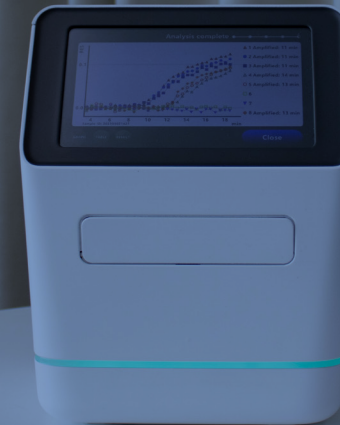


Interim report

Diagonal Bio AB



Q3

July - September 2025

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Summary of third quarter 2025

July–September

- Net sales amounted to 45 KSEK (0 KSEK), capitalised development contributed with 238 KSEK (248 KSEK).
- The net loss after financial items amounted to -2 042 KSEK (-1 242 KSEK), while net income per share amounted to -0.001 SEK (0 SEK).
- Cash flow during the third quarter amounted to -1 002 KSEK (-2 428 KSEK).
- Cash and cash equivalents at the end of the period amounted to 1 737 KSEK (1 730 KSEK).

Diagonal Bio AB

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Significant events

During Q3

2025

July 7, Diagonal Bio announced that the Company had filed a patent application with the Swedish Intellectual Property Office (PRV), covering a novel computational method that significantly improves the design of LAMP primers – a critical component in molecular analysis.

August 20, Diagonal Bio announced that the Company had received a confirmation from the Japanese Patent Office that the patent application regarding “A method of measuring the pH of a sample” (no.: JP7655939) had been granted in Japan.

September 18, Diagonal Bio announced that Stall Courant, one of Sweden’s leading international horse trotting and breeding stables, had placed an order for LAMPify. The stable is managed by the internationally renowned trotting trainer Sabine Kagebrant and home to more than 125 horses. Stall Courant chose a 36-month leasing agreement through Svea Bank, which shows both confidence in the technology and a long-term commitment.

September 23, Diagonal Bio announced the expansion of its equine testing panel to include the detection of Equine Herpesvirus type 2 (EHV-2). This broadens the Company’s product portfolio and addresses an unmet need in equine health.

October 3, Diagonal Bio announced that the Company had initiated a collaboration with Swedish Veterinary Agency (SVA) to support the evaluation of testing for equine coronavirus in nasal swabs. The project runs during October and is carried out under the supervision of Johanna Lindahl, State veterinarian and Professor in global infection biology.

October 13, Diagonal Bio announced the launch of its new website, marking an important step in the implementation of the Company’s strategy to strengthen its commercial presence and focus on the animal health market, particularly within the equine segment.

During Q4

2025



Diagonal Bio offers a point-of-care testing system for genetic markers that detects pathogens e.g. viruses, bacteria and fungi.

The system is approved for use in animals and current target markets are horses, small animals and fish farms. We have extensive expertise in developing markers for eLAMP-testing that can be used on Diagonal’s own system or any other platform using LAMP technology, which creates a potential for licensing and partnerships in the future.

Comment from Karin Wehlin, CEO

Dear Shareholders, Partners and Colleagues,

I'm excited to share several important milestones reached during the quarter, that underscore our commitment and positioning of LAMPlify as a leader of point-of-care diagnostics.

On the commercial side, we are very pleased to announce that Stall Courant, one of Sweden's most prestigious trotting and breeding stables with a strong international reputation, decided to place an order of LAMPlify following a successful pilot. This marks a key achievement in our strategy to expand our market presence. Additionally, in close collaboration with Stall Courant, we have developed and launched a new test for Equine Herpesvirus type 2 (EHV-2), further expanding our equine diagnostics panel. This new test strengthens our position in a growing global equine healthcare market and reaffirms our commitment to advancing the veterinary market.

A key challenge in developing new diagnostic methods is the long process to develop and optimise reagents and primers that are specific to each virus or bacteria. A significant milestone this quarter was the filing of a Swedish patent application for our newly developed computational method, which significantly improves the design of LAMPlify primers. This innovation is a cornerstone of our strategy enabling us to develop new tests in just weeks instead of months. It strengthens our ability to rapidly address customer needs and respond to market developments and changes, while also securing long-term value through the protection of our intellectual property.

