YEAR-END REPORT

September 2022 – August 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 – August 31, 2023

- Operating income: MSEK 19.6 (2.6), fourth quarter: MSEK 11.2 (1.2). The increase in operating income refers mainly to milestones related to a partnership agreement with JDRF
- Net result: MSEK -100.2 (-103.5), fourth quarter: MSEK -21.6 (-36.7)
- Result per share: SEK -1.3 (-1.4), fourth quarter: SEK -0.3 (-0.5)
- Cash flow from operating activities: MSEK -95.1 (-93.2), fourth quarter: MSEK -18.7 (-34.6)
- Cash and short-term investments at August 31, 2023: MSEK 127.5 (159.7)

Significant events during the fourth quarter June 1 – August 31, 2023

- Diamyd Medical announced that the preliminary outcome of the rights issue amounted to SEK 75 million
- On June 13, Diamyd Medical announced that the Company refrained from enforcing the underwriting agreements in the rights issue and extended the subscription period
- On June 5, the trading in subscription rights in Diamyd Medical's rights issue was halted

Other events during the fourth quarter

- Results from Diamyd® Antigen-Specific Immunotherapy Trial in LADA published in scientific journal
- Diamyd Medical announced the final outcome in the Company's rights issue
- An Extraordinary General Meeting on June 26 resolved to amend the articles of association
- On June 19, Diamyd Medical announced that the largest owner fully subscribed for his share in the rights issue

Significant events after the fourth quarter

- Diamyd Medical resolved, subject to approval from an EGM, on a rights issue of SEK 243 million

Other events after the fourth quarter

- An Extraordinary General Meeting resolved on a rights issue
- Anders Essen-Möller was appointed Chairman of the Board of Diamyd Medical
- Registrational Phase III trial in Type 1 Diabetes with Diamyd® expanded to the US

"One of our most important accomplishments this year has been the expansion of our registrational precision medicine Phase 3 trial, DIAGNODE-3. Following the recent investigator meeting in Washington DC, we are thrilled to have the US onboard to join the eight European countries where the trial is already ongoing."

Ulf Hannelius, CEO

Comments by CEO Ulf Hannelius

Dear Shareholders,

As we close another transformative year for Diamyd Medical, I am pleased to present our year-end report, reflecting upon our significant milestones, challenges and charting the course for the year ahead.

One of our most important accomplishments this year has been the expansion of our registrational precision medicine Phase 3 trial, DIAGNODE-3. Following the recent investigator meeting in Washington DC, we are thrilled to have the US onboard to join the eight European countries where the trial is already ongoing.

Importantly, in April this year we announced an industry partnership with the JDRF, the largest and most influential Type 1 Diabetes (T1D) patient advocacy group in the US. This is of crucial importance both regarding patient recruitment to DIAGNODE-3, financial support as well as for preparations ahead of potential commercial approval. Also, as part of this partnership, we are honored to have been invited as a panelist to the annual JDRF Mission Summit that will be held October 23-24 in Toronto, Canada, the birthplace of insulin.

During the year we have also seen significant regulatory and commercial advancements in the field of T1D. Teplizumab, developed by the US company ProventionBio that was subsequently acquired by Sanofi, was approved by the FDA to delay the time to insulin requiring T1D in individuals with at least two autoantibodies to beta cells and dysglycemia (abnormal blood glucose levels). This is a very important development in the field, creating more clarity around the regulatory requirements and commercial potential for T1D modifying therapies as well as setting the stage for prevention of clinical T1D. FDA also approved the first ever cell therapy for T1D, Lantidra, an islet-cell transplant for the treatment of T1D in adults whose symptoms are not well controlled. Several acquisitions and licensing deals have also taken place during the year, further signifying the momentum in the field. Given this momentum, we are of course excited and proud to be a leader in the field of antigen-specific immunotherapy, spearheaded by the registrational trial DIAGNODE-3.

With these operational and regulatory advancements taking place, we are also very aware of the unpredictable nature of the prevailing markets, depressed valuations and the importance of financial solidity. We raised approximately 70 MSEK before the summer, an important capital injection. We are now following up on that capital raise, issuing new shares and associated warrants, which if fully successful could take us close to, if not beyond, top line results of our registrational phase-3 study.

