



Diagonal Bio AB
Year-End Report

2024

2024-01-01 – 2024-12-31

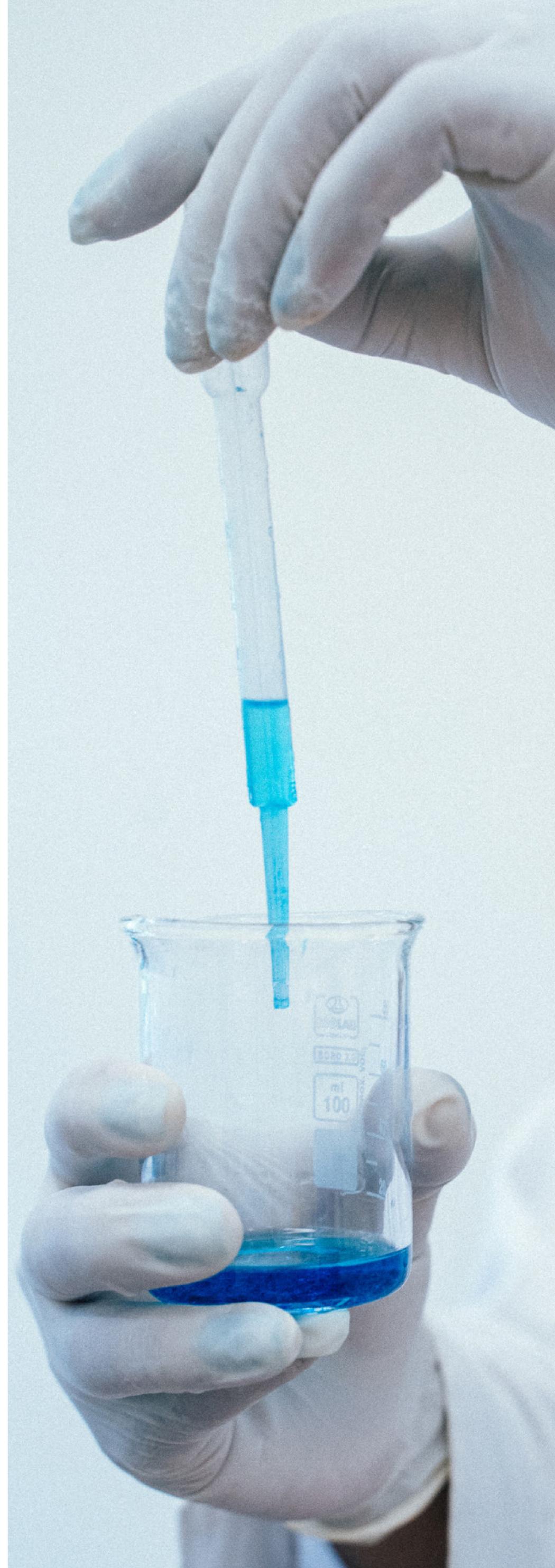
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Summary

Summary

2024-10-01 — 2024-12-31 (October - December 2024)

- Net sales amounted to 62 KSEK (23 KSEK), capitalised development contributed with 281 KSEK (405 KSEK), and other operating income amounted to 1 KSEK (7 KSEK).
- Operating loss amounted to -2 260 KSEK (-2 530 KSEK).
- Operating profit per net weighted average share amounted to -0.01 SEK (-0.06 SEK).
- Cash flow during the fourth quarter amounted to -911 KSEK (-1 745 KSEK).
- Cash and cash equivalents at the end of the period amounted to 818 KSEK (2 972 KSEK).

2024-01-01 — 2024-12-31 (January - December 2024)

- Net sales amounted to 62 KSEK (23 KSEK), capitalised development contributed with 1 063 KSEK (3 128 KSEK), and other operating income amounted to 6 KSEK (25 KSEK).
- Operating loss amounted to -9 930 KSEK (-11 678 KSEK).
- Operating profit per net weighted average share amounted to -0.04 SEK (-0.32 SEK).
- Cash flow during the period amounted to -2 154 KSEK (-10 613 KSEK).
- Cash and cash equivalents at the end of the period amounted to 818 KSEK (2 972 KSEK).