We also received confirmation that our patent application regarding the proprietary detection method has been granted in Japan, further expanding our intellectual property protection in one of the world's most advanced diagnostics markets. This patent has already been approved in several other regions, with applications pending in additional key

markets. Our growing IP portfolio is a strategically critical asset as we continue to advance commercialisation.

We are also proud that the Swedish Veterinary Agency (SVA) after the end of the third quarter initiated a collaboration study with us. They will evaluate our test for equine coronavirus in nasal swabs. The project, conducted in collaboration with the Swedish University of Agricultural Sciences (SLU), aims to assess the feasibility of detecting equine coronavirus through nasal sampling – a potential step forward compared to the current PCR-based faecal testing standard. We are glad that SVA has included LAMPlify in this important study and see it as a valuable opportunity to demonstrate the performance as well as flexibility of our technology in real-world settings. This collaboration strengthens Diagonal Bio's position as a partner in applied infectious disease diagnostics, and it supports the scientific understanding of equine coronavirus. The results from this project, expected later this year, will provide valuable insights for a potential expansion of LAMPlify into the veterinary diagnostics market, further illustrating the versatility of our platform.

"During the third quarter, Diagonal Bio has taken important steps forward in our strategy to build a strong technological foundation and establish LAMPlify as a leading point-of-care diagnostic solution."



Karin Wehlin
VD Diagonal Bio AB (publ)

As part of strengthening our commercial presence and focus on the animal health market, we also have launched our new company website. The updated site clearly communicates our strategic focus on veterinarians and horse trainers within the equine segment and highlights our expanding panel of diagnostic tests. Developed in close collaboration with customers and key opinion leaders, these tests address real-world challenges in animal health diagnostics. The new website represents an important step in our commercial readiness and reflects our commitment to delivering value-creating diagnostic solutions for the equine market.

In summary, we have continued to advance the validating and expanding use of our point-of-care platform LAMPlify across new applications. The quarter has been characterised by commercial achievements and expansion of the patent portfolio. We look forward to building on this momentum and sharing more updates in the coming months.



About Diagonal Bio AB (publ)

Diagonal Bio AB is a Swedish Biotech company founded in 2020 with the vision of limiting the spread of infectious diseases by creating an ultra-rapid, user-friendly, cost-effective diagnostic platform with high accuracy.

Based on its patented platform technology, Diagonal Bio develops analytical systems that have the potential to fulfil the vision and thereby facilitate the challenge of rapidly and accurately identifying genetic markers for infectious diseases.

Platform technology

Diagonal Bio's technology offers the same accuracy as the leading analytical methods of today – PCR – but without the dependency on complex logistics or large central laboratories. This results in a significantly faster and more cost-effective solution. The Company's technology enables the analysis of current and future infectious diseases within 10–15 minutes from sampling, as needed at primary care. The applications of Diagonal Bio's technology also extend beyond the in-vitro diagnostics market segment, for instance, identifying bacteria in food, animal feed, and water, or detecting pests, pathogens, and diseases in animals and crops, all with the same high accuracy as current PCR-based techniques but more rapidly, simply, and cost-effectively.



LAMPLify® provides results with the same precision as traditional PCR methods but is significantly faster; the time from sample to result is approximately **10–15** minutes compared to hours or days for PCR.

Product families

Diagonal Bio is developing two product families based on its patented platform technology: LAMPlify and Panviral. LAMPlify is designed for less regulated market segments as a customised system for general laboratory and veterinary use. Panviral is tailored for the in-vitro diagnostic market segments, with the potential to revolutionise healthcare and significantly improve the fight against the spread of infectious diseases.

LAMPlify®

LAMPlify can be used to identify the presence of specific genetic markers, such as those for viruses, bacteria and fungi. As a uniquely user-friendly, portable, quick and accurate molecular diagnostic system that can run up to eight different tests simultaneously, it is suitable for use both in the field and in laboratory environments.

Market Potential for LAMPlify

LAMPlify can address markets including general laboratory and veterinary diagnostics, where PCR-based methods have traditionally been used to identify genetic markers. The global market for PCR-based methods is valued at approximately \$7.1 billion and is expected to grow to \$13.75 billion by 2028. The goal is to position LAMPlify in this market as a fast, reliable, and cost-effective method for identifying genetic markers.

