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Press release June 27, 2023

Diamyd Medical announces preliminary outcome in the company's rights issue

*Diamyd Medical AB (publ) ("Diamyd Medical" or the "Company") today announces that the preliminary outcome for the rights issue of B-shares (the "**Rights Issue**"), for which the subscription period ended today June 27, 2023, indicates that approximately 8.4 million B-shares, corresponding to approximately 43 percent of the Rights Issue, have been subscribed for with subscription rights. Additionally, applications for subscription of approximately 0.5 million B-shares without subscription rights, corresponding to approximately 3 percent of the offered shares, have been received. In aggregate, the subscriptions by exercise of subscription rights and the applications for subscription without subscription rights correspond to approximately 46 percent of the offered shares. Thus, the preliminary outcome indicates that the Rights Issue will provide the Company with issue proceeds of approximately SEK 75 million before deduction of costs attributable to the Rights Issue.*

The Board of Directors in Diamyd Medical resolved on May 24, 2023, pursuant to the authorization granted by the annual general meeting in the Company on December 1, 2022, a rights issue of up to approximately SEK 163 million.

Preliminary outcome

The preliminary outcome indicates that approximately 8.4 million B-shares, corresponding to approximately 43 percent of the offered shares, have been subscribed for with subscription rights in the Rights Issue. Additionally, applications for subscription of approximately 0.5 million B-shares without subscription rights, corresponding to approximately 3 percent of the offered shares, have been received. Thus, the preliminary outcome indicates that the Rights Issue have been subscribed with the support of subscription rights and subscription applications without the support of subscription rights to approximately 46 percent. Through the Rights Issue, the Company will therefore receive approximately SEK 75 million before deduction of costs attributable to the Rights Issue.

Notice of allotment

All those who have subscribed for B-shares without subscription rights will be allocated B-shares in accordance with the principles set out in the EU growth prospectus which was approved and registered by the Swedish Financial Supervisory Authority on June 1, 2023. Notice of allotment to the persons who subscribed for B-shares without subscription rights is expected to be distributed on June 28, 2023. Subscribed and allotted B-shares shall be paid in cash within three banking days in accordance with the instructions on the settlement note sent to the subscriber. Subscribers who have subscribed for shares through a nominee will receive notification of allocation in accordance with their respective nominee's procedures. Only those who have been allotted shares will be notified.

Final outcome and trading in BTA's

The final outcome of the Rights Issue is expected to be published around June 28, 2023. The last day of trading in paid subscribed shares (Sw. BTA) is expected to be July 11, 2023. The new B-shares subscribed for with and without subscription rights are expected to be traded on Nasdaq First North Premier Growth Market as of week 29, 2023.

Advisors

G&W Fondkommission acts as Financial Advisor to Diamyd Medical in connection with the Rights Issue. Aqrat Fondkommission AB has been appointed as Issuer Agent.

For further information, please contact:

Ulf Hannelius, President and CEO

Phone: +46 736 35 42 41

E-mail: ulf.hannelius@diamyd.com

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.

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>

This information is information that Diamyd Medical 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 27, 2023, 18.15 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 published on June 1, 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.