Significant Events during the Fourth Quarter of 2024

- October 3, 2024, Diagonal Bio announced that StallZet and horse trainer Daniel Redén will conduct a three-month pilot test using LAMPlify® for detecting respiratory viral infections in trotters.
- October 8, 2024, Diagonal Bio announces that Hunneberga Horse Stable will conduct a pilot test of LAMPlify®.
- October 11, 2024, Diagonal Bio announced successful external validation of LAMPlify® for detecting viruses in pigs, demonstrating the platform's versatility across species.
- October 25, 2024, Diagonal Bio announced a pilot test of LAMPlify® at the Norwegian University of Life Sciences.
- October 31, 2024, Diagonal Bio initiated its first pilot test at a stud using LAMPlify®.
- November 13, 2024, Diagonal Bio announced a pilot test with LAMPlify® at Kolgjini Stables.
- November 22, 2024, Diagonal Bio collaborated with a renowned horse race jockey and trainer to conduct a pilot test of LAMPlify®.
- December 23, 2024, Diagonal Bio entered into a strategic partnership with Daniel Redén at StallZet to enhance commercialisation plans for LAMPlify®, reflecting a commitment to advancing equine diagnostics.

Summary

Significant Events after December 31, 2024

- January 14, 2025, Diagonal Bio expanded its testing panel for horses with the detection of EHV-5, broadening the diagnostic scope of LAMPlify® in equine health.
- January 29, 2025, Diagonal Bio announced positive pilot test results and secured an order from StallZet valued at approximately SEK 150,000.
- February 5, 2025, Diagonal Bio initiated a three-month pilot test of LAMPlify® with Stall Goop.
- February 7, 2025, Diagonal Bio announced that its rights issue of units was oversubscribed to a total of approximately 122%. Diagonal Bio was provided proceeds of approximately SEK 7.7 million before deduction of issue related costs.
- February 12, 2025, Diagonal Bio's CEO, Karin Wehlin, directly and through her fully owned company WW Advise AB, increased her ownership in Diagonal Bio with 8,500,000 shares for SEK 170,000.
- March 4, 2025, Diagonal Bio received conditional approval for listing on NGM Nordic SME and was approved for delisting from Nasdaq First North Growth Market.
- March 13, 2025, Diagonal Bio announced that Stall Courant, owned by Unibet founder Anders Ström and run by trotting trainer Sabine Kagebrant, have signed a three-month pilot test of the LAMPlify® platform.
- March 19, 2025, Diagonal Bio announced that the Company's shares and warrants of series T02 on NGM Nordic SME began.
- March 21, 2025, Diagonal Bio announced that the Japanese Patent Office has confirmed the grant of a patent to Diagonal Bio for the company's key technology, a DNA/RNA detection platform.



CEO Word Karin Wehlin



Dear Shareholders, Partners and Colleagues,

The year 2024 marks an important milestone for Diagonal Bio as we reflect on a year filled with challenges, strategic decisions, and promising developments. We continue to advance our LAMPlify® platform to revolutionise analyses in the equine, veterinary and agricultural industries. I am proud of the progress we have made and the strong relationships we have built with industry leaders, partners, and stakeholders.

One of our key focus areas in 2024 was securing the financial stability needed to support our strategic goals and ensure long-term growth. Early in the year, in February, we announced that the Board and management were actively working to secure a long-term financing solution. This resulted in a rights issue, finalised in April, providing approximately SEK 18 million in proceeds. Although the outcome of last year's rights issue did not meet our expectations, the funds received were vital as we continued to expand our operations and pursue our innovation-driven strategy.

We saw exciting advancements in our collaborations and product validation. The extension of our partnership with Hørsholm Veterinary Clinic marked a major step in demonstrating the efficacy of LAMPlify® for detecting viral infections in horses. This was followed by similar pilot tests with renowned institutions like Löberöds Hästklinik and StallZet, reinforcing LAMPlify®'s potential as a game-changing diagnostic tool for the equine industry. These collaborations are not only key to validating our technology but also essential in expanding our footprint in the market. In late January this year, we announced a successful outcome of the pilot test at StallZet, and that the facility had placed an order for LAMPlify®, following these results.

In 2024 we also made a series of strategic appointments that have further strengthened our leadership team. In February, I was officially appointed as CEO, following my role as acting CEO since November 2023. Additionally, in May, we welcomed Fata Mrcsic as our new CFO, bringing invaluable experience to our management team.

Our commitment to expanding into new markets and industries was underscored by several key developments in 2024. We secured a notable order from the Technical University of Denmark for the HURTIGFISK project, aiming to revolutionise health monitoring in fish farms. Additionally, our pilot programs across various equine sectors, including collaborations with StallZet, Kolgjini Stables, and others, have given us deep insights into the specific needs of the market, helping us refine and expand our offerings.

The success of our collaborations has been complemented by technical milestones, most notably the external validation of our diagnostic platform in accordance with ISO 17025 standards. This validation demonstrates that LAMPlify® meets the rigorous standards of reliability and accuracy, positioning us to compete with established technologies like real-time PCR.

