



# INVITATION TO SUBSCRIBE FOR UNITS

**Subscription period: 8–22 April 2024**

[www.diagonalbio.com](http://www.diagonalbio.com)

#### Important information

This information brochure constitutes marketing and is not a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council. The invitation to subscribe for securities in Diagonal Bio AB ("Diagonal Bio" or the "Company") only takes place through the prospectus published in April 2024, which is available on Diagonal Bio's website [www.diagonalbio.com](http://www.diagonalbio.com). Investors are advised to read the prospectus in its entirety before making an investment decision.

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## Karin Wehlin comments



During the last three years we have listed Diagonal Bio at Nasdaq First North and achieved a lot in a short amount of time. For example, the EPO (the European Patent Office) approved a patent for our core technology, we have obtained important test results regarding the analysis time and accuracy of Diagonal Bio's technology, which confirms the performance of our analysis instrument, established an important collaboration with OIM Sweden AB regarding today's and the future's production of LAMPlify® and PANVIRAL®, as well as obtained CE-marking of LAMPlify®. With an obtained CE-marking of LAMPlify®, we have started the pilot study together with Techtum Lab AB in Sweden, with whom we entered into a distributor agreement, and we have signed the first commercial pilot test agreement with a veterinary clinic in Denmark.

Our research and development efforts are central to the business, and they drive us towards promising and significant results. As we explore existing and new sectors for the application of LAMPlify®, we are convinced of the technology's potential for global health, both for animal health and for human diagnostics. With both LAMPlify® and PANVIRAL® in mind, our focus remains on creating long-term value and sustainable growth.

With the significant progress we have made, as the new CEO of Diagonal Bio, I look forward to accelerating the sales and marketing of LAMPlify®, expanding the product portfolio for the detection of multiple genetic markers, and continuing the regulatory work for human diagnostics with PANVIRAL® and future IVDR approval. We are in an exciting phase and with the capital from the rights issue, we are convinced that we can generate additional value in the Company and create the best conditions for the continued journey of Diagonal Bio. We hope you want to join us on this journey!

Karin Wehlin,  
CEO Diagonal Bio

# Investment highlights

## LAMPlify® and PANVIRAL®

Diagonal Bio has developed a patented analysis instrument to determine genetic markers (DNA or RNA) from viruses, bacteria and fungi. The Company has two product lines – PANVIRAL® and LAMPlify®. LAMPlify® was CE-marked in July 2023 in accordance with the Low Voltage Directive, enabling commercialization in the less regulated market segments. Examples of market segments for LAMPlify® are in agriculture, livestock, fish farms, pets, food, water, and other beverages. LAMPlify® is positioned as a fast, accurate and cost-effective system. PANVIRAL® is intended as an in-vitro diagnostic and the development of PANVIRAL® will take place in steps with available resources to be CE-marked according to EU-IVDR and/or US-FDA.

## Advantages compared to today's methods

Today's methods often require that the samples must be transported to central laboratories, and before the sample can be analyzed with a PCR-based instrument, sample preparation is required to ensure that the sample is clean and free of impurities that could interfere with the analysis. This requires both trained laboratory personnel and complex and expensive machines. The purified sample can then be analyzed with the PCR instruments. As a result, the results usually take several hours to several days and usually only one genetic marker is analyzed at a time, further delaying the process. LAMPlify® is faster than the general PCR-based techniques and has the unique advantages of being fast, accurate and cost-effective while enabling the analysis of multiple genetic markers and/or samples in parallel on site. Just as with PCR-based techniques, the requirement is that you know what you are looking for when the sample processing is adapted to find a specific infectious agent. This is regardless of whether the infectious agent is a virus, bacteria or fungi.

## Strong business model

Diagonal Bio is currently focusing on partnerships or license agreements with distributors, KOL's and market partners for the launch of LAMPlify®. Diagonal Bio plans to sell LAMPlify® and PANVIRAL® according to the "Razor-Blade Model" which is based on selling/leasing the instruments at a low cost and having the largest recurring revenue from the consumables.

## Accelerated commercialization activities

Since LAMPlify® was CE-marked in July 2023, Diagonal Bio has further accelerated the Company's commercialization activities. In November 2023 and February 2024 respectively, Diagonal Bio has signed agreements with Hørsholms Hesteprix for the use of the LAMPlify® instrument and with Techtum Lab which is given the right to distribute Diagonal Bio's analysis instrument, LAMPlify®, in Sweden until May 30, 2025.

