



THIS PRESS RELEASE MAY NOT BE RELEASED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, BELARUS, CANADA, HONG KONG, 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 November 1, 2023

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

On October 31, 2023, Diamyd Medical AB (publ) ("Diamyd Medical" or the "Company") announced the preliminary outcome in the Company's rights issue of units (the "Rights Issue"), for which the subscription period ended October 31, 2023. The Company has now obtained the final outcome in the Rights Issue, which is in line with the preliminary results, concluding that 8,215,848 units, corresponding to approximately 29 percent of the Rights Issue, have been subscribed for with unit rights. Additionally, applications for subscription of 949,834 units without unit rights, corresponding to approximately 3 percent of the offered units, have been received. In aggregate, the subscriptions by exercise of unit rights and the applications for subscription without unit rights correspond to approximately 32 percent of the offered units. Thus, the Company will receive issue proceeds from the Rights Issue of approximately SEK 78 million before the deduction of costs attributable to the Rights Issue. Subscribers in the Rights Issue include the Chairman of the Board of Directors and founder Anders Essen-Möller (SEK 7 million), the Company's largest shareholder Bertil Lindkvist (SEK 6.8 million), and other Senior Executives and members of the Board of Directors (SEK 900 thousand).

"With this capital injection, we now have financing until 2025", says Ulf Hannelius, CEO of Diamyd Medical. "The outcome of the rights issue, given the prevailing financial market and global situation, is satisfactory and means that we continue according to plan. I would like to thank existing and new shareholders that we this year, including the previous rights issue, in a difficult market, were able to raise over SEK 150 million. This is a significant sign of trust that we will do our utmost to honour. Partners such as JDRF and strategic long-term investors are of course extremely important in these times, and with the tailwind that we and the diabetes field have, and with strengthened funding, the conditions for various types of collaboration have been further strengthened."

The Board of Directors in Diamyd Medical resolved on September 20, 2023, with the subsequent approval by the extraordinary general meeting in the Company on October 10, 2023, a rights issue of up to approximately SEK 243 million.

Final Outcome

The Rights Issue is comprised of 28,594,104 units, of which 185,407 A-units and 8,030,441 B-units, corresponding to approximately 29 percent of the offered units, have been subscribed for with unit rights. Additionally, applications for subscription of 949,834 B-units without unit rights, corresponding to approximately 3 percent of the offered units, have been received. Thus, the subscriptions by exercise of unit rights and the applications for subscription without unit rights correspond to approximately 32 percent. Through the Rights Issue, the Company will thus receive issue proceeds of approximately SEK 78 million before the deduction of costs attributable to the Rights Issue. Subscribers in the Rights Issue include the Chairman of the Board of Directors and founder Anders Essen-Möller (SEK 7 million), the Company's largest shareholder Bertil Lindkvist (SEK 6.8 million), and other Senior Executives and members of the Board of Directors (SEK 900 thousand).

Notice of allotment

All those who have subscribed for units without unit rights will be allocated units in accordance with the principles set out in the EU growth prospectus which was approved and registered by the Swedish Financial Supervisory

Authority on October 16, 2023. Notice of allotment to the persons who subscribed for units without unit rights is expected to be distributed on November 2, 2023. Subscribed and allotted units 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 units through a nominee will receive notification of allocation in accordance with their respective nominee's procedures. Only those who have been allotted units will be notified.

Number of shares and share capital

Through the Rights Issue, Diamyd Medical's share capital will increase by SEK 929,595.0148, from SEK 8,700,150.3488 to SEK 9,629,745.3636, and the number of shares will increase by 9,165,682 shares, from 85,782,314 shares to 94,947,996 shares, resulting in that the number of A-shares after the Rights Issue will amount to 2,741,630 and the number of B-shares will amount to 92,206,366. The last day of trading in paid subscribed units (Sw. BTU B) is expected to be November 20, 2023. The new B-shares, TO3 B and TO4 B subscribed for with and without unit rights are expected to be traded on Nasdaq First North Growth Market around week 47, 2023.

Advisors

G&W Fondkommission acts as Financial Advisor to Diamyd Medical in connection with the Rights Issue. Advokatfirman Delphi is Legal Advisor to the Company and Aqurat Fondkommission AB has been appointed as Issuer Agent.

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 in the US. Significant results have previously been shown in a large genetically predefined patient group in a largescale 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.

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 November 1, 2023, 19.00 CET.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe for units or otherwise trade in units, unit 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 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 units in Diamyd Medical is made solely through the EU growth prospectus which Diamyd Medical published on October 16, 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 unit rights, paid subscribed units (BTU) or new shares and warrants 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.