As we continue into the new year, with a recently conducted oversubscribed capitalisation – where we not only received sufficient funds but also well-renowned new shareholders, including from the equine industry – Diagonal Bio remains committed to innovation, growth, and strong partnerships. We are dedicated to providing diagnostic solutions that meet the needs of the equine, veterinary, and agricultural industries. We are confident in our ability to achieve our long-term vision and create value for all stakeholders.

In closing, I would like to express my deepest gratitude to our dedicated team, our partners, and our investors for their unwavering support throughout 2024 and thus far in 2025. The progress we made sets the stage for even greater achievements in the year to come, and I am excited for what the future holds for Diagonal Bio.

Sincerely,

Karin Wehlin

CEO, Diagonal Bio AB (publ)
Lund 2025



We announced a major milestone as we completed the first sale of a LAMPlify® instrument.

- Karin Wehlin, CEO Diagonal Bio

About Diagonal Bio AB (publ)

Background

Diagonal Bio AB is a Swedish medical technology company founded in 2020 with the vision of limiting the spread of infectious diseases by creating a 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 fulfill 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.

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 customized system for general laboratory and veterinary use. Panviral® is tailored for the in-vitro diagnostic market segments, with the potential to revolutionize 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 revolutionize infectious disease diagnostics through large-scale, cost-effective, and accurate testing products. Achieving this requires sufficient financial resources to complete the regulatory documentation for the approvals of Panviral® within in-vitro 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.



About 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 detection of markers in genetic material (DNA or RNA) from, for example, viruses, bacteria, fungi. This is achieved by eliminating the need for centralized laboratory tests that require expensive and complicated logistics for sample delivery. 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 organization 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 sampling containers in 2022, offering further protection related to the consumables used in the system's analysis unit.





Financial Overview

Financial Overview

Results and Financial Position October - December 2024

Net sales amounted to 62 KSEK (23 KSEK), capitalised development contributed with 281 KSEK (405 KSEK), and other operating income amounted to 1 KSEK (7 KSEK).

The net loss after financial items amounted to -2 260 KSEK (-2 530) KSEK, while net income per share amounted to -0.01 SEK (-0.06) SEK.

Cash flow during the fourth quarter amounted to -911 KSEK (-1 745 KSEK). At the end of December 2024, Diagonal Bio had a cash position of 818 KSEK (2 972) KSEK.

Investments

During the fourth quarter of 2024, investments in intangible assets (patents and trademarks) amounted to 48 KSEK (133) KSEK and balanced expenses for development 281 KSEK (405 KSEK). During the fourth quarter, investments in tangible assets amounted to 0 KSEK (23) KSEK.

Staff and Organisation

At the end of December 2024, Diagonal Bio had 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.

The Share	2024-10-01 2024-12-31	2023-10-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Number of shares end of the period	400 714 213	39 975 779	400 714 213	39 975 779
Weighted number of share during the period	400 714 213	39 610 465	280 435 654	35 986 722
Earnings per share before and after dilution	-0,01	-0,06	-0,04	-0,32

Shareholders

The table below presents the major shareholders in Diagonal Bio AB as of December 31, 2024:

Shareholders 31st of December 2024	Number of shares	Votes & capital (%)
Stig Aune	50 000 000	12,48%
Avanza Pension	24 225 248	6,05%
Nordnet Pensionsförsäkring AB	19 102 967	4,77%
Svante Olofsson	12 441 979	3,11%
Jonny Ekman	12 121 212	3,03%
Juha Kauppinen	8 000 000	2,00%
Christofer Bergstrand	6 500 500	1,62%
Mikael Vallgren	5 303 759	1,32%
Fågelö Finans och Holding	5 000 000	1,25%
Latimo AB	4 998 604	1,25%
Other shareholders (approx. 3 000)	253 019 944	63,15%
Totalt	400 714 213	100,00%

Number of shares held by Top 10: 147 803 148
 Others: 252 911 065
 Total number of shares: 400 714 213

Financial Overview

Key Ratios

Key Ratios	2024-01-01 2024-12-31	2023-01-01 2023-12-31
(1) Working capital, KSEK	65	2 527
(2) Quick ratio, %	81	51
(3) Solvency, %	91	75
(4) Debt ratio, %	6	20
(5) Employees	5	4

(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 during October - December 2024

Related party transactions (KSEK)	2024-10-01 2024-12-31	2023-10-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
CFO – Treeridge AB/View Ledger AB	131	153	606	750
CEO – WW Advise AB	0	130	460	130
Scientific Advisor – Nested Bio AB	42	0	332	0
Total	173	283	1398	880

Principles for Preparation of the Report

Diagonal Bio AB applies the Swedish Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012.1 (K3) in the preparation of its financial reports such as the annual reports, cash flow analyses, and interim reports.

