

# INTERIM REPORT

July – September 2024



Q3

**Magnasense is a diagnostics company that develops diagnostic tests, that are more accessible, easier to use, and with precise, transferable and clinically relevant results. The Company's areas of focus are on saliva-based testing, and on monitoring and optimizing the dosing of biological drugs.**

The Company has an international presence with establishments in Sweden, Finland, the United Kingdom and the United States. It was established in 2019 and was listed on Nasdaq First North Growth Market in Stockholm, in June 2020, where it is traded under the MAGNA ticker.

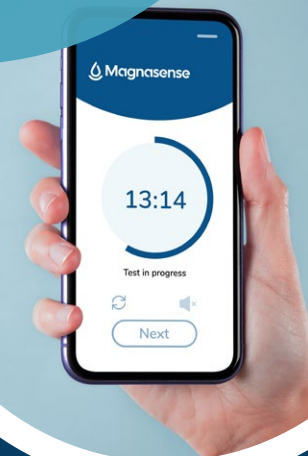


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## HEALTH CHECK. PRECISION. SIMPLICITY.

Diagnostic tests and platform tailored to the emerging digital health market.



# Significant steps taken in Q3 to strengthen operational and business development capacities

## Summary of the interim report

"The Company" and "Magnasense AB" refer to Magnasense AB (publ), reg. no. 559222-2953

### Group Third Quarter in 2024 compared to the same period in 2023

- Total income amounted to SEK 0M (0,2M)
- Loss before tax amounted to SEK -14,0M (-18,3M)
- Cash and cash equivalents at the end of the quarter was SEK 1,8M (23,4M)
- Earnings per share\* SEK -0,32 (-0,61)
- Equity ratio\*\* at 30 September 2024 was -37% (12) %

\* Earnings per share: Profit for the period divided by the weighted average number of shares, which as of 2024-09-30 amounted to 35,388,621 shares before dilution. The corresponding number for the same period in the previous year was 24,575,099 shares.

\*\* Equity ratio: Equity divided by total capital.

## SIGNIFICANT EVENTS

### During the period

- Melissa Grant, Associate Professor at the University of Birmingham's School of Dentistry, joined Magnasense's Scientific Advisory Board.
- Aegirbio AB changed its name to Magnasense AB, to better reflect core assets and focus.
- Directed issues of 13,196,289 shares to Atlas Special Opportunities, including 12,249,215 shares following conversions of SEK 5,0M of loan notes, and a further issue of 947,074 transaction fee shares.
- Calls for payments of SEK 5,0M from Atlas Special Opportunities under Tranche 3 of the loan facility.
- Vicki Johnson joined Magnasense AB as Interim CFO, succeeding Christel Dahlberg.
- Payment period for business-critical supplier invoices totalling USD 970,000 extended (SEK 9,8M), with an agreement to issue 9.5 million warrants subject to approval at an EGM.
- A feasibility study to explore potential technology development opportunities with Salignostics Ltd was initiated.
- Filed a patent application for an advanced detection system designed to improve sensitivity and accuracy of magnetic test strips using superparamagnetic nanoparticles.
- Magnasense AB loans totalling SEK 3,0M from board members.

Q3

### After the period

- Directed issue to Atlas Special Opportunities of 13,090,908 shares being conversion of debt SEK 1,5M, and SEK 1,5M allotment of transaction fee shares.

Q4



# CEO's message

Dear Shareholders,

**The third quarter of 2024 has been a busy and transformative period for Magnasense AB. As we continue advancing towards the completion of Work Package 1 under the RADx Tech Program, we have taken significant steps to strengthen our operational and business development capacities.**

Our strategic focus on the professional market as it relates to oral health remains central, as it represents a high-potential sector and a shorter pathway to revenue generation.

One of our key additions has been the appointment of Swati Mishra as our new Grant/Business Development Manager. Her expertise will be instrumental in driving forward our strategic objectives, including our discussions with universities and potential business partners. Furthermore, we have initiated an important market research project focused on oral health in the UK, as part of our broader efforts to explore high-impact applications for our technologies within this professional domain.

Additionally, we are proud to announce that we have filed a patent application for inductive coupling using our proprietary magnetic test strip technology. This marks a significant milestone in the development of our intellectual property portfolio and aligns closely with our strategic direction in the oral health market.