Panviral®

Panviral® can be adapted to detect various types of infectious diseases, enabling ultra-rapid, accurate, cost-effective and parallel diagnosis. With the potential of reducing the assay time to up to 10-15 minutes, the product finds applications in both diagnostic laboratories as well as point-of-care. Panviral can also run up to eight different tests simultaneously.

Market Potential for Panviral

The Company aims to revolutionise infectious disease diagnostics through largescale, cost-effective, and accurate testing products. Achieving this requires sufficient financial resources to complete the regulatory documentation for the approvals of Panviral within invitro diagnostics, i.e., CE marking according to EU-IVDR and/or US-FDA, before market introduction can occur. Targeting a rapidly growing in-vitro diagnostics market, expected to reach \$106 billion by 2030, where over 70% of healthcare decisions are influenced by diagnostic tests, Panviral is designed for rapid and accurate detection of pathogenic diseases.

"In summary, the third quarter and the time since the end of the quarter has been characterised by technological progress, an expanded patent portfolio, and commercial achievements. Our focus remains on combining innovation, customer value, and global IP protection to build long-term success."

Karin Wehlin
CEO, Diagonal Bio AB (publ)

Revolutionary platform technology

Diagonal Bio’s groundbreaking universal platform technology could end the current difficult trade-offs between speed, user-friendliness, accuracy, and cost for the detection of markers in genetic material (DNA or RNA) from, for example, viruses, bacteria and fungi. This is achieved by eliminating the need for centralised laboratory tests that require expensive and complicated logistics and transportations from point of sample collection to the laboratory. The Company’s products can uniquely run up to eight tests simultaneously, with the same accuracy as today’s costly and complex PCR techniques.

Business and revenue model

Diagonal Bio aims to build a commercial organisation and/or establish partnerships with existing distributors or major players in the market for the launch of LAMPlify and, later, Panviral. Initially, the focus for LAMPlify may be on establishing partnerships and licensing agreements outside Diagonal Bio’s main market segment, i.e., in-vitro diagnostics. The Company plans to target the initial commercialisation of LAMPlify towards selected market segments in general laboratory tests and in the agricultural and veterinary fields.

Diagonal Bio is currently focusing its initial efforts on partnerships or license agreements with distributors, KOL’s and collaborators in the market for the launch of LAMPlify, and at a later stage Panviral.

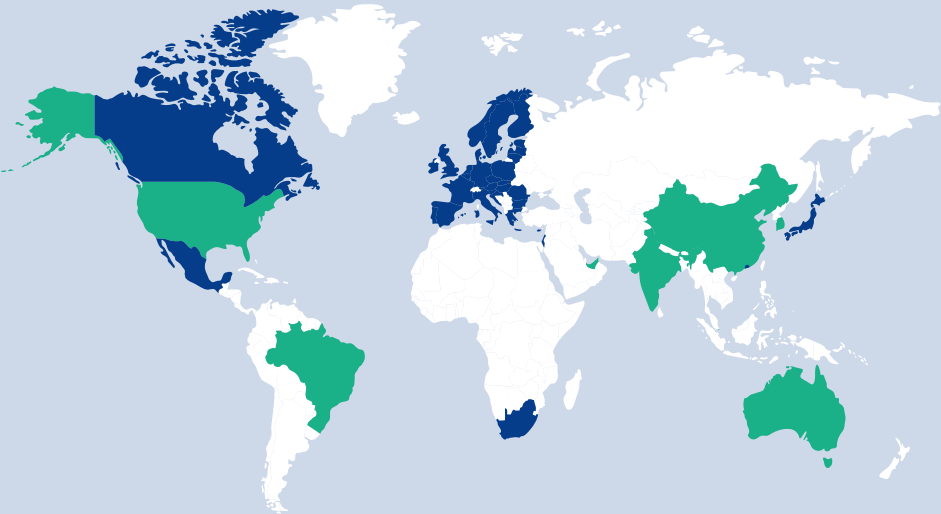
Diagonal Bio plans to sell LAMPlify and Panviral according to the “Razor-Blade model”. The model is based on selling or leasing the instruments at a relatively low cost and aims for recurring revenues from the consumables – Diagonal Bio’s cartridges, lysis buffer and reaction mixes.