## Objectives

### 2024

- 6-10 LAMPlify®-studies with potential customers, distributors and KOL's which can lead to commercial agreements and sales.
- Sales and marketing activities related to the launch of LAMPlify®.
- Create value through generating an extended product portfolio for detection of more genetic markers.
- Strengthen the patent protection for Diagonal Bio's core technology globally.
- Regulatory strategy and planning for human diagnostics with PANVIRAL® and future IVDR-approval.

### 2025

- Expand the LAMPlify®-studies with customers, distributors and KOL's within new market segments.
- At least 40 LAMPlify® analysis instruments delivered to customers by Q4 2025.
- Adapt the PANVIRAL® platform for the regulatory application.

# The offer in brief

## Subscription period

8-22 April 2024.

## Subscription price

SEK 0.80 per unit, which corresponds to SEK 0.05 per share. Warrants are issued free of charge.

## Issue volume

Initially a maximum of approximately SEK 32 million before issue costs, and approximately SEK 9.5 million through full exercise of warrants at the highest exercise price.

## Pre-subscription- and guarantee commitments

Approximately SEK 18 million of the rights issue is covered by pre-subscription commitments and guarantee commitments, which corresponds to 56.4 percent of the total highest initial issue volume. Of this, approximately SEK 1.5 million, corresponding to approximately 4.6 percent, relates to pre-subscription commitments.

## Warrants of series TO 1

One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) newly issued share in the Company and can be exercised during the period 12-26 September 2024. The exercise price for TO 1 shall amount to seventy (70) percent of the average volume-weighted price of the share according to the official price statistics of First North Growth Market during a period of twenty (20) trading days ending two (2) banking days before the start of the exercise period and the exercise price will be determined within the range where SEK 0.05 is the lowest price per new share and SEK 0.12 per new share is the highest price in the range. The exercise price must be rounded to the nearest whole öre. The Company will announce the exercise price the day before the first day of the exercise period. If warrants of series TO 1 are fully exercised, the Company will receive approximately SEK 9.5 million.

## Motives for issuance and use of the proceeds

Through the funds provided by the rights issue, the Company intends to, among other things, finance the commercialization of LAMPlify®, expand the product portfolio for the detection of several genetic markers and continue the regulatory work for human diagnostics with PANVIRAL® and future IVDR approval.

# Terms of the offer

## Preferential right for subscription

Those who, on the record date of April 4, 2024, were registered as shareholders in the share register maintained by Euroclear on behalf of the Company have preferential right to subscribe for units in relation to the number of shares held on the record date. For each existing share held on the record date, one (1) unit right is obtained. The unit rights entitle the holder to subscribe for new units with preferential rights, whereby one (1) unit right gives the right to subscribe for one (1) unit. One (1) unit consists of sixteen (16) shares and two (2) warrants of series TO 1.

## Issue volume

The offer comprises a maximum of 39,975,779 units (shares and attached free warrants). The total issue amount amounts to a maximum of approximately SEK 32 million before issue costs.

## Warrants of series TO 1

One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) newly issued share in the Company and can be exercised during the period 12-26 September 2024. The warrant will be subject to trading from the time the conversion of BTU has taken place in Euroclear Sweden AB's ("Euroclear") system until September 24, 2024, and will be traded in Swedish kronor. The subscription price for TO 1 shall be seventy (70) percent of the average volume-weighted price of the share according to the official price statistics of the First North Growth Market during a period of twenty (20) trading days ending two (2) banking days before the start of the exercise period and the subscription price will be determined within the range where SEK 0.05 is the lowest price per new share and SEK 0.12 per new share is the highest price in the range. The Company will announce the subscription price the day before the first day of the exercise period. If warrants of series TO 1 are fully exercised, the Company will receive approximately SEK 9.5 million. The warrants have ISIN code SE0021921517.

## Subscription price

The subscription price is SEK 0.80 per unit, which corresponds to SEK 0.05 per share. Brokerage fee is not charge.

## Record date

The record date at Euroclear for the right to participate in the rights issue was April 4, 2024. The last day for trading in the Company's share with the right to participate in the rights issue was April 2, 2024. The first day for trading in the Company's share without the right to participate in the rights issue was 3 April 2024.