In collaboration with Salignostics, a company developing advanced sample collection devices, we have started a feasibility study for a specific analyte using our saliva-based diagnostic technology. This study is crucial not only for expanding our product capabilities but also for advancing solutions that are directly aligned with our professional market focus in oral health.

On the financial front, we are working hard to manage our resources prudently as we continue to develop market-driven solutions while maintaining strong relationships with our suppliers. I'm proud to say that, to this end, we have successfully negotiated an extension to the payment period for business-critical supplier invoices totalling USD 970,000 (SEK 9,8M).

Moreover, we are excited to welcome our new interim CFO, Vicki Johnson, who joins us at a pivotal time as we expand and refine our business operations with a clear focus on the professional oral health market. Lastly, reflecting our broader corporate vision and to better align with our focus, we have officially changed our name to Magnasense AB. This rebranding is a crucial step in aligning our identity with our future ambitions and the innovative solutions we are developing in the oral health domain.

We look forward to sharing more updates as we progress and thank our stakeholders for their continued support during this exciting phase of growth.

Best regards,

**Marco Witteveen**  
CEO, Magnasense AB



**“We are expanding our product capabilities as well as advancing solutions that are directly aligned with our professional market focus in oral health.”**

**Marco Witteveen**  
CEO, Magnasense AB

# Magnasense Overview

**Magnasense (previously known as Aegirbio) is a Swedish diagnostics company established in 2019 to offer tests to monitor and optimize the dosing of biological drugs by means of a unique, patented technology platform. Magnasense is listed on First North Growth Market since June 2020, it is traded under the MAGNA ticker.**

Through acquisitions, the Company has ensured long-term access to key technologies and opened up new application areas to make it possible and easy for people to monitor their own health. Through these acquisitions, Magnasense, rooted in laboratory testing, have in a short period of time added technologies and skills to the operations to make headway towards becoming the health monitoring and diagnostic company it has set out to be.

The Company's Certified Adviser is Eminova Fondkommission AB, [adviser@eminova.se](mailto:adviser@eminova.se)

**The Company's ambition,** aside from bringing innovative diagnostics technology to the market, is to make diagnostics more accessible, easier to use, and with precise and easily transferable results. For more information, see Magnasense's website.

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

## Magnasense builds its business around technologies for:



Laboratory tests for follow-up of patients during treatment with biological drugs



Point of Care, quantitative near-patient tests for routine control in clinics and health centers



Point of Need, quantitative home tests for diseases and treatments



Quick tests for indicative and fast results

## THE THIRD QUARTER IN FIGURES\*

### Revenue and other income

The Group reports net sales and other income of SEK 0 (0,2M) for the quarter.

### Results

The Group's operating loss for the quarter amounted to SEK -10,3M (-16,8M).

Operating costs amounted to SEK 10,3M (16,9M) for the second quarter, a decrease of SEK 6,5M compared to the same period last year. The reduction was driven by both the reduction and capitalisation of R&D costs. Overall R&D costs in the period were reduced, to SEK 11,3M (15,3M). Of these costs SEK 5,7M were capitalized this period (see investments commentary). There was an increase in administrative costs for the quarter to SEK 3,4M (2,1M). These costs include administration, financial and legal services, and consultancy costs.

Net financial income and costs was SEK -3,7M (-1,5M). There were higher interest costs in the quarter due the additional loan notes drawn under the facility this period. Loss before tax amounted to SEK -14,0M (-18,3M). Thus, loss before tax has improved by a total of SEK 4,3M, compared to the same period last year.

### FINANCIAL POSITION

The equity ratio of the Group was -37 (12) percent as of 30 September 2024, and equity amounted to SEK -18,4M (7,5M). The Group's cash and cash equivalents amounted to SEK 1,8M (23,4M). Total assets amounted to SEK 49,9M (64,7M) on the same date.

### CASH FLOW

Total cash flow for the third quarter amounted to SEK -0,6M (-13,1M).

## INVESTMENTS

Net investments in intangible fixed assets for the quarter amounted to SEK 5,7M (0). The investment relates to capitalized development costs for the RADx project. Of the capitalized development costs, SEK 2,7M (0) related to capitalized personnel costs, and SEK 3,0M (0) to capitalized external development costs.

## THE PARENT COMPANY

The Parent Company, whose activities are mainly focused on the overall management and financing of the Group, reported an operating result of SEK -3,0M (1,6M) for the third quarter of 2024. Income amounts to a total of SEK 1,3M (0) and mainly consists of management fees invoiced to the subsidiaries.