As we look ahead, we are soon expecting clinical results from the booster study DIAGNODE-B as well as the start of the DiaPrecise prevention trial with Diamyd®. Our Diamyd BioManufacturing facility in Umeå, is a significant and value enhancing endeavor that gives us full control of the protein manufacturing for Diamyd® and provides opportunities to broaden our footprint within biologics manufacturing. Also, in alignment with our vision to cure type 1 diabetes and the insights and data we now have from Diamyd®, we are evaluating a broadening of our precision medicine platform, focusing on HLA genetics and antigen-specific immunotherapy. Our focus remains on efficiently utilizing our resources while maintaining our commitment to excellence, and our prioritized activities are clearly focused on the Phase 3 trial and our biologics facility in Umeå, Sweden.

I'd like to express my profound gratitude to our shareholders, partners and employees for your unwavering support and trust. Together, we are set for success!

Stockholm, October 11, 2023

Ulf Hannelius, President and CEO

Significant events during the fourth quarter

June 1, 2023 – August 31, 2023

Diamyd Medical announced the preliminary outcome in the Company's rights issue
The preliminary outcome for the rights issue of B-shares for which the subscription period ended on June 27, 2023, indicated that approximately 8.4 million B-shares, corresponding to approximately 43 percent of the rights issue, had been subscribed for with subscription rights. Applications for subscription of approximately 0.5 million B-shares without subscription rights, corresponding to approximately 3 percent of the offered shares, had been received. In aggregate, the subscriptions by exercise of subscription rights and the applications for subscription without subscription rights corresponded to approximately 46 percent of the offered shares. Thus, the preliminary outcome indicated that the rights issue would provide the Company with issue proceeds of approximately SEK 75 million before deduction of costs attributable to the rights issue.

On June 13, Diamyd Medical announced that the Company refrained from enforcing the underwriting agreements in the rights issue and extended the subscription period
Diamyd Medical decided to refrain from enforcing the underwriting agreements entered into with a number of external investors in connection with the rights issue due to substantial uncertainty as to whether the underwriting agreements were fully legally binding and could be enforced by the Company. In light of this, Diamyd Medical decided to extend the subscription period in the rights issue and to prepare a supplementary prospectus.

On June 5, the trading in subscription rights in Diamyd Medical's rights issue was halted
Nasdaq Stockholm decided to stop the trading in subscription rights in Diamyd Medical's rights issue. The trading halt was linked to the issue structure (including new issue of B-shares and issue of warrants) that Diamyd Medical announced in a press release on May 24.

Other events during the fourth quarter

June 1, 2023 – August 31, 2023

Results from Diamyd® Antigen-Specific Immunotherapy Trial in LADA published in scientific journal
Comprehensive 12-month results from the GADinLADA pilot-trial were published in the peer-reviewed scientific journal Diabetes Obesity and Metabolism. The treatment with Diamyd® of individuals up to 70 years of age diagnosed with LADA, was safe and showed disease modifying potential. The top line results were first announced in July 2022.

Diamyd Medical announced the final outcome in the Company's rights issue
The final outcome in the rights issue was in line with the preliminary results, which concluded that 8,351,941 B-shares, corresponding to approximately 43 percent of the rights issue, had been subscribed for with subscription rights. Additionally, applications for subscription of 503,434 B-shares without subscription rights, corresponding to approximately 3 percent of the offered shares, had been received. The rights issue was thus subscribed to approximately 46 percent. The Company received issue proceeds of approximately SEK 75 million before deduction of issue costs.

An Extraordinary General Meeting on June 26 resolved to amend the articles of association
The amendments include an increase of the limits of the number of issued and outstanding shares and the limits of the share capital. Pursuant to the amended articles of association, the share capital should amount to not less than SEK 7.8 million and not more than SEK 31.2 million. The number of issued and outstanding shares should amount to not less than 76 million and not more than 304 million.

On June 19, Diamyd Medical announced that the largest owner fully subscribed for his share in the rights issue
Bertil Lindkvist informed the Company that he had subscribed for his pro rata share, corresponding to approximately SEK 13 million, or 8.0 % of the ongoing rights issue of a total of SEK approximately 163 million. Diamyd Medical's founder and major owner Anders Essen-Möller informed the Company that he intended to subscribe for shares corresponding to SEK 1 million, approximately 0.6 % of the rights issue.