## Subscription period

The subscription period runs during the period 8-22 April 2024. The Board of Directors of the Company reserves the right to extend the subscription period. Any extension will be announced by the Company through a press release no later than 22 April 2024.

## Trading in unit rights

Trading in unit rights will take place at Nasdaq First North Growth Market during the period 8-17 April 2024.

## Un-exercised unit rights

Unit rights which have not been sold by 17 April 2024 or exercised for subscription of units by 22 April 2024 will be booked out of all VP accounts without compensation. No special notification takes place when unit rights are cancelled.

## Issue report and subscription

### Direct registered shareholders

The shareholders or representatives of shareholders who

were registered with Euroclear on the record date, 4 April 2024, will receive a pre-printed issue report with an attached payment notice. Information will be available on Nordic Issuing's website ([www.nordic-issuing.se](http://www.nordic-issuing.se)) and on the Company's website ([www.diagonalbio.com](http://www.diagonalbio.com)). Anyone who is included in the list of mortgagees etc. kept separately in connection with the share register does not receive any information but is notified separately. A note reporting the registration of unit rights on the shareholder's VP account was not sent out.

## Subscription with the support of preferential rights

Subscription with the support of preferential rights must take place by simultaneous cash payment no later than April 22, 2024. Subscription by payment must be done either with the pre-printed payment notice attached to the issue report, or by subscription on Nordic Issuing's platform according to the following two options:

1. *Issue report (printed payment notice from Euroclear)*  
In the event that all unit rights obtained on the record date are desired to be used for subscription, only the pre-printed payment receipt must be used as a basis for subscription by cash payment.
2. *Subscription via Nordic Issuing supported by unit rights*  
In the event that a different number of unit rights than appears in the preprinted issue statement is used for subscription, e.g. through unit rights being acquired or sold, subscription with the support of unit rights must be made on Nordic Issuing's platform <https://minasidor.nordic-issuing.se/> and used as a basis for subscription by cash payment. The shareholder must log in to the platform and state the number of unit rights they wish to use, the number of shares they subscribe for and the amount to be paid. Subscription is binding.

## Information to banks/trustees regarding subscription

On the first day of the subscription period, Nordic Issuing sends out an email containing the prospectus, a short summary of the offer and notification forms that all banks/trustees can use for subscription with the support of unit rights for their underlying customers. Nordic Issuing reserves the right to disregard registration forms received by post, as it cannot be guaranteed that they will be received before the last day of the subscription period if they are mailed.

## Trustee-registered shareholders

Shareholders whose holdings of shares in the Company are trustee-registered with a bank or other trustee will not receive an issue statement. Subscription and payment must instead take place in accordance with instructions from the respective bank or administrator. Please note that when unit rights are used via a bank or administrator, this should take place early in the subscription period because the respective bank/administrator can set different time limits for the last day for subscription.

## Subscription without the support of preferential rights

Subscription of units without preferential rights must take place during the same period as subscription of units with preferential rights, i.e. from 8 April 2024. The Board of Directors of the Company reserves the right to extend the subscription period and the time for payment under any circumstances. Such an extension must be announced no later than the last day of the subscription period and published by the Company.

The application to subscribe for units without preferential rights must be made on Nordic Issuing's platform <https://minasidor.nordic-issuing.se/>.

For trustee-registered shareholders, notification of the subscription of units without pre-emptive rights must be made to the respective trustee and in accordance with instructions from these, or if the holding is registered with several trustees, from each of these. In order to be able to invoke subsidiary preferential right, it is required that the subscription is carried out via the trustee, as there is otherwise no possibility to identify a certain subscriber who has subscribed for units both with and without the support of unit rights.

Incomplete or incorrectly completed subscriptions may be disregarded. It is only permitted to register a "Subscription without the support of unit rights". The subscription must take place no later than April 22, 2024. The subscription is binding.

#### **Subscription from accounts subject to specific rules**

Please note that anyone who has a depository with specific rules for securities transactions, such as an investment savings account (ISK) or capital insurance account (KF), must check with the bank or administrator that maintains the account, whether the acquisition of securities within the scope of the offer is possible. In that case, the notification must be made in agreement with the bank/trustee that maintains the account.