Participations in subsidiaries as of 30 September amounted to SEK 2,9M (2,9M), and net amounts receivable from subsidiaries was SEK 54,0M (26,7M). The Parent Company's cash and cash equivalents at the end of the period amounted to SEK 1,5M (20,7M).

## THE SHARE

The Magnasense AB (publ) share was listed on Nasdaq First North Growth Market in Stockholm on June 22, 2020, where it is traded under the MAGNA ticker. First North is an alternative stock exchange, operated by an exchange within the NASDAQ OMX Group. Companies listed on First North Growth Market are not subject to the same regulations as companies listed on the regulated main market. Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk associated with investing in a company on Nasdaq First North Growth Market may therefore be higher than when investing in a company on the main market. All companies with shares traded on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed.

The exchange approves the application for admission to trading.

Magnasense's Certified Adviser for Nasdaq First North Growth Market is Eminova Fondkommission AB, +46 8 684 211 00, info@eminova.se.

As of September 30, 2024, the number of shares amounted to 49,248,535. There is one class of shares. Each share has equal right to shares in the Company's assets and profit and entitles to one vote in the General Meeting.

Parent company	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Number of shares before dilution	49,248,535	25,876,872	30 876 872
Number of shares after dilution	59,498,535	29,911,872	34 911 872
Basic earnings per share	-0,18	-0,56	-0,98
Average number of shares before dilution	35,388,621	24,575,099	25 053 902
Average number of shares after dilution*	45,638,621	28,610,099	29 088 902

\* The number of shares after dilution does not include any effects related to the convertible loan, or issue of transaction shares associated with the loan facility.

\*\* Shares issued in the period relate to the Company's lending arrangements with Atlas

## AUDITOR'S REVIEW

This interim report has not been reviewed by the Company's auditor.

## UPCOMING FINANCIAL REPORTS

Year end report Q4 2024      2025-03-28

\*Numbers within parentheses refer to the corresponding period in the preceding year.

# Risks and uncertainties

Magnasense's operations are exposed to risks and uncertainties that, to varying degrees, can impact the capacity to attain the objectives set. The Company is continuously working to manage the risks and uncertainties it faces. The work is carried out systematically and aims to bring risks to light and limit their impact as they arise.

Some of the Company's customers and grant providers may, for limited periods of time, account for a large proportion of the Company's operating income. The termination of a major customer's agreement with the Company may have a negative impact on the Company's net income in both the short and the long term, which may lead to a decline in the Company's operating profit.

There is also a risk that long-term, stable customer and partner relations cannot be established. In order to market and sell medical devices, the Company must also obtain authorization and register the products with the relevant authorities in each market. In the event that the Company, directly or through partners, fails to obtain the necessary authorizations and registrations, there is a risk that the Company's ability to generate revenue may be hampered.

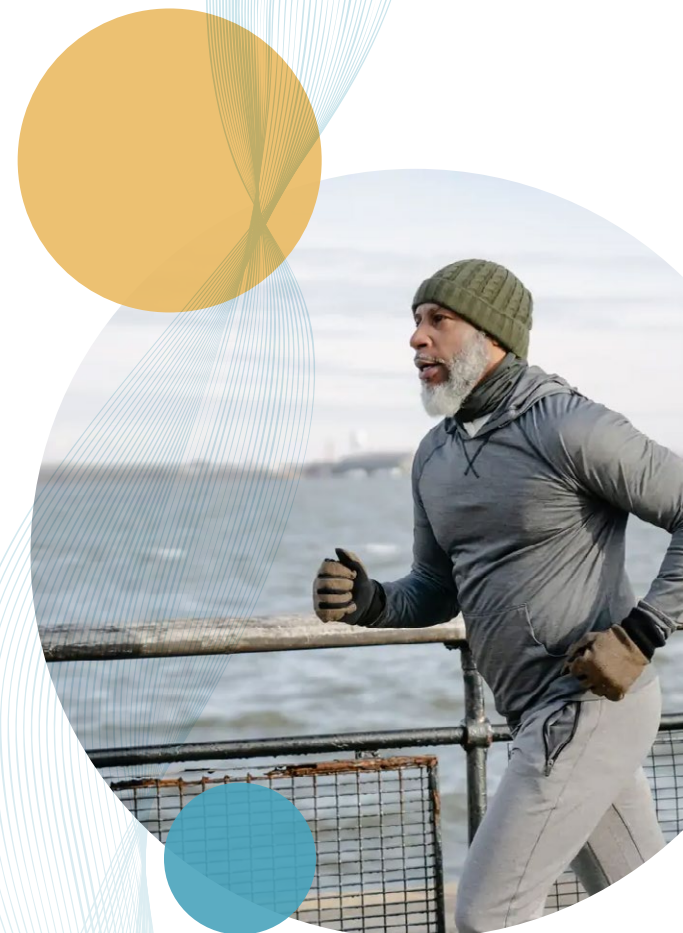
In light of the RADx program, there is a political risk that the priorities of the national authorities we cooperate with may change.

