



**Diagonal Bio AB**

Third Quarter

**2024**

2024-07-01 – 2024-09-30



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# Summary





## Summary of Q3 2024

### 2024-07-01 — 2024-09-30 (July — September 2024)

- Net sales amounted to 0 KSEK (0 KSEK), capitalised development contributed with 248 KSEK (781 KSEK), and other operating income amounted to 0 KSEK (8 KSEK).
- Operating profit amounted to -1 242 KSEK (-2 605 KSEK).
- Operating profit per net weighted average share amounted to 0 SEK (-0.08 SEK).
- Cash flow during the third quarter amounted to -2 428 KSEK (-816 KSEK).
- Cash and cash equivalents at the end of the period amounted to 1 730 KSEK (4 717 KSEK).

## Significant Events during the Third Quarter of 2024

- On August 21, 2024, Diagonal Bio received an order from the Technical University of Denmark for its LAMPlify® platform.
- On September 6, 2024, Diagonal Bio announced the successful external validation of LAMPlify® for respiratory viruses in horses.
- On September 27, 2024, Diagonal Bio announced the outcome of the exercise of warrants of series TO 1.

## Significant Events after September 30, 2024

- On October 3, 2024, Diagonal Bio announced its partnership with StallZet and horse trainer Daniel Redén will conduct a pilot test using LAMPlify®.
- On October 8, 2024, Diagonal Bio announced that Hunneberga Horse Stable (Hunneberga Hästgård) initiated a partnership with Diagonal Bio to conduct a pilot test using LAMPlify®.
- On October 11, 2024, Diagonal Bio announced the successful external validation of LAMPlify® for viruses in pigs.
- On October 25, 2024, Diagonal Bio announced a pilot test of LAMPlify® at Norwegian University of Life Sciences.

## CEO Word, Karin Wehlin



### Dear Shareholders, Partners and Colleagues,

As we close the third quarter of 2024, I am proud to reflect on yet another period of significant progress and breakthroughs at Diagonal Bio. This quarter has been marked by strategic achievements that solidifies our position in specific sectors within the diagnostics market. We have notably strengthened our foothold in less regulated markets where we are expanding into three areas: the horse, swine, and fish farm segments.

#### First instrument sale

In August, we received our first order of the LAMPlify® platform, placed by DTU (Technical University of Denmark). This marks a major milestone, as we have collaborated with DTU for a couple of years. They see the potential of our technology in other fields than horses and pigs such as the HURTIGFISK project. This project aims to revolutionise the monitoring of fish farm diseases by point-of-care diagnostics. The project will run for 24 months and has a total value for Diagonal Bio of approximately 210 KSEK.

#### Successful external validation of respiratory viruses in horses

The veterinarian faculty of Copenhagen University conducted a validation test according to ISO 17025 (standard for which most labs must hold accreditation in order to be deemed technically competent) and found excellent results, with 100% correlation to the gold standard method—PCR. The results gave us great confidence to approach not only veterinarians but also trainers in the horse competition segment. This segment requires fast and accurate point-of-care diagnostics, enabling quick action to improve the well-being of the horses.

Following the positive outcome of the validation study, we have initiated new pilot tests with both StallZet (Daniel Redén) and Hunneberga Horse Stable (Hunneberga Hästgård). We are eager to receive their results and feedback on using our technology in their day-to-day operations and during competitions. I am confident that LAMPlify® will once again demonstrate its superior performance and contribute to improving health outcomes for horses in these environments.

Together with these partners, we aim to provide faster and more accurate diagnostics for sport horses, ensuring their safety during high stakes competitions. Those partnerships, and others like them, underscore our strong belief in the potential of our technology.

#### Design protection of cartridge in China

Additionally, we have secured design protection for our car-

tridge in China, marking a key milestone in safeguarding our technology in one of the world's largest markets. This achievement, alongside the approved patent for DNA/RNA detection in Mexico, highlights the global potential of our diagnostic platform LAMPlify®. These international recognitions not only strengthen our intellectual property portfolio but also pave the way for further expansion.

#### Swine diseases

Another exciting development is our effort into a new application of our LAMPlify® platform—this time in the domain of swine diseases. Diagonal Bio has once again demonstrated impressive results, which showed excellent agreement between the LAMPlify® assays and PCR tests, yielding identical positive/negative classifications between the methods. This success in veterinary diagnostics reinforces our confidence in the strength and versatility of our platform. Accurate and rapid testing is critical for breeders, as it helps prevent adverse effects on livestock production and minimises economic losses. This time, the validation was performed by DTU and showed excellent correlation to the gold standard method—PCR.

Personally, I am very proud of these new results which highlights how our technology can contribute to the welfare of animals. I eagerly look forward with great anticipation to our continued journey in advancing the well-being of animal's welfare.

I am filled with optimism for what lies ahead. Our continued focus on innovation, quality, and international expansion will drive Diagonal Bio towards success in the quarters to come. Thank you to our dedicated team, partners, and shareholders for your ongoing trust and support in our mission to make diagnostics smarter, faster, and more accessible.

