



Diagonal Bio receives SEK 3.6 million through exercise of warrants of series TO 2

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On 18 June 2025, the exercise period for Diagonal Bio AB's ("Diagonal Bio" or "the Company") warrants of series TO 2 ("TO 2") ended. In total, 214,714,152 warrants of series TO 2 were exercised for subscription of new shares, corresponding to approximately SEK 2.1 million, meaning an exercise rate of approximately 59.3 percent. The underwriting commitments will thus be executed with approximately SEK 1.5 million, corresponding to approximately 40.7 percent of the total number of TO 2. Thus, the TO 2 were exercised to 100 percent, meaning that Diagonal Bio will receive approximately SEK 3.6 million before transaction related costs. In order to execute the underwriting commitments, the Board of Directors of Diagonal Bio will thus resolve on a directed issue of shares to the underwriters, covering both the executed underwriting commitments and the compensation to the underwriters, such resolution will be announced in a separate press release.

"The warrant exercise provides Diagonal Bio with the capital required to move forward as planned. We appreciate the continued support from our shareholders and view this as a solid step in ensuring we can deliver on our strategic priorities." - Karin Wehlin, CEO of Diagonal Bio AB (publ)

In January/February 2025, Diagonal Bio carried out a rights issue of units and a directed issue of units. Each unit issued in the rights issue and the directed issue, as well as in a directed issue to underwriters in the rights issue, consisted of eighteen (18) shares and eight (8) warrants of series TO 2. Through the rights issue, the directed issue and the directed issue to the underwriters in the rights issue combined, a total of 361,889,384 TO 2 were issued. Each TO 2 entitled to subscription of one new share in Diagonal Bio to an exercise price of SEK 0.01 during the exercise period which took place from 4 June 2025 until and including 18 June 2025.

In total, 214,714,152 TO 2 were exercised for subscription of new shares, corresponding to approximately SEK 2.1 million, meaning an exercise rate of approximately 59.3 percent. The underwriting commitments will thus be executed with approximately SEK 1.5 million, corresponding to approximately 40.7 percent of the total number of TO 2. Thus, in total the TO 2 were exercised to 100 percent, meaning that Diagonal Bio will receive approximately SEK 3.6 million before transaction related costs.

Svea Bank AB's exercise of TO 2 results in that Svea Bank AB exceeds 10 percent of the shares and votes in the Company. Thus, Svea Bank AB will initially be allocated shares so that their shareholding reaches 9.99 percent, and settlement for the remainder of their allocation will take place following the investment being approved or left without action by the Inspectorate of Strategic Products (Sw. *Inspektionen för strategiska produkter*, "**ISP**") as the Company's business is considered worthy of protection under the Act (2023:560) on the Screening of Foreign Direct Investments (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*, the "**FDI Act**").

Through the exercise of TO 2, the number of shares in Diagonal Bio will have increased by 214,714,152 shares to a total of 1,429,679,479 shares and the share capital will have increased by approximately SEK 734,777.37 to approximately SEK 4,892,533.26. The dilution amounts to approximately 15 percent of the capital and votes.

Execution of underwriting commitments

In accordance with what was communicated by the Company on 16 May 2025, underwriting commitments of approximately SEK 3.5 million have been entered into to secure subscription of the TO 2. As the exercise rate amounted to approximately 59.3 percent, the 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 Board of Directors will thus, based on the authorisation from the annual general meeting on 20 May 2025, resolve on a directed issue of 147,175,232 shares to the two underwriters, Sebastian Clausin and Jens Olsson. In addition to this, the underwriters will receive a compensation of 18 percent in the form of shares for their respective underwriting commitments. A total of 62,467,306 shares are intended to be issued as underwriting compensation. The total number of shares issued in connection with the underwriting commitments thus amounts to 209,642,538. The subscription price in the directed issue will be SEK 0.01 per share, which corresponds to the exercise price for TO 2. The resolution of the directed issue will be announced in a separate press release at a later date.

For existing shareholders who have not exercised any warrants and are not participating in the directed issue, the total dilution will amount to 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 5,609,954.97.

Advisors

Navia Corporate Finance AB is the financial advisor in connection with the exercise of warrants of series TO 2. Setterwalls Advokatbyrå AB is the legal advisor to Diagonal Bio and Aqurat Fondkommission AB is the issuing agent.

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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. This release is not a prospectus in accordance with the definition in the Prospectus Regulation and, accordingly, does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares, warrants or other securities in Diagonal Bio. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the TO 2, any investment decision should only be made based on the information in the memorandum. Thus, investors are encouraged to review the memorandum in its entirety.

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In the United Kingdom, this document 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 are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

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.