The Company is a small company with limited resources in terms of management, administration and capital. There is a risk that the Company fails to recruit or retain staff.

There are multiple financial risks including liquidity and financing risks, credit risks, and currency risks. The Company may fail to secure the funding it requires in order to achieve its strategy.

The Company depends on external operators for manufacture of products and components of products. There is a risk that the Company fails to discover shortcomings of a manufacturer until late in the manufacturing process or before the products reach the market.

For a more in-depth description of the risks and uncertainties faced by the Company, please refer to the annual report for 2023, which is available on the Company's website, <https://www.magnasense.com/>.







# FINANCIAL OVERVIEW



# The Group – Consolidated income statement

(KSEK)	Note	2024 juli-sept	2023 juli-sept	2024 jan-sept	2023 jan-sept
Net revenue		-	36	-	93
Cost of goods sold		-	-	-	-48
<b>Gross Profit</b>		<b>-</b>	<b>36</b>	<b>-</b>	<b>45</b>
Research & development costs		-5 691	-15 311	-20 477	-34 352
Sales costs		-1 191	316	-3 274	-2 503
Administrative costs		-3 404	-2 126	-5 764	-11 333
Other operating income		-9	261	4 598	1 565
Other operating costs		-14	-20	-952	-58
<b>Operating loss</b>		<b>-10 309</b>	<b>-16 844</b>	<b>-25 869</b>	<b>-46 636</b>
<b>Result from financial items</b>					
Financial income		3	6 369	18	6 625
Financial costs	3	-3 733	-7 835	-1 821	-10 229
<b>Loss before tax</b>		<b>-14 039</b>	<b>-18 310</b>	<b>-27 672</b>	<b>-50 240</b>
Tax		754	375	1 539	1 123
<b>Loss for the period</b>		<b>-13 285</b>	<b>-17 935</b>	<b>-26 133</b>	<b>-49 117</b>
<b>Other Comprehensive income</b>					
Translation differences		-228	-6 682	-606	-943
<b>Comprehensive loss for the period</b>		<b>-13 513</b>	<b>-24 617</b>	<b>-26 739</b>	<b>-50 060</b>
Comprehensive loss for the period attributable to Parent Company shareholders		-13 513	-24 617	-26 739	-50 060
<b>Earnings per share, SEK</b>		<b>-0,32</b>	<b>-0,61</b>	<b>-0,76</b>	<b>-1,06</b>

# The Group – Consolidated balance sheet

(KSEK)	Note	Sep 2024	Sep 2023	Restated Dec 2023
<b>ASSETS</b>				
Intangible fixed assets	5	41 013	34 745	36 155
Tangible fixed assets		682	776	756
Right of use assets		1 742	853	519
Other financial assets		-	306	284
<b>Total fixed assets</b>		<b>43 437</b>	<b>36 680</b>	<b>37 714</b>
<b>Current assets</b>				
Inventories		-	-	-
Current receivables		4 625	4 610	4 867
Cash and cash equivalents		1 792	23 441	12 142
<b>Total current assets</b>		<b>6 417</b>	<b>28 051</b>	<b>17 009</b>
<b>Total assets</b>		<b>49 854</b>	<b>64 731</b>	<b>54 723</b>