Best regards,

Karin Wehlin,  
CEO  
Diagonal Bio AB (publ)

*Karin Wehlin*

CEO, Diagonal Bio AB (publ)

Lund 2024





***One of the most exciting developments is our effort into a new application of our technology LAMPlify®—this time in the domain of swine diseases.***

- 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 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 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 centralised 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 organisation and/or establish partnerships with existing distributors or major players in the market for the launch of LAMPlify® and, later, Panviral®. 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 licence agreements with distributors, KOLs and collaborators in the market for the launch of LAMPlify®, and at a later stage Panviral®.

Diagonal Bio plans to sell LAMPlify® according to the "Razor-Blade model". The model is based on selling or leasing the instruments at a relatively low cost and aim 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 design protection for its cartridge in 2022, offering further protection related to the consumables used in the system's analysis unit.





# Financial Overview





## Financial Overview

### Results and Financial Position July-September 2024

Net sales amounted to 0 KSEK (0 KSEK), capitalised development contributed with 248 KSEK (781 KSEK), and other operating income amounted to 0 KSEK (8 KSEK).

The net income after financial items amounted to -1 242 KSEK (-2 605) KSEK, while net income per share amounted to 0 SEK (-0.08) SEK.

Cash flow during the third quarter amounted to -2 428 KSEK (-816 KSEK). At the end of September 2024, Diagonal Bio had a cash position of 1 730 KSEK (4 717) KSEK.

### Investments

During the third quarter of 2024, investments in intangible assets (patents and trademarks) amounted to 102 KSEK (327) KSEK and balanced expenses for development 248 KSEK (781 KSEK). During the third quarter, investments in tangible assets amounted to 0 KSEK (24) KSEK.

### Staff and Organisation

At the end of September 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	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Number of shares end of the period	400 636 419	34 765 534	400 636 419	34 765 534	39 975 779
Weighted number of share during the period	400 636 419	34 765 534	240 342 801	34 765 534	35 986 722
<b>Earnings per share before and after dilution</b>	<b>0</b>	<b>-0,08</b>	<b>-0,03</b>	<b>-0,26</b>	<b>-0,32</b>

### Shareholders

The table below presents major shareholders in Diagonal Bio AB as per September 30, 2024:

Shareholders 30st of September 2024	Number of shares	Votes & capital (%)
Stig Aune	48 750 000	12,17%
Nordnet Pensionsförsäkring AB	21 482 389	5,36%
Avanza Pension	14 470 159	3,61%
Svante Olofsson	10 000 867	2,50%
Peter Nilsson (Sarsaparill AB)	10 000 000	2,50%
Juha Kauppinen	9 756 666	2,44%
Dick Södergren	9 633 448	2,40%
Arian Ismail	8 200 000	2,05%
Stefan Lundgren (Paginera Invest AB)	8 000 000	2,00%
Ylber Rexhepi	6 418 097	1,60%
Christofer Bergstrand	6 230 000	1,56%
Lars Moberg (Latimo AB)	4 998 604	1,25%
Other shareholders (approx. 3 000)	242 696 189	60,58%
<b>Totalt</b>	<b>400 636 419</b>	<b>100,00%</b>

Number of shares held by Top 10:	157 940 230
Others:	242 696 189
Total number of shares:	400 636 419



## Financial Overview

### Key Ratios

Key Ratios	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
(1) Working capital, KSEK	2 094	-1 105	2 527
(2) Quick ratio, %	130	83	65
(3) Solvency, %	92	77	75
(4) Debt ratio, %	6	19	0
(5) Employees	4	4	4

(1) Total current assets minus 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 employees during the period

### Related Party Transactions during July - September 2024

Related party transactions (KSEK)	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
CFO – Treeridge AB/View Group AB	142	216	491	597	750
CEO – WW Advise AB	0	0	460	0	130
Scientific Advisor – Nested Bio AB	290	0	290	0	0
<b>Total</b>	<b>432</b>	<b>216</b>	<b>1241</b>	<b>597</b>	<b>880</b>

### 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 2024-09-30

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/>

### 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 2024-2025:

- Interim report Q3 2024 2024-10-31
- Year-end report 2024 2025-02-25
- 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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# Financials

## Income Statement

KSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
<b>Income</b>					
Net sales	0	0	0	0	23
Capitalised development	248	781	782	2 723	3 128
Other operating income	0	8	5	18	25
	<b>248</b>	<b>789</b>	<b>787</b>	<b>2 741</b>	<b>3 176</b>
<b>Operating expenses</b>					
Raw materials and consumables	0	9	76	0	-18
Other external expenses	-956	-2 223	-4 530	-7 819	-9 574
Personnel costs	-220	-1 163	-2 749	-3 995	-5 102
Depreciation and amortisation	-314	-1	-670	-1	-46
Other operating expenses	0	-16	-2	-30	-3
<b>Total operating expenses</b>	<b>-1 490</b>	<b>-3 394</b>	<b>-7 875</b>	<b>-11 846</b>	<b>-14 743</b>
<b>Operating loss</b>	<b>-1 242</b>	<b>-2 605</b>	<b>-7 088</b>	<b>-9 105</b>	<b>-11 566</b>
<b>Result from financial items</b>					
Interest income	1	0	2	9	94
Interest expenses and similar items	0	-52	-584	-52	-206
<b>Result after financial items</b>	<b>-1 241</b>	<b>-2 657</b>	<b>-7 670</b>	<b>-9 148</b>	<b>-11 678</b>
Taxes	0	0	0	0	0
<b>Result for the period</b>	<b>-1 241</b>	<b>-2 657</b>	<b>-7 670</b>	<b>-9 148</b>	<b>-11 678</b>