Significant events after the fourth quarter

Diamyd Medical resolved, subject to approval from an EGM on a rights issue of SEK 243 million
The Board of Directors resolved, subject to approval from an extraordinary general meeting on October 10, 2023, on a rights issue of a maximum of 28,594,104 units, corresponding to approximately SEK 243 million. The subscription price in the rights issue has been set to SEK 8.50 per unit. Each unit consists of one (1) share, of either class A or B, one (1) free of charge warrant of series TO3 for the corresponding share class and one (1) free of charge warrant of series TO4 for the corresponding share class. Shareholders in Diamyd Medical on the record date have for each three (3) held shares, regardless of share class, preferential right to subscribe for one (1) new unit of the same share class in the rights issue. Founder and Chairman of the Board, Anders Essen-Möller, has committed to subscribing for units equivalent to SEK 7 million, corresponding to approximately 2.9 percent of the rights issue.

Other events after the fourth quarter

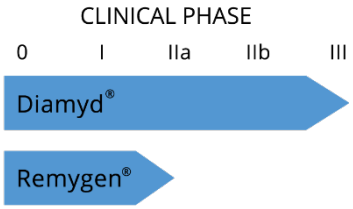
An Extraordinary General Meeting resolved on a rights issue
The EGM approved the Board of Directors' resolution of September 20, 2023, on a new issue of shares and warrants in the form of units. If fully subscribed, the rights issue will raise issue proceeds of approximately SEK 243 million before issue costs.

Anders Essen-Möller was appointed Chairman of the Board of Diamyd Medical
The Board of Directors of Diamyd Medical appointed Anders Essen-Möller as new Chairman of the Board. Former Chairman Erik Nerpin was appointed Vice Chairman. The purpose of the rockade within the Board of Directors is to clarify Anders Essen-Möller's significant role in the company. Anders Essen-Möller will continue his consulting assignment for Diamyd Medical and thus become Executive Chairman of the Board. Anders Essen-Möller founded Diamyd Medical and was previously CEO and later Chairman of the Board until 2015. Erik Nerpin then took over the role as Chairman of the Board when Anders Essen-Möller for a period re-entered as CEO of the Company before current CEO Ulf Hannelius took office in April 2016.

Registrational Phase III trial in Type 1 Diabetes with Diamyd® expanded to the US
Diamyd Medical announced that the first clinical site in the United States was pending imminent initiation in the precision medicine Phase III trial DIAGNODE-3, which is ongoing in eight European countries. DIAGNODE-3 is designed to confirm the efficacy and safety of the antigen-specific immunotherapy Diamyd® in patients aged 12 to 29 years recently diagnosed with type 1 diabetes and carrying the genetic HLA DR3-DQ2 marker. The goal is to have the trial fully enrolled in the second half of 2024.

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 GABA-based regenerative and immunomodulatory drug candidate for the treatment of autoimmune- and type 2 diabetes. The safety of Remygen® has been demonstrated in a Phase 1/2 clinical trial with Remygen® in patients who have had type 1 diabetes for several years. In addition to safety, the study also collected data on restoring or stimulating the body's insulin production and preventing hypoglycaemia.

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.

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 29 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 60 clinics in eight European countries and the United States, 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.

Biomanufacturing in Umeå

A new facility for manufacturing of biological products is being set up in Umeå, the Capital of Västerbotten County in Sweden. The primary purpose is the manufacture of recombinant GAD65, the active pharmaceutical ingredient in the investigational medicine Diamyd®, an antigen-specific immuno therapy currently in late-stage clinical development. The long-term goal for the facility is to produce enough GAD65 to meet the market demand for Diamyd®, as well as to be a key player in the production of biological substances for other drug projects. The 24 000 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 pharmaceutical ingredient manufacturing technology. Diamyd Medical has chosen Cytiva's configurable single-use bioprocess manufacturing platform FlexFactory for the process that is based on a baculovirus-insect cell expression system. Small-scale experimental production of GAD65 is established at the manufacturing facility and large-scale production is being set up with the aim of having the biomanufacturing facility operational during 2024. Additional biomanufacturing projects will be evaluated to make full use of the site, platform, analytical laboratory and competencies.

The employees at the facility are experts in e.g. cell culture and protein purification, paving the way for the development for future precision medicine treatments of type 1 diabetes.