(KSEK)	Note	Sep 2024	Sep 2023	Restated Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Parent Company shareholders</b>	5	<b>-18 427</b>	<b>7 491</b>	<b>168</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		2 722	4 104	3 731
Lease liability		782	263	207
Loans and borrowings	4	34 854	33 378	32 112
Other non-current liabilities	4	12 281	8 421	8 132
<b>Total non-current liabilities</b>		<b>50 639</b>	<b>46 166</b>	<b>44 182</b>
<b>Current liabilities</b>				
Loans and borrowings	4	3 272	-	-
Other current liabilities		14 370	11 074	10 373
<b>Total current liabilities</b>		<b>17 642</b>	<b>11 074</b>	<b>10 373</b>
<b>Total liabilities</b>		<b>68 281</b>	<b>57 240</b>	<b>54 555</b>
<b>Total Equity and liabilities</b>		<b>49 854</b>	<b>64 731</b>	<b>54 723</b>
Equity ratio		-37%	12%	0%

# The Group – Consolidated cashflow statement

(KSEK)	2024 juli-sept	2023 juli-sept	2024 jan-sept	2023 jan-sept
<b>Operating activities</b>				
Operating profit	-10 309	-16 844	-25 869	-46 636
Adjustment for non-cash items	4 195	4 429	11 565	10 578
Interest paid	-	-44	-74	-84
Interest received	-	-	14	-
Paid income tax	-	-	-	-
<b>Cash flow before changes in working capital</b>	<b>-6 114</b>	<b>-12 459</b>	<b>-14 364</b>	<b>-36 142</b>
Change in operating receivables	-1 332	-196	277	54
Change in operating liabilities	7 585	-475	2 880	-348
<b>Total change in working capital</b>	<b>6 253</b>	<b>-671</b>	<b>3 157</b>	<b>-294</b>
<b>Cash flow from operating activities</b>	<b>139</b>	<b>-13 130</b>	<b>-11 207</b>	<b>-36 436</b>
<b>Investing activities</b>				
Tangible asset purchases	-	-1	-11	-45
Intangible assets purchases	-5 567	-	-14 276	-
Business combinations	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-5 567</b>	<b>-1</b>	<b>-14 287</b>	<b>-45</b>
<b>Financing activities</b>				
New issue net of issuance costs	-	-	-	1 269
Proceeds from convertible loans net of issue costs	5 100	-	16 350	45 052
Amortisation	-	-7	-	-1 054
Payment of lease liabilities	-246	-	-1 204	-
<b>Cash flow from financing activities</b>	<b>4 854</b>	<b>-7</b>	<b>15 146</b>	<b>45 267</b>
<b>Cash flow for the period</b>	<b>-572</b>	<b>-13 138</b>	<b>-10 346</b>	<b>8 786</b>
Cash and cash equivalents at the beginning of the period	2 364	36 595	12 142	14 588
Exchange rate difference on cash and cash equivalents	2	-16	-2	67
<b>Cash and cash equivalents at the end of the period</b>	<b>1 792</b>	<b>23 441</b>	<b>1 792</b>	<b>23 441</b>



# The Group – Changes in Equity

(KSEK)	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity	Non-controlling interests	Total attributable to Parent Company shareholders
<b>Opening balance on 1 January 2023</b>	<b>1 703</b>	<b>513 679</b>	<b>-953</b>	<b>-474 602</b>	<b>39 827</b>	<b>-</b>	<b>39 827</b>
Loss for the period	-	-	-	-49 118	-49 118	-	-49 118
Correction of previous errors	-	-	-1 284	156	-1 128	-	-1 128
Translation differences	-	-	1 294	-	1 294	-	1 294
New issue/ conversion of convertibles	367	16 249	-	-	16 616	-	16 616
<b>Equity at 30 September 2023</b>	<b>2 070</b>	<b>529 928</b>	<b>-943</b>	<b>-523 564</b>	<b>7 491</b>	<b>-</b>	<b>7 491</b>
Loss for the period	-	-	-	-10 578	-10 578	-	-10 578
Correction of previous errors	-	-	-1	1 488	1 487	-	1 487
Translation differences	-	-	-2 432	-	-2 432	-	-2 432
Subscription warrants	-	-	-	86	86	-	86
New issue/ conversion of convertibles	400	2 144	-	-51	2 493	-	2 493
<b>Equity at 31 December 2023</b>	<b>2 470</b>	<b>532 072</b>	<b>3 376</b>	<b>532 619</b>	<b>1 453</b>	<b>-</b>	<b>-1 453</b>
Correction of previous errors	-	-	-	1 621	1 621	-	1 621
<b>Equity at 31 December 2023 - Restated</b>	<b>2 470</b>	<b>532 072</b>	<b>3 376</b>	<b>530 998</b>	<b>168</b>	<b>-</b>	<b>168</b>
<b>Opening balance at 1 January 2024</b>	<b>2 470</b>	<b>532 072</b>	<b>-3 376</b>	<b>-532 619</b>	<b>-1 453</b>	<b>-</b>	<b>-1 453</b>
Correction of previous errors	-	-	-	1 621	1 621	-	1 621
<b>Restated balance at 1 January 2024</b>	<b>2 470</b>	<b>532 072</b>	<b>-3 376</b>	<b>-530 998</b>	<b>168</b>	<b>-</b>	<b>168</b>
Loss for the period	-	-	-	-26 133	-26 133	-	-26 133
Translation differences	-	-	-606	-	-606	-	-606
<b>Comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-606</b>	<b>-26 133</b>	<b>-26 739</b>	<b>-</b>	<b>-26 739</b>
Capital reduction*	-2 379	2 379	-	-	-	-	-
Issue of warrants**	-	174	-	-	174	-	174
New issue/ conversion of convertibles less transaction costs	599	7 401	-	-30	7 970	-	7 970
<b>Equity on September 30 2024</b>	<b>690</b>	<b>542 026</b>	<b>-3 982</b>	<b>-557 161</b>	<b>-18 427</b>	<b>-</b>	<b>-18 427</b>

