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Press release June 13, 2023

## **Diamyd Medical refrains from enforcing the underwriting agreements in the rights issue and extends the subscription period**

*Diamyd Medical AB (publ) ("Diamyd Medical" or the "Company") has decided to refrain from enforcing the underwriting agreements entered into with a number of external investors in connection with the rights issue. The reason is that there is substantial uncertainty as to whether the underwriting agreements are fully legally binding and could be enforced by the Company. In light of this, Diamyd Medical has decided to extend the subscription period in the rights issue and to draw up a supplementary prospectus.*

### **Background**

On May 24, 2023, Diamyd Medical announced a decision on a new issue of B shares for approximately SEK 163 million ("Rights Issue"). As reported in the press release, it was Diamyd Medical's intention that the subscribers to the Rights 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 schedule. The offer in the ongoing rights issue therefore, as also appears in 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](http://www.diamyd.com).

### **Diamyd Medical waives the right to enforce the underwriting agreements**

Diamyd Medical has entered into underwriting agreements with a number of investors, meaning that the Rights Issue (together with other subscription commitments) would be secured up to an amount of approximately SEK 116 million.

Diamyd Medical has ascertained that there is substantial uncertainty as to whether the underwriting agreements entered into are fully legally binding and can be enforced against the investors with whom the agreements were entered into. The reason is the lack of clarity that arose when Diamyd Medical adjusted the originally communicated issue structure to, as shown in the prospectus, only refer to the new issue of shares. The consequence of this is that if the Rights Issue were to be subscribed, with and without preferential rights, for an amount that is less than the secured amount of SEK 116 million, there would be uncertainty as to whether Diamyd Medical would be able to enforce the guarantee commitments. This makes it difficult for potential subscribers to the Rights Issue to take a position on the offer.

Diamyd Medical has therefore decided to waive its right to enforce the underwriting guarantee agreements entered into with a number of investors. This means that the parties to the underwriting agreements are not bound by the obligation to subscribe for shares in the Rights Issue.

### **Extension of the subscription period and supplementary prospectus**

Diamyd Medical's Board of Directors has decided to extend the subscription period in the Rights Issue, which according to the current terms expires on June 16, 2023. The extended subscription period will run from and

including June 17, 2023 to and including June 27, 2023. Trading in paid subscribed shares (BTA B) is extended to last until July 11, 2023.

Diamyd Medical will prepare a supplementary prospectus and apply for registration of the supplementary prospectus with the Financial Supervisory Authority. If the supplement is approved and registered by the Financial Supervisory Authority, the person who subscribed for shares in the Rights Issue has the right to withdraw its subscription within two working days after the publication of the supplemental prospectus. The subscription period may therefore be extended depending on when the supplementary prospectus is registered by the Financial Supervisory Authority.

Due to the extension of the subscription period, Diamyd Medical will not publish the preliminary or final outcome of the Rights Issue on June 16 and June 19, 2023, respectively, as previously communicated. The outcome of the Rights Issue will be published when the extended subscription period has expired.

### **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.

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This information is information that Diamyd Medical AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was provided by the contact person above, for publication on June 13, 2023, 14.20 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.

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### **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.