Number of Shareholders 2024-12-31

Approx. 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 prospectus 2024, available on Diagonal Bio's website: <https://diagonalbio.com/investors/investor-share-issue-2024/>

Financial Calendar

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

- Annual Report 2024 2025-04-29
- Interim report Q1 2025 2025-05-14
- Interim report Q2 2025 2025-08-22
- Interim report Q3 2025 2025-10-31

Contact person for further information:

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E-mail: kw@diagonalbio.com

Financials

Income Statement

KSEK	2024-10-01 2024-12-31	2023-10-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Income				
Net sales	62	23	62	23
Capitalised development	281	405	1 063	3 128
Other operating income	1	7	6	25
Total Income	344	435	1 131	3 176
Operating expenses				
Raw materials and consumables	-259	-18	-183	-18
Other external expenses	-928	-1 755	-5 457	-9 574
Personnel costs	-1 149	-1 107	-3 898	-5 102
Depreciation and amortisation	-341	-15	-1 011	-3
Other operating expenses	-1	-2	-3	-46
Total operating expenses	-2 678	-2 897	-10 552	-14 743
Operating loss	-2 334	-2 462	-9 421	-11 566
Result from financial items				
Interest income	74	88	75	94
Interest expenses and similar items		-156	-584	-206
Result after financial items	-2 260	-2 530	-9 930	-11 678
Taxes	0	0	0	0
Result for the period	-2 260	-2 530	-9 930	-11 678

Financials

Balance Sheet

KSEK	2024-12-31	2023-12-31
Assets		
Intangible Fixed assets		
Capitalised development expenditures	21 117	20 871
Patents and intellectual rights	3 400	2 882
Tangible fixed assets		
Equipment	13	21
Total fixed assets	24 530	23 774
Current assets		
Inventories		
Raw materials and consumables	322	0
Commercial goods	226	1 028
Total inventory	548	1 028
Receivables		
<i>Accounts receivables</i>	0	23
Equipment	832	0
Other current receivables	204	500
Prepaid expenses and accrued income	201	211
Total receivables	1 237	733
Cash and bank	818	2 972
Total current assets	2 603	4 734
TOTAL ASSETS	27 133	28 508
Equity and liabilities		
Equity		
<i>Restricted equity</i>		
Share capital	3 998	3 998
Development expenditure fund	21 117	23 753
Total restricted equity	25 115	27 751
<i>Non restricted equity</i>		
Share premium fund	52 493	57 338
Accumulated result	-43 084	-52 164
Loss for the period	-9 930	-11 678
Total non restricted equity	-521	-6 504
Total equity	24 595	21 247
Liabilities		
Accounts payable	440	1 911
Other liabilities	1 698	4 345
Defered	400	1 004
Total current liabilities	2 538	7 260
TOTAL EQUITY AND LIABILITIES	27 133	28 508

Financials

Change in Equity

2024-01-01 – 2024-12-31

KSEK	Restricted equity		Unrestricted equity		Total
	Share capital	Fund for development costs	Share premium fund	Accumulated result	
Equity 2024-01-01	3 998	23 753	57 338	-63 843	21 247
Share capital					0
Change in development expenditure fund		-2 636		2 636	0
New share issue	18 033				18 033
Reduced share capital	-18 033			18 033	0
Costs related to share issue			-4 845	88	-4 757
The result of the period				-9 930	-9 930
Equity at the end of the period	3 998	21 117	52 493	-53 014	24 595

2023-01-01 – 2023-12-31

KSEK	Restricted equity		Unrestricted equity		Total
	Share capital	Fund for development costs	Share premium fund	Accumulated result	
Equity 2023-01-01	3 477	19 528	56 126	-47 883	31 248
Share capital	521		1276		1797
Unregistered share capital					0
Change in development expenditure fund		4 225		-4 225	0
Warrent premium received				32	32
Costs related to the new share issue					-153
The result of the period			-153	-11 678	-11 678
Equity at the end of the period	3 998	23 753	57 250	-63 754	21 247

Financials

Cash Flow Statement

KSEK	2024-10-01 2024-12-31	2023-10-01 2023-12-31	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Cash flow from operations	-902	-1 050	-13 765	-5 231
Cash flow from investing activities	46	-539	-1 666	-4 248
Cash flow from financing activities	-55	-156	13 277	-1 134
Cash flow for the period	-911	-1 745	-2 154	-10 613
Cash flow at the beginning of the period	1 730	4 717	2 972	13 585
Cash at the end of the period	818	2 972	818	2 972

Board Declaration

BOARD DECLARATION

The Board of Directors and the CEO certify that these consolidated financial statements and the October - December report of 2024 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, March 28, 2025

Board of Directors

DIAGONAL BIO AB

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