# Financials

## Balance Sheet

KSEK	2024-09-30	2023-09-30	2023-12-31
<b>Assets</b>			
<b>Intangible Fixed assets</b>			
Capitalised development expenditures	21 108	20 466	20 871
Patents and intellectual rights	3 374	2 749	2 882
<b>Tangible fixed assets</b>			
Equipment	334	23	21
<b>Total fixed assets</b>	<b>24 816</b>	<b>23 237</b>	<b>23 774</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables	372	0	0
Commercial goods	995	0	1 028
<b>Total inventory</b>	<b>1 367</b>	<b>0</b>	<b>1 028</b>
Receivables			
Accounts receivables	23	0	23
Other receivables*	1 190	2 296	500
Prepaid expenses and accrued income	237	223	211
<b>Total receivables</b>	<b>1 450</b>	<b>2 519</b>	<b>733</b>
Cash and bank	1 730	4 717	2 972
<b>Total current assets</b>	<b>4 546</b>	<b>7 236</b>	<b>4 734</b>
<b>TOTAL ASSETS</b>	<b>29 362</b>	<b>30 473</b>	<b>28 508</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	3 998	3 477	3 998
Unregistered share capital	1	521	0
Development expenditure fund	21 108	23 215	23 753
<b>Total restricted equity</b>	<b>25 107</b>	<b>27 212</b>	<b>27 751</b>
<i>Non restricted equity</i>			
Share premium fund	52 637	57 250	57 338
Accumulated result	-43 164	-51 625	-52 164
Loss for the period	-7 670	9 148	-11 678
<b>Total non restricted equity</b>	<b>1 803</b>	<b>-3 435</b>	<b>-6 504</b>
<b>Total equity</b>	<b>26 910</b>	<b>23 777</b>	<b>21 247</b>
<b>Liabilities</b>			
Accounts payable	389	1 425	1 911
Other liabilities	1 724	4 965	4 345
Deffered	338	306	1 004
<b>Total current liabilities</b>	<b>2 452</b>	<b>6 696</b>	<b>7 260</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 362</b>	<b>30 473</b>	<b>28 508</b>

\*Refund from the tax authority for R&D deductions



## Financials

### Change in Equity

2024-01-01 – 2024-09-30

KSEK	Restricted equity		Unrestricted equity		
	Share capital	Fund for development costs	Share premium fund	Accumulated result	Total
<b>Equity 2024-01-01</b>	<b>3 998</b>	<b>23 753</b>	<b>57 338</b>	<b>-63 843</b>	<b>21 247</b>
Share capital					0
Change in development expenditure fund		-2 645		2 645	0
New 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
<b>Equity at the end of the period</b>	<b>3 998</b>	<b>21 108</b>	<b>52 637</b>	<b>-50 834</b>	<b>26 910</b>

2023-01-01 – 2023-09-30

KSEK	Restricted equity		Unrestricted equity		
	Share capital	Fund for development costs	Share premium fund	Accumulated result	Total
<b>Equity 2023-01-01</b>	<b>3 477</b>	<b>19 528</b>	<b>56 183</b>	<b>-47 938</b>	<b>31 250</b>
Share capital					0
Unregistered share capital	521		1 124		1 645
Change in development expenditure fund		3 687		-3 687	0
Warrent premium received			32		32
The result of the period				-9 148	-9 148
<b>Equity at the end of the period</b>	<b>3 998</b>	<b>23 215</b>	<b>57 338</b>	<b>-60 772</b>	<b>23 777</b>



## Financials

### Cash Flow Statement

KSEK	2024-07-01 2024-09-30	2023-07-01 2023-09-30	2024-01-01 2024-09-30	2023-01-01 2023-09-30	2023-01-01 2023-12-31
Cash flow from operations	-2 037	316	-12 863	-5 189	-5 231
Cash flow from investing activities	-349	-1 132	-1 712	-3 710	-4 246
Cash flow from financing activities	-42	0	13 332	32	-1 136
<b>Cash flow for the period</b>	<b>-2 428</b>	<b>-816</b>	<b>-1 243</b>	<b>-8 868</b>	<b>-10 613</b>
Cash flow at the beginning of the period	4 157	5 533	2 972	13 585	13 585
<b>Cash at the end of the period</b>	<b>1 730</b>	<b>4 717</b>	<b>1 730</b>	<b>4 717</b>	<b>2 972</b>



## Board Declaration

### BOARD DECLARATION

The Board of Directors and the CEO certify that these consolidated financial statements and the July – September 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, October 31, 2024

**Board of Directors**

# DIAGONAL BIO AB

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