#### **Subscription over EUR 15,000**

In the event that the subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed and submitted to Nordic Issuing in accordance with the Act (2017:630) on measures against money laundering and the financing of terrorism. Please note that Nordic Issuing cannot book securities, even though payment has been received, until the money laundering control is at Nordic Issuing's disposal.

#### **Allocation in case of subscription without preferential rights**

In the event that not all units are subscribed with preferential rights as above, the board must, within the framework of the maximum amount of the preferential issue, decide on the allocation of units to others who have subscribed for units without the support of preferential rights and decide how the distribution between subscribers is to take place.

In the first instance, allocation of units subscribed without the support of unit rights shall be made to subscribers who also subscribed for units with the support of unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allocation to these cannot take place in full, allocation must take place pro rata in relation to the number of unit rights that have been used for subscription of units and, to the extent that this cannot take place, by lottery. Alternatively, allocation of units subscribed without the support of unit rights shall be made to others who subscribed without the support of unit rights, and in the event that allocation to these cannot take place in full, allocation shall be made pro rata in relation to the number of units that were and a signed and, to the extent that this cannot take place, by lot. In the third instance, allocation of units subscribed without the support of unit rights shall be made to the issue guarantors in relation to the size of the guaranteed commitments, and to the extent that this cannot be done, by lottery.

#### **Notice of allocation of units subscribed without preferential rights**

Notice of possible allocation of units, subscribed without preferential rights, is given by sending an allocation notice in the form of a settlement note via e-mail. Settlement notes are calculated to be sent out as soon as possible after the end of the subscription period, and according to the instructions on the settlement note, liquidation must

be paid no later than four banking days thereafter. Note that there is no possibility to withdraw the amount from the specified deposit. If capital is not paid in time, units may be transferred to someone else. Should the sale price in such a transfer be lower than the price according to the offer, the person who originally received the allocation of these units may be liable for all or part of the difference. No notice is given to those who have not received an allocation.

#### **Publication of the outcome of the rights issue**

The publication of the outcome of the rights issue is planned for 23 April 2024, or as soon as possible after the subscription period has ended. The Company will publish the outcome of the rights issue through a press release.

#### **Paid subscribed unit (BTU)**

Subscription by payment is registered with Euroclear as soon as this can take place, which normally means a few banking days after payment. After that, the directly registered subscriber receives a VP notice with confirmation that the booking of paid subscribed units (BTU) has taken place on the subscriber's VP account. Subscribed units are booked as BTU in the VP account until the rights issue has been registered with the Swedish Companies Registration Office. Shareholders who have their holdings on deposit with a bank or administrator receive information from the respective administrator.

#### **Trading in BTU**

Trading in BTU takes place on the Nasdaq First North Growth Market from and including 8 April 2024 until the rights issue is registered with the Swedish Companies Registration Office. Subscribed units are booked as BTU in the subscriber's VP account or deposit until the rights issue has been registered with the Swedish Companies Registration Office, which is expected to happen around 6 May 2024.

#### **Delivery of shares and warrants**

As soon as the rights issue is registered with the Swedish Companies Registration Office, BTU is rebooked into shares and warrants without special notification from Euroclear. Please note that the issue may be partially registered at the Swedish Companies Registration Office.

#### **Trading in the share**

The shares in the Company are listed on the Nasdaq First North Growth Market. The shares are traded under the short name "DIABIO" and have ISIN code SE0015961826. The new shares are admitted to trading in connection with the conversion of BTU into shares.

#### **Dilution**

Through the rights issue, the Company's share capital can initially increase by a maximum of SEK 31,980,623.20 (before reduction of the share capital) through the rights issue of a maximum of 639,612,464 shares, corresponding to approximately 94 percent of the votes and capital in the Company. The dilution is based on the number of issuing shares when the prospectus was drawn up. In the event of full use of warrants of series TO 1 within the framework of the rights issue, the share capital can increase by a further maximum of SEK 470,303.28, corresponding to an additional approximately 10.5 percent of the votes and capital in the Company.

#### **Miscellaneous**

The Board of Directors for the Company does not have the right to cancel, revoke or temporarily withdraw the offer to subscribe for units in the Company in accordance with the terms of the prospectus.

*For full terms of the offer, see the prospectus drawn up in connection with the rights issue.*