



The Board of Directors of Diagonal Bio carries out a directed issue to underwriters in connection with exercise of warrants of series TO 2

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The Board of Directors of Diagonal Bio AB ("Diagonal Bio" or "the Company") has today, 25 June 2025, resolved on a directed issue of shares, based on the authorisation granted by the annual general meeting on 20 May 2025, to the two underwriters in the Company's recently finalised exercise of warrants of series TO 2 ("TO 2"). The total number of shares issued through the directed issue amounts to 209,642,538, which covers the executed underwriting commitments as well as the compensation for the underwriting commitment in accordance with the underwriting agreements (the "Directed Issue"). The subscription price in the Directed Issue is SEK 0.01 per share, which corresponds to the exercise price for TO 2. From the Directed Issue, Diagonal Bio will receive approximately SEK 1.5 million after issue related costs and set-off against underwriting compensation.

The Directed Issue

In accordance with what was communicated by the Company on 16 May 2025, underwriting commitments of approximately SEK 3.5 million were entered into to secure subscription of the TO 2. Furthermore, as communicated by the Company on 19 June 2025, the exercise rate for the TO 2 amounted to approximately 59.3 percent, thus underwriting commitments entered into by the Company will be executed with approximately SEK 1.5 million, corresponding to approximately 40.7 percent of the total number of TO 2. The underwriting commitments are executed by the Board of Directors resolving on a directed issue of shares.

The Board of Directors has therefore today, based on the authorisation granted by the annual general meeting on 20 May 2025, resolved on the Directed Issue of 209,642,538 shares to the two underwriters Sebastian Clausin and Jens Olsson (104,821,269 shares to each of the two underwriters). In accordance with the underwriting agreements, the underwriters receives a compensation of 18 percent in the form of newly issued shares for their respective underwriting commitments. Hence, a total of 62,467,306 shares (31,233,653 shares to each of Sebastian Clausin and Jens Olsson) in the Directed Issue will thus be issued against set-off of each underwriters claim on underwriting

compensation. The subscription price in the Directed Issue is SEK 0.01 per share, which corresponds to the exercise price for TO 2. From the Directed Issue, Diagonal Bio will receive approximately SEK 1.5 million after issue related costs and set-off against underwriting compensation.

The Board of Directors has carefully considered the possibility of raising capital through a rights issue and makes the assessment that it is currently for several reasons more advantageous for the Company and its shareholders to raise capital through securing the exercise of TO 2 and to carry out the Directed Issue. The Company wished to ensure in advance that it receives certain proceeds from the exercise of TO 2 and therefore entered into underwritings commitments with the investors participating in the Directed Issue. The size of the Directed Issue is dependent on the warrant holders' use of TO 2. Warrant holders were free to use TO 2 and thereby limit the size of the Directed Issue. The Company further assesses that a rights issue under the current volatile market conditions would entail higher costs related to any underwriting commitments. Finally, the Company wishes to expand and strengthen its base of professional owners in order to, among other things, improve the liquidity of the Company's share. In light of this, the Board of Directors' overall assessment is that the reasons for securing the exercise of TO 2 and the completion of the Directed Issue with deviation from the shareholders' preferential rights clearly and with sufficient strength outweigh the reasons that justify the main rule that new issues shall be carried out with the shareholders' preferential rights.

The subscription price in the Directed Issue has been determined based on negotiations among the underwriters and the Company, in consultation with a financial adviser and through an analysis of several market factors. Therefore, the Board of Directors of the Company considers that the subscription price has been determined on market terms and correctly reflects current market conditions and demand. Thereto, the subscription price in the Directed Issue corresponds to the exercise price for TO 2.

Number of shares and share capital

For existing shareholders who did not exercise any TO 2 and who are not participating in the Directed Issue, the total dilution resulting from the Directed Issue is approximately 25.9 percent based on the number of shares in the Company after the exercise of TO 2 and the Directed Issue. The total number of shares in the Company after the exercise of TO 2 and the Directed Issue amounts to 1,639,322,017 and the share capital amounts to approximately SEK 5,609,954.96.

Advisors

Navia Corporate Finance AB is the financial advisor, Setterwalls Advokatbyrå AB is the legal advisor and Aqurat Fondkommission AB is the issuing agent.

For additional information about Diagonal Bio, please contact:

Karin Wehlin, CEO

Phone: +46 70 305 24 88

E-mail: kw@diagonalbio.com

About Diagonal Bio

Diagonal Bio AB was founded in 2020 and is a Swedish biotechnology company with headquarters and offices in Lund. The Company develops the PANVIRAL® platform to detect and diagnose small sections of pathogen genomes, for example viruses, bacteria and fungi. The Company was founded with the goal of reducing human suffering by revolutionising global diagnostics of pathogen-borne diseases with proprietary technology. Diagonal Bio's patented technology can also be used for the less regulated market segments via LAMPLify®.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Diagonal Bio. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in Diagonal Bio will only be made through the memorandum that the Company published on 22 January 2025 on Diagonal Bio's website www.diagonalbio.com. The memorandum does not constitute a prospectus as defined in the provisions of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council ("**Prospectus Regulation**") and has not been reviewed, registered or approved by the Swedish Financial Supervisory Authority. The offering in the memorandum was exempt from the prospectus obligation in accordance with Article 3 (2) of the Prospectus Regulation and Chapter 2, Section 1 of the EU Prospectus Regulation (Supplemental Provisions) Act (2019:414) due to the fact that the amount offered by the Company to the public was less than EUR 2.5 million.

Since Diagonal Bio conducts essential services according to the FDI-act certain investments in the TO 2 may require review by the ISP. More information about this is available on Diagonal Bio's website, www.diagonalbio.com.