\*During the period there was a capital reduction, as approved by the AGM in June 2024, to reduce the quota value of an ordinary share to SEK0,014, from SEK 0,08. The reduction in share capital has been allocated to non-restricted equity under share premium

\*\*In August 2024, 9,500,000 warrants were issued to a key supplier. These were valued using a dilutive Black-Scholes model, at SEK 0.174M. This has been recorded as an expense within finance costs in the period, with a corresponding increase in equity.

## Parent company – Income statement

(KSEK)	Note	2024 juli-sept	2023 juli-sept	2024 jan-sept	2023 jan-sept
Net revenue		-	36	-	41
Cost of goods sold		-	-	-	-
<b>Gross Profit</b>		<b>-</b>	<b>36</b>	<b>-</b>	<b>41</b>
Research & development costs		-282	-897	-1 268	-2 948
Sales costs		-1 711	-1 282	-5 692	-3 749
Administrative costs		-2 314	-4 412	-6 359	-11 862
Other operating income		1 302	8 215	10 159	8 448
Other operating costs		-12	-20	-950	-47
<b>Operating loss</b>		<b>-3 017</b>	<b>1 640</b>	<b>-4 110</b>	<b>-10 117</b>
<b>Result from financial items</b>					
Financial income		835	6 369	5 581	6 604
Financial costs	3	-5 514	-7 801	-6 035	-10 133
<b>Profit/loss before tax</b>		<b>-7 696</b>	<b>208</b>	<b>-4 564</b>	<b>-13 646</b>
Tax		-	-	-	-
<b>Profit/loss for the period</b>		<b>-7 696</b>	<b>208</b>	<b>-4 564</b>	<b>-13 646</b>
<b>Earnings per share, SEK</b>		<b>-0,18</b>	<b>0,01</b>	<b>-0,13</b>	<b>-0,56</b>

# Parent company – Balance sheet

(KSEK)	Note	Sep 2024	Sep 2023	Dec 2023
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Participations in Group companies		2 885	2 885	2 885
<b>Total fixed assets</b>		<b>2 885</b>	<b>2 885</b>	<b>2 885</b>
<b>Current assets</b>				
Trade receivables		-	44	40
Receivables from Group companies		53 975	26 755	28 252
Other receivables		3 425	1 088	848
Prepayments and accrued income		270	459	281
Cash and cash equivalents		1 537	20 746	10 371
<b>Total current assets</b>		<b>59 207</b>	<b>49 092</b>	<b>39 792</b>
<b>Total assets</b>		<b>62 092</b>	<b>51 977</b>	<b>42 677</b>

(KSEK)	Note	Sep 2024	Sep 2023	Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>7 133</b>	<b>11 577</b>	<b>3 553</b>
<b>Non-current liabilities</b>				
Loans and borrowings	4	34 854	33 378	32 112
Other non-current liabilities	4	4 000	-	-
		<b>38 854</b>	<b>33 378</b>	<b>32 112</b>
<b>Current liabilities</b>				
Loans and borrowings	4	2 861	0	0
Liabilities to Group companies		4 369	362	790
Other current liabilities		5 368	1 234	1 358
Accruals and deferred income		3 507	5 426	4 864
<b>Total current liabilities</b>		<b>16 105</b>	<b>7 022</b>	<b>7 012</b>
<b>Total liabilities</b>		<b>16 105</b>	<b>7 022</b>	<b>7 012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>62 092</b>	<b>51 977</b>	<b>42 677</b>