Key figures for the Group

	3 months Jun-Aug 2022/23	3 months Jun-Aug 2021/22	**12 months Sep-Aug 2022/23**	12 months Sep-Aug 2021/22
Research and development costs, MSEK	-19.8	-28.1	-69.9	-75.6
Liquid assets and short-term investments	127.5	159.7	127.5	159.7
Solidity, %	90	91	90	91
Result per share, before and after dilution, SEK	-0.3	-0.5	-1.3	-1.4
Liquidity and short-term investment per share, SEK	1.5	2.1	1.5	2.1
Equity per share, SEK	2.2	2.8	2.2	2.8
Total Cash flow per share, SEK	0.6	-0.2	0.1	-0.4
Share price per closing, SEK	9.8	14.6	9.8	14.6
Number of shares per closing	85 782 314	76 926 939	85 782 314	76 926 939
Average numbers of shares	82 317 167	76 926 939	78 285 572	76 530 657
Average number of employees	25	19	22	18

Consolidated statement of comprehensive income

KSEK	Note	3 months Jun-Aug 2022/23	3 months Jun-Aug 2021/22	12 months Sep-Aug 2022/23	12 months Sep-Aug 2021/22
OPERATING INCOME					
Net income		74	59	546	454
Other operating income	2	11 100	1 101	19 066	2 131
TOTAL OPERATING INCOME		11 174	1 160	19 612	2 584
OPERATING EXPENSES					
External research and development costs		-19 838	-28 099	-69 909	-75 567
External patent- and license costs		-1 021	-731	-3 634	-4 403
Personnel costs	3	-6 871	-5 631	-25 658	-20 259
Other external costs	4	-3 255	-3 997	-14 037	-11 669
Other operating expenses		-379	-367	-1 486	-1 240
Depreciation and impairment of material and immaterial assets		-1 318	-1 029	-4 869	-4 383
Result of shares in participations		-1 360	-1 160	-4 960	-3 239
TOTAL OPERATING EXPENSES		-34 042	-41 014	-124 552	-120 760
OPERATING RESULT		**-22 868**	**-39 854**	**-104 940**	**-118 176**
Gain on sale of financial assets		-	-	-	6 653
Interest income and similar profit items		1 219	3 141	4 735	8 259
Interest expense and similar loss items		-	-15	-3	-253
RESULT BEFORE TAXES		**-21 648**	**-36 728**	**-100 208**	**-103 517**
Income tax		-	-	-	-
NET RESULT FOR THE PERIOD		**-21 648**	**-36 728**	**-100 208**	**-103 517**

Consolidated balance sheet

KSEK	Note	31 Aug 2023	31 Aug 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Patents		-	-
Tangible assets	5		
Land and buildings		28 959	22 609
Constructions in progress		825	-
Machinery and equipment		22 538	23 139
Financial assets	6		
Deferred tax		1 536	1 676
Participation in associated companies		10 567	15 463
Other long-term receivables		573	626
TOTAL NON-CURRENT ASSETS		64 999	63 513
CURRENT ASSETS			
Trade receivables		59	251
Other receivables		3 996	2 194
Prepaid expenses and accrued income		9 221	10 897
Short term investments		-	39 907
Liquid assets		127 533	119 761
TOTAL CURRENT ASSETS		140 809	173 011
TOTAL ASSETS		**205 808**	**236 524**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		8 700	7 802
Statutory reserve		200	200
Non-restricted equity			
Share premium reserve non-restricted		460 286	390 507
Profit or loss brought forward		-183 716	-80 613
Net result for the period		-100 208	-103 517
TOTAL EQUITY		185 262	214 379
PROVISIONS			
Pensions and other obligations		692	777
TOTAL PROVISIONS		692	777
CURRENT LIABILITIES			
Trade payables		4 886	9 778
Other payables		9 431	6 559
Prepaid income and accrued expenses		5 537	5 030
TOTAL CURRENT LIABILITIES		19 854	21 367
TOTAL EQUITY AND LIABILITIES		**205 808**	**236 524**