Commercial scale production

Diagonal Bio has partnered with OIM Sweden AB, a Swedish product development company focusing on early-stage innovative companies, for the manufacturing of LAMPlify and future production of Panviral on a commercial scale.

Strong patent protection

Diagonal Bio’s platform technology has been granted patent approval in Europe, providing exclusive protection until 2041, and has already been granted at the national level. In addition, Diagonal Bio registered a design protection for its’ test cartridge in 2022, offering further protection related to the consumables used in the system’s analysis unit.



- **Granted Patent:**
Europe, Hong Kong, Israel, Canada, Mexico, South Africa, United Kingdom, Japan
- **Pending Patents:**
Australia, Brazil, United Arab Emirates, India, China, Singapore, South Korea, USA

Patent number: EP3987059B1	Priority date*: April 6, 2021	Valid thru**: 2041
Titel: A method for detection of genetic material from e.g. virus and bacteria Titel: "A DNA/RNA detection platform".		

*The company’s patent applications constitute priority applications from a PCT application.
**The expiration date applies provided that the patent is approved, and annual fees are paid.

Financial overview

Results and Financial Position July–September 2025

Net sales amounted to 45 KSEK (0 KSEK), capitalised development contributed with 238 KSEK (248 KSEK), and other operating income amounted to 0 KSEK (0 KSEK).

The net loss after financial items amounted to -2 042 KSEK (-1 242 KSEK), while net loss per share amounted to -0.001 SEK (0 SEK).

Cash flow during the third quarter amounted to -1 002 KSEK (-2 428 KSEK). At the end of September 2025, Diagonal Bio had a cash position of 1 737 KSEK (1 730 KSEK).

Investments

During the third quarter of 2025, investments in intangible assets (patents and trademarks) amounted to 108 KSEK (102 KSEK) and balanced expenses for development 238 KSEK (248 KSEK). During the third quarter, investments in tangible assets amounted to 0 KSEK (0 KSEK).

Staff and Organisation

At the end of September 2025, Diagonal Bio had 4 (4) employees.

The share

There is one class of shares in Diagonal Bio AB. The share was listed on July 16, 2021, at Nasdaq First North Growth Market and changed marketplace to NGM Nordic SME on March 19, 2025.

	2025-07-01 2025-09-30	2024-07-01 2024-09-30	2025-01-01 2025-09-30	2024-01-01 2024-09-30	2024-01-01 2024-12-31
Number of shares end of the period	1 634 346 705	400 636 419	1 634 346 705	400 636 419	400 714 213
Weighted number of share during the period	1 497 901 888	400 636 419	1 242 662 296	240 342 801	275 508 490
Earnings per share before and after dilution	-0.001	0	-0.006	-0.03	-0.04

Shareholders

The table below represents major shareholders in Diagonal Bio AB as per September 30, 2025.

Shareholder	Number of shares	Votes & capital (%)
Ålandsbanken ABP	168 490 032	10,28%
Aune, Stig	130 000 000	7,93%
Avanza Pension	118 936 113	7,26%
Olsson, Jens	104 821 269	6,39%
Nordnet Pensionsförsäkring AB	78 291 138	4,78%
Clausin, Sebastian	38 617 729	2,36%
SAVR	36 077 780	2,20%
Bergstrand, Christofer	29 720 000	1,81%
Reden Trotting AB	28 999 986	1,77%
Hallström, Karl	20 147 323	1,23%
Other shareholders (approx 3 000)	880 245 335	53,99%
Total	1 634 346 705	100,00%

Number of shares held by Top 10	754 101 370
Others:	880 245 335
Total number of shares:	1 634 346 705

Capitalisation 2025

The subscription period for the rights issue ended on February 6, 2025. The final outcome showed that a total of 40 783 294 units had been subscribed, including pre-subscription commitments, corresponding to a total subscription ratio of approximately 122 percent. Each unit in the rights issue consisted of eighteen (18) shares and eight (8) warrants of series TO 2. In addition to this, Diagonal Bio conducted a directed issue to Svea Bank AB and Redén Trotting AB, to the same terms as in the rights issue. The underwriters in the rights issue also decided to receive their compensation in the form of units, to the same terms as in the rights issue. This resulted in a total of 814 251 114 new shares and 361 889 384 warrants of series TO 2 being issued through the rights issue and the two directed issues to the strategic investors and the underwriters, respectively.

