CET.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe for or otherwise trade in shares, subscription rights or other securities in Diamyd Medical. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this press release or its accuracy, fairness or completeness.

This press release is not a prospectus for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this press release except on the basis of information contained in the EU Growth Prospectus. Any invitation to those entitled to subscribe for shares in Diamyd Medical is made solely through the EU growth prospectus which Diamyd Medical plans to publish on or about 1 June 2023.

This press release or information herein may not, in whole or partly, be released, published or distributed, directly or indirectly, in or into Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or the United States or any other jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, registrations or other actions in addition to what is required pursuant to Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws.

No subscription rights, paid subscribed shares (BTA) or new shares have or will be registered under the United States Securities Act of 1933 (the "Securities Act") or securities legislation in any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, into or within the United States, other than pursuant to an exemption from, or in a transaction that is subject to, the registration requirements of the Securities Act. Furthermore, the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea or Switzerland and may, with certain exceptions, not be offered or sold within, or on behalf of a person or for the benefit of a person who is registered in, these countries or any other jurisdiction in which the release, distribution or publication

would be unlawful or require registration or any other measure. The Company has not made an offer to the public to subscribe for or acquire the securities mentioned in this press release in any jurisdiction other than in Sweden.

In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a “Relevant State”), this press release and the information contained herein are intended only for and directed to qualified investors as defined in the Prospectus Regulation. The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This press release is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.

Forward-looking statements

This press release contains certain forward-looking statements that are based on uncertainty, as they relate to events and depend on circumstances that will occur in the future and which, by their nature, may have an impact on results of operations and the financial condition of Diamyd Medical. Such forward-looking statements reflect Diamyd Medical’s current expectations and are based on the information currently available. Diamyd Medical cannot give any assurance as to whether such forward-looking statements will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.