## Parent company – Cashflow statement

(KSEK)	2024 juli-sept	2023 juli-sept	2024 jan-sept	2023 jan-sept
<b>Operating activities</b>				
Operating profit	-3 017	1 640	-4 111	-10 117
Adjustment for non-cash items	58	-81	222	-
Interest paid	-	-22	-3	-29
Interest received	-	1	1	2
<b>Cash flow before changes in working capital</b>	<b>-2 959</b>	<b>1 538</b>	<b>-3 891</b>	<b>-10 144</b>
Change in operating receivables	-7 596	-12 507	-25 422	-26 774
Change in operating liabilities	6 158	-239	5 730	118
<b>Cash flow from operating activities</b>	<b>-4 397</b>	<b>-11 208</b>	<b>-23 583</b>	<b>-36 800</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt issue after issuance costs	3 675	-	14 925	1 269
Convertible loans net of issuance costs	-	-	-	45 052
Payment of lease liabilities	-52	-	-176	-
<b>Cash flow from financing activities</b>	<b>3 623</b>	<b>-</b>	<b>14 749</b>	<b>46 321</b>
<b>Cash flow for the period</b>	<b>-774</b>	<b>-11 208</b>	<b>-8 834</b>	<b>9 521</b>
Cash and cash equivalents at the beginning of the period	2 311	31 954	10 371	11 225
<b>Cash and cash equivalents at the end of the period</b>	<b>1 537</b>	<b>20 746</b>	<b>1 537</b>	<b>20 746</b>

# Parent company – Changes in Equity

(KSEK)	Share capital	Share premium reserve	Retained earnings	Profit/loss for the period	Total
<b>Opening balance on 1 January 2023</b>	<b>1 703</b>	<b>414 175</b>	<b>-113 799</b>	<b>-293 472</b>	<b>8 607</b>
Previous year's result	-	-	-293 472	293 472	-
Exercise of subscription warrants	53	1 164	-	-	1 217
Net value of conversion rights before transaction costs	-	8 820	-	-	8 820
Conversion of convertible loans	314	6 265	-	-	6 579
Loss for the period	-	-	-	-13 646	-13 646
<b>Equity at 30 September 2023</b>	<b>2 070</b>	<b>430 424</b>	<b>-407 271</b>	<b>-13 646</b>	<b>11 577</b>
Net value of conversion rights before transaction costs*	-	-1 384	-	-	-1 384
Conversion of convertible loans*	400	3 790	-	-	4 190
New issue, warrants	-	-	87	-	87
Loss for the period	-	-	-	-10 917	-10 917
<b>Equity at 31 December 2023</b>	<b>2 470</b>	<b>432 830</b>	<b>-407 184</b>	<b>-24 563</b>	<b>3 553</b>
<b>Opening balance on January 1 2024</b>	<b>2 470</b>	<b>432 830</b>	<b>-407 184</b>	<b>-24 563</b>	<b>3 553</b>
Previous year's result	-	-	-24 563	24 563	-
Profit/loss for the period	-	-	-	-4 564	-4 564
Capital reduction*	-2 379	2 379	-	-	-
Issue of warrants**	-	174	-	-	174
New issue/ conversion of convertibles less transaction costs	599	7 401	-	-30	7 970
<b>Equity on September 30 2024</b>	<b>690</b>	<b>442 784</b>	<b>-431 747</b>	<b>-4 594</b>	<b>7 133</b>

\*During the period there was a capital reduction, as approved by the AGM in June 2024, to reduce the quota value of an ordinary share to SEK0,014, from SEK 0,08. The reduction in share capital has been allocated to non-restricted equity under share premium.

\*\*In August 2024, 9,500,000 warrants were issued to a key supplier. These were valued using a dilutive Black-Scholes model, at SEK 0,174M. This has been recorded as an expense within finance costs in the period, with a corresponding increase in equity.