Consolidated statement of cash flow

KSEK	Note	3 months Jun-Aug 2022/23	3 months Jun-Aug 2021/22	12 months Sep-Aug 2022/23	12 months Sep-Aug 2021/22
OPERATING ACTIVITIES					
Operating profit/loss		-22 868	-38 694	-104 940	-118 176
Interest received		617	56	1 051	67
Interest paid		-	-15	-3	-253
Non-cash flow items					
Depreciation		1 318	1 029	4 869	4 383
Other non-cash flow items		1 545	4 211	5 374	3 239
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-19 387**	**-33 414**	**-93 650**	**-110 741**
Increase (-) decrease (+) receivables		619	-276	66	10 095
Increase (+) decrease (-) payables		107	-943	-1 513	7 426
NET CASH FLOW FROM OPERATING ACTIVITIES		**-18 662**	**-34 634**	**-95 097**	**-93 219**
INVESTING ACTIVITIES					
Investment in material assets		-2 391	-1 592	-11 442	-34 652
Investment in financial assets		-	-	-64	-
Divestment of financial assets		-	-	-	-8 815
Gain on sale of sold financial assets		-	-	-	6 653
Matured short-term investments		-	39 967	39 907	89 984
Investment in short term investments		-	-19 934	-	-129 891
NET CASH FLOW FROM INVESTING ACTIVITIES		**-2 391**	**18 441**	**28 401**	**-76 722**
FINANCING ACTIVITIES					
New issue		75 271	-	75 271	150 000
Issue expense		-4 594	-	-4 594	-7 845
NET CASH FLOW FROM FINANCING ACTIVITIES		**70 677**	-	**70 677**	**142 155**
TOTAL CASH FLOW FOR THE PERIOD		**49 624**	**-16 193**	**3 981**	**-27 786**
Cash and cash equivalents at beginning of period		77 312	132 870	119 761	139 376
Net foreign exchange difference		597	3 085	3 791	8 171
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**127 533**	**119 761**	**127 533**	**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	-	-	-	-100 208	-100 208
New issue	898	-	74 373	-	75 271
Issue expenses	-	-	-4 594	-	-4 594
Incentive program LTI 2022	-	-	-	414	414
CLOSING BALANCE AUG 31, 2023	**8 700**	**200**	**460 286**	**-283 924**	**185 262**

Income statement for the parent company

KSEK	Note	3 months Jun-Aug 2022/23	3 months Jun-Aug 2021/22	12months Sep-Aug 2022/23	12 months Sep-Aug 2021/22
OPERATING INCOME					
Net income		32	167	690	506
Other operating income	2	11 100	977	18 959	1 593
TOTAL OPERATING INCOME		11 132	1 144	19 650	2 099
OPERATING EXPENSES					
External research and development costs		-19 838	-28 099	-69 909	-75 567
External patent- and license costs		-1 021	-731	-3 634	-4 403
Personnel costs		-6 871	-5 631	-25 658	-20 259
Other external costs	4	-3 596	-4 141	-15 089	-11 587
Other operating expenses		-379	-367	-1 486	- 1 240
Depreciation and impairment of material and immaterial assets		-907	-460	-3 466	-2 503
TOTAL OPERATING EXPENSES		-32 611	-39 428	-119 242	-115 559
OPERATING RESULT		**-21 479**	**-38 283**	**-99 592**	**-113 460**
Impairment of participation in associated companies		-11 781	-3 818	-11 781	-3 818
Gain on sale of financial assets		-	-	-	6 653
Interest income and similar profit items		1 429	3 212	5 335	8 497
Interest expense and similar loss items		-	-15	-3	-253
RESULT BEFORE TAXES		**-31 831**	**-38 904**	**-106 041**	**-102 381**
Taxes		-	-	-	-
NET RESULT FOR THE PERIOD		**-31 831**	**-38 904**	**-106 041**	**-102 381**

Balance sheet for the parent company

KSEK	Note	31 Aug 2023	31 Aug 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		-	-
Tangible assets			
Machinery and equipment		22 296	22 868
Financial assets			
Shares in subsidiaries		15 900	14 900
Long-term recievables from subsidiaries		18 000	9 325
Participation in associated companies	6	16 686	28 403
Other long-term receivables		573	626
TOTAL NON-CURRENT ASSETS		73 455	76 120
CURRENT ASSETS			
Trade receivables		-	251
Receivables subsidiaries		727	-
Other receivables		3 771	2 351
Prepaid expenses and accrued income		9 200	11 203
Short term investments		-	39 907
Liquid assets		124 918	119 238
TOTAL CURRENT ASSETS		138 616	172 950
TOTAL ASSETS		**212 071**	**249 070**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		8 700	7 802
Statutory reserve		200	200
Non-restricted equity			
Share premium reserve non-restricted		460 286	390 507
Profit or loss brought forward		-169 062	-67 095
Net result for the period		-106 041	-102 381
TOTAL EQUITY		194 083	229 033
PROVISIONS			
Pensions and other obligations		692	777
TOTAL PROVISIONS		692	777
CURRENT LIABILITIES			
Trade payables		3 839	9 584
Other payables		7 820	4 722
Payables subsidiaries		100	-
Prepaid income and accrued expenses		5 357	4 953
TOTAL CURRENT LIABILITIES		17 296	19 260
TOTAL EQUITY AND LIABILITIES		**212 071**	**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 – Other operating income
Other operating income consists mainly of grants related to the partnership with JDRF and to VINNOVA (Swedish innovation agency) financed projects.

