



Press Release, December 19, 2012

Information about Summons to Extraordinary General Meeting of Diamyd Medical AB

The following summons to an Extraordinary General Meeting will be available at Diamyd Medical's website www.diamyd.com from Friday, December 21, 2012.

Summons to Extraordinary General Meeting of Diamyd Medical AB

The shareholders of Diamyd Medical AB (publ) are hereby summoned to an Extraordinary General Meeting at 2:00 p.m. on Thursday, January 31, 2013, at Kungsträdgården, Garnisonen Konferens, Karlavägen 100 in Stockholm, Sweden.

Attendance

Shareholders who wish to attend the Meeting must be recorded in the register of shareholders held by Euroclear Sweden AB by Friday, January 25, 2013, and must also notify the Company of their intention to attend the Meeting by mail to Diamyd Medical, Karlavägen 108, SE-115 26 Stockholm, Sweden, by e-mail to investor.relations@diamyd.com or on the Company's website, www.diamyd.com not later than Friday, January 25, 2013. The notification must state the shareholder's name, address, telephone number, personal identity number or Corporate Identity Number, registered shareholding and the name of any shareholder's advisors. Shareholders whose shares are registered in custodial accounts must ask the custodian to temporarily register the shares in the shareholder's name (registration of entitlement to vote) to obtain the right to participate in the Extraordinary General Meeting. The shares must be registered not later than January 25, 2013.

Proposed agenda

1. Opening of the Meeting and election of Chairman.
2. Establishment and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to certify the minutes.
5. Verification of whether the Extraordinary General Meeting has been duly convened.
6. Resolution regarding reduction of share capital for repayment to shareholders.
7. Resolution regarding stock dividend.
8. Close of Meeting.

Election of Chairman of the Meeting (item 1)

The Board proposes that lawyer (and Board member) Erik Nerpin be elected Chairman of the Extraordinary General Meeting.

Resolution regarding reduction of share capital for repayment to shareholders (item 6)

The Board proposes that the Meeting resolve to reduce the Company's share capital by a maximum of SEK 4,929,855.50 by cancelling a maximum of 9,859,711 shares, each with a quotient value of SEK 0.50. The purpose of the reduction is a repayment to the Company's shareholders in the total amount of not more than SEK 118 316 532. This reduction is to be executed on the basis of voluntary redemption, whereby the shares that are ultimately cancelled correspond to those shares for which cancelling has been requested by the Company's shareholders. The right to request cancelling accrues to shareholders who have redemption rights. Each shareholder is to receive one (1) redemption right per share held (regardless of series of share) and three (3) redemption rights entitle the shareholder to request redemption of one (1) share (regardless of series of share) in the Company.

The record day for receiving redemption rights is Thursday, February 7, 2013. The notification period to request redemption is between Tuesday, February 12 and Tuesday, March 5, 2013. Redemption rights are intended to be traded on the NASDAQ OMX Stockholm between Tuesday, February 12 and Thursday, February 28, 2013. Recipients of redemption rights will be entitled to sell a maximum of 1,000 redemption rights, commission free. For each redeemed share, the shareholder will receive cash payment of SEK 12. The portion of the redemption amount exceeding the quotient value of the share will be deducted from the Company's non-restricted

shareholders' equity. The redemption amount will be paid as soon as the Swedish Companies Registration Office has registered the decision of a reduction in share capital in accordance with this item and an increase in share capital in accordance with item 7 below, the proposed stock dividend, which is expected to take place around March 20, 2013. Furthermore, the Board proposes that the decision be subject to the condition of the Meeting also resolving on a stock dividend in accordance with the proposed terms stipulated in item 7 below. The Board believes that the reduction in share capital can be implemented without the permission of the Swedish Companies Registration Office, or a general court, since the Company is to simultaneously implement a stock dividend, which will entail that neither the Company's restricted shareholders' equity nor its share capital will be reduced.

Resolution regarding stock dividend (item 7)

To enable the reduction in share capital in accordance with item 6 above without the permission of the Swedish Companies Registration Office or, in disputable cases, at a general court, the Board proposes that the Company implement a stock dividend simultaneously with the redemption, on the basis of which the Company's share capital is restored to a minimum of the amount that the share capital totaled prior to the reduction. Accordingly, the Board proposes that the Meeting resolve on a stock dividend under which the Company's share capital is to increase by SEK 4,929,855.50 on the basis of a transfer from non-restricted shareholders' equity. The stock dividend is to take place without issuing new shares and entails that the quotient value of the share will be raised.

Other information

In order to be valid, the proposals regarding the reduction in share capital in accordance with item 6 require that a resolution is supported by shareholders holding at least two thirds of both the votes and the shares represented at the Meeting. A decision regarding the reduction in share capital also requires that the Meeting resolve on a stock dividend in accordance with item 7, which requires a simple majority of the both the votes and the shares represented at the Meeting. At the time of the summons, the number of shares in the Company is 29,597,133 shares, of which 1,437,876 Series A shares (1 vote) and 28,141,257 Series B shares (1/10 of a vote). The total number of votes is 4,252,001.7.

The Board's complete proposed resolution will be available at the Company's offices as well as on the Company website www.diamyd.com, from January 10, 2013, and will be sent to those shareholders who so request.

Stockholm, December 2012
Diamyd Medical AB (publ)
The Board of Directors

For more information, please contact:

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About Diamyd Medical

Diamyd Medical was founded in 1996 and is active in the field of pharmaceutical development. Diamyd Medical is headquartered in Stockholm, Sweden. The Company's development project consists of the protein GAD65 for the treatment and prevention of autoimmune diabetes. A Swedish researcher-initiated Phase II study is ongoing to evaluate whether GAD65 can prevent type 1 diabetes in children who are at high risk of developing the disease.

Diamyd Medical also has holdings in the gene therapy company Periphagen, Holdings Inc. (USA), the vaccine company Protein Sciences Corporation (USA) and the diagnostics company Mercodia AB (Sweden).

Diamyd shares are listed on Nasdaq OMX (segment Small Cap) in Stockholm (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York Mellon (PAL). Further information is available on the Company's website: www.diamyd.com.

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.

Diamyd Medical AB (publ)

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