Through the capitalisation, the Company was provided with SEK 7.7 million before issuing costs totalling SEK 1.25 million. During the exercise period for the warrants of series TO 2, which lasted between July 4 and July 18, 214,714,152 warrants of series TO 2 were exercised for the subscription of new 214,714,152 new shares. In addition to this, two underwriters subscribed for the remaining shares to reach a subscription level of 100 percent and received compensation in the form of additional shares in Diagonal Bio. Through the warrant exercise and in connection with the warrant exercise, a total of 424 356 690 new shares were thus issued.

Key ratios

	2025-01-01 2025-09-30	2024-01-01 2024-09-30	2024-01-01 2024-12-31
Working capital ¹ , KSEK	2 235	2 094	65
Quick ratio ² , %	131	130	81
Solvency ³ , %	93	92	91
Deby ratio ⁴ , %	0	6	6
Employees ⁵	4	4	5

1. Total current assets less total current liabilities at the end of the period

2. Total current assets excluding inventory in percentage of current liabilities at the end of the period

3. Equity in percentage of total balance sheet at the end of the period

4. Interest bearing debts in percentage of equity at the end of the period

5. Average number of employees during the period

Related party transactions

(KSEK)	2025-07-01 2025-09-30	2024-07-01 2024-09-30	2025-01-01 2025-09-30	2024-01-01 2024-09-30	2024-01-01 2024-12-31
Interim CEO – WW Advice AB	0	0	0	460	460
CFO – Treeridge AB/View Ledger AB	89	142	465	491	606
Scientific Advisor – Nested Bio AB	0	290	0	290	290
Total	89	432	465	1 241	1 356

Principles for preparation of the report

Diagonal Bio AB applies the Swedish Annual Accounts Act and the Accounting Standards Board's general guidelines BFAR 2012:1 (K3) in the preparation of its financial reports such as the annual reports, cash flow analyses, and interim reports.

Number of shareholders 2025-09-30

Approx. 3,000 (3,000) shareholders.

Information about risks and uncertainties

Diagonal Bio's business is exposed to several risks, including both operational and financial risks. The operational risks mainly comprise uncertainty concerning product development, supplier agreements, product liability and distribution. For a more detailed description of the risks and uncertainties to which Diagonal Bio is exposed, see the risk analysis in the memorandum 2025, available on Diagonal Bio's website:

[Diagonal-Bio-AB-memorandum-final.pdf](#)

Auditor's review

This report has not been subject to review by the Company's auditor.

Financial calendar

Diagonal Bio AB publishes financial reports every quarter. The following dates have been decided for 2025 and 2026:

Year End Report 2025: 2026-02-27

Annual Report 2025: 2026-04-29

Interim Report Q1 2026: 2026-05-18

Annual General Meeting 2025: 2026-05-19

Contact person for further information:

Karin Wehlin, CEO

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Income Statement

(KSEK)	2025-07-01 2025-09-30	2024-07-01 2024-09-30	2025-01-01 2025-09-30	2024-01-01 2024-09-30	2024-01-01 2024-12-31
Income					
Net sales	45	0	231	0	62
Capitalised development	238	248	819	782	1 063
Other operating income	0	0	0	5	6
Total	283	248	1 050	787	1 131
Operating expenses					
Raw materials and consumables	-22	0	-176	76	-183
Other external expenses	-913	-956	-3 441	-4 530	-5 457
Personnel costs*	-1 095	-220	-3 712	-2 749	-3 898
Depreciation and amortisation	-296	-314	-887	-670	-1 011
Other operating expenses	0	0	-5	-2	-3
Total operating expenses	-2 325	-1 490	-8 221	-7 875	-10 552
Operating loss	-2 042	-1 242	-7 171	-7 088	-9 421
Result from financial items					
Interest income	0	1	0	2	75
Interest expenses and similar items	0	0	-13	-584	-584
Result after financial items	-2 042	-1 242	-7 183	-7 670	-9 930
Taxes	0	0	0	0	0
Result for the period	-2 042	-1 242	-7 183	-7 670	-9 930