Note 3 – Long-term Incentive program, LTI 2022
The Company has as of August 31, 2023, allocated 27 participants rights to performance shares in accordance with LTI 2022. A total of 270 000 rights to performance shares have been allocated. LTI 2022 rights are measured on the allotment date at fair value of allocated equity instruments. As of August 31, 2023, social costs for LTI 2022 amount to approximately MSEK 0.0 and personnel costs 0.41 MSEK. The personnel cost is based on the allocation value, simulated with the Monte Carlo method.

Note 4 – 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 1 548 (1 302), of which working Board member Anders Essen-Möller through a company owned by Essen-Möller has been compensated by KSEK 926 (926). Board member Mark Atkinson has been compensated KSEK 50 (50) for consultancy services. Pricing has been set by the arm's length principle.

Group and parent company	**Sep-Aug**	Sep-Aug
KSEK	**2022/23**	2021/22
Consultant fees and salaries to related parties	1 548	1 302
Consultant fees to Board members	976	976

Note 5 – Material assets

Group

	31 Aug	31 Aug
KSEK	**2022/23**	2021/22
Land and buildings		
Opening acquisition value	24 476	-
Purchases, property	-	24 476
Purchases, improvement expense	7 723	-
Closing acquisition value	32 199	24 476
Opening accumulated depreciation	-1 866	-
Depreciation, period	-1 374	-1 866
Closing accumulated depreciation	-3 240	-1 866
Closing carrying amount	**28 959**	22 610

KSEK	31 Aug 2022/23	31 Aug 2021/22
Constructions in progress		
Opening acquisition value	-	-
Purchases	825	-
Closing carrying amount	**825**	-

KSEK	31 Aug 2022/23	31 Aug 2021/22
Machinery and equipment		
Opening acquisition value	27 381	7 343
Purchases, inventory	2 894	20 038
Reclassification inventory	-1 403	-
Closing acquisition value	28 872	27 381
Opening accumulated depreciation	-4 242	-1 790
Depreciation, period	-3 495	-2 452
Reclassification depreciation	1 403	-
Closing accumulated depreciation	-6 334	-4 242
Closing carrying amount	**22 538**	23 139

Note 6 – Financial assets

Group
Financial assets have been reduced by MSEK 21.7 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 -5.0. 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 August 31, 2023, the carrying amount was approximately MSEK 15.4. 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 25 % of the shares in the artificial intelligence company MainlyAI AB (corporate registration no 559258-7358). As of August 31, 2023, the carrying amount was MSEK 1.3.

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 Year-end 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, October 11, 2023

Anders Essen-Möller
Chairman of the Board

Erik Nerpin
Vice Chairman of the Board

Maria-Teresa Essen-Möller
Board member

Torbjörn Bäckström
Board member

Mark A. Atkinson
Board member

Karin Hehenberger
Board member

Ulf Hannelius
President & CEO

Karin Rosén
Adjunct Board member

Financial Calendar

Annual Report	November 9, 2023
Annual General Meeting	November 30, 2023
Quarterly Report 1	January 24, 2024
Quarterly Report 2	March 27, 2024
Quarterly Report 3	June 26, 2024
Year-end Report	October 9, 2024

Annual Report

The Annual Report for 2022/2023 is expected to be available on November 9, 2023, via Diamyd Medical AB's website (https://www.diamyd.com).

Annual General Meeting

The Annual General Meeting will be held on November 30, at 3:00 p.m. at Hotel Kung Carl in Stockholm.

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 recruting patients with recent-onset Type 1 Diabetes in eight European countries and has started in the US. 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 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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