*Reduction in personnel costs due to refunded social security contributions (Q3-2024)

Balance sheet

(KSEK)	2025-09-30	2024-09-30	2024-12-31
Assets			
<i>Intangible Fixed Assets</i>			
Capitalised development expenditures	21 118	21 108	21 117
Patents and intellectual rights	3 607	3 374	3 400
Total	24 726	24 482	24 517
<i>Tangible Fixed Assets</i>			
Equipment	7	334	13
Total	7	334	13
Total Fixed Assets	24 732	24 816	24 530
<i>Current Assets</i>			
<i>Inventories</i>			
Raw materials and consumables	408	372	322
Commercial goods	1 169	995	226
Total inventory	1 577	1 367	548
<i>Receivables</i>			
Accounts receivables	53	23	0
Pilot equipment on customer test	529	0	832
Other receivables	251	1 190	204
Prepaid expenses and accrued income	221	237	201
Total receivables	1 053	1 450	1 237
Cash and bank	1 737	1 730	818
Total current assets	4 367	4 546	2 603
TOTAL ASSETS	29 100	29 362	27 133

Balance sheet

(KSEK)	2025-09-30	2024-09-30	2024-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	5 610	3 998	3 998
Development expenditure fund	21 118	21 109	21 117
Total restricted equity	26 728	25 107	25 115
<i>Non restricted equity</i>			
Share premium fund	52 777	52 637	52 493
Accumulated result	-45 355	-43 164	-43 084
Loss for the period	-7 183	-7 670	-9 930
Total non-restricted equity	239	1 803	-521
Total equity	26 967	26 910	24 595
<i>Short-term liabilities</i>			
Accounts payable	332	389	440
Other liabilities	1 202	1 724	1 698
Deffered	598	338	400
Total current liabilities	2 132	2 452	2 538
TOTAL EQUITY AND LIABILITIES	29 100	29 362	27 133

Change in equity

2025-01-01 – 2025-09-30		Restricted equity		Unrestricted equity	
(KSEK)	Share capital	Development expenditure fund	Share premium fund	Other unrestricted capital	Total
Equity 2025-01-01	3 998	21 117	52 493	-53 014	24 595
Capitalisation of development costs		1		-1	0
Share issue	8 474				8 474
Reduced share capital	-7 660			7 660	0
Share issue (compensation to guarantors)	159		-159		0
Costs related to share issue			-1 660		-1 660
Warrants	638		2 103		2 741
The result of the period				-7 183	-7 183
Equity 2025-09-30	5 610	21 118	52 777	-52 538	26 967

2024-01-01 – 2024-09-30		Restricted equity		Unrestricted equity	
(KSEK)	Share capital	Development expenditure fund	Share premium fund	Other unrestricted capital	Total
Equity 2024-01-01	3 998	23 753	57 338	-63 843	21 247
Capitalisation of development costs		-2 645		2 645	0
Share issue	18 033				18 033
Reduced share capital	-18 033			18 033	0
Costs related to share issue			-4 701		-4 701
The result of the period				-7 670	-7 670
Equity 2024-09-30	3 998	21 108	52 637	-50 834	26 910

Cash flow statement

(KSEK)	2025-07-01 2025-09-30	2024-07-01 2024-09-30	2025-01-01 2025-09-30	2024-01-01 2024-09-30	2024-01-01 2024-12-31
Cash flow from operations	-2 272	-2 037	-7 547	-12 863	-13 765
Cash flow from investing activities	-346	-349	-1 089	-1 712	-1 666
Cash flow from financing activities	1 616	-42	9 555	13 332	13 277
Cash flow for the period	-1 002	-2 428	919	-1 243	-2 154
Cash flow at the beginning of the period	2 739	4 157	818	2 972	2 972
Cash at the end of the period	1 737	1 730	1 737	1 730	818

Board declaration

The Board of Directors and the CEO certify that these consolidated financial statements and the July–September report of 2025 have been prepared in accordance with Swedish Accounts Legislation and BFNAR 2012:1 (K3) and give a fair view of the Company's financial position and results of operations.

Lund, October 31, 2025

Board of Directors



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