# Notes to the financial statements

## NOTE 1 – GENERAL INFORMATION

Magnasense AB, reg. no. 559222–2953, is the Parent Company of the Magnasense Group. Magnasense AB has its registered office in Lund, Sweden. Amounts are stated in thousands of SEK (KSEK) unless otherwise specified. Numbers within parentheses refer to the corresponding period in the preceding year.

## NOTE 2 – ACCOUNTING POLICIES

Magnasense AB prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). As of 2021, the Parent Company applies the same accounting policies as the Group, while also taking into account the Swedish Financial Reporting Board's recommendations: RFR 2, Accounting for Legal Entities. However, an exception was made for the convertible loans:

Convertible notes were recognized in the balance sheet so that the initial fair value of the convertible notes' liability component was calculated using the market interest rate at the date of issuance of an equivalent non-convertible bond. After initial recognition, the liability was recognized at amortized cost until it is converted or falls due. The remaining part of the proceeds is apportioned to the conversion right, is recognized net of tax in equity, and is not remeasured.

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company. For the Group, the accounting policies applied are unchanged compared to the annual report of the previous year. For more information about the Group's accounting policies, please refer to the published annual report, which is available on the Company's website: <https://www.magnasense.com/>.

## NOTE 3 - FINANCE COSTS

(KSEK)	Parent company			
	2024 jul-sep	2023 jul-sep	2024 jan-sep	2023 jan-sep
Interest on debt instruments	-2 087	-1 865	-5 056	-3 775
Translation of financial instruments	-1 773	-5 914	-4 337	-6 331
Transaction fee costs on debt extinguishment	-	-	-2 369	-
Fair value adjustment	-1 459	-	5 925	-
Other	-195	-22	-198	-29
<b>Total</b>	<b>-5 514</b>	<b>-7 801</b>	<b>-6 035</b>	<b>-10 133</b>

(KSEK)	Group			
	2024 jul-sep	2023 jul-sep	2024 jan-sep	2023 jan-sep
Interest on debt instruments	-2 064	-1 871	-5 056	-3 804
Translation of financial instruments	-2	-5 923	-2	-6 339
Transaction fee costs on debt extinguishment	-	-	-2 369	-
Fair value adjustment	-1 459	-	5 925	-
Lease interest	-10	-10	-68	-40
Other	-198	-31	-252	-46
<b>Total</b>	<b>-3 733</b>	<b>-7 835</b>	<b>-1 821</b>	<b>-10 229</b>

During the current reporting period there have been fair value adjustments to debt owed of SEK 5,9M. There was a gain on extinguishment of the existing convertible loan notes in Q2, due to revised terms. This has resulted in a credit to the income statement of SEK 7,4M within finance costs. See Note 4 for more details of this transaction. During Q3 there has been a fair value adjustment to debt owed under the loan facility, of SEK -1,5M.



#### NOTE 4 - LOANS AND BORROWINGS (KSEK)

	Parent company			Group		
	Sep 2024	Sep 2023	Dec 2023	Sep 2024	Sep 2023	Dec 2023
Directors loan	2 861	-	-	2 861	-	-
Overdraft	-	-	-	411	-	-
<b>Total current Loans and borrowings</b>	<b>2 861</b>	<b>-</b>	<b>-</b>	<b>3 272</b>	<b>-</b>	<b>-</b>
Convertible notes	25 578	33 378	32 112	25 578	33 378	32 112
Loan facility	9 276	-	-	9 276	-	-
<b>Total non-current Loans and borrowings</b>	<b>34 854</b>	<b>33 378</b>	<b>32 112</b>	<b>34 854</b>	<b>33 378</b>	<b>32 112</b>
Transaction shares payable	4 000	-	-	4 000	-	-
Other long term debt	-	-	-	8 281	8 421	8 132
<b>Total Other non-current liabilities</b>	<b>4 000</b>	<b>-</b>	<b>-</b>	<b>12 281</b>	<b>8 421</b>	<b>8 132</b>

#### Current loans and borrowings

In September 2024, the Company raised SEK 3M loan funding net of 5% commitment fees, through short term loan notes issued to 2 directors, Fredrik Häglund and Michael Schwartz. The loans accrue compound interest of 2.0% per month, and are repayable in cash on 30 March 2025.

In March 2023, the Company raised a convertible loan of nominal SEK 55M through a directed issuance of 550 convertible bonds. The convertible bonds accrue zero interest and had an initial term until January 20, 2025, unless they are converted into shares before that date at the holder's request. At inception an equity component was identified, being T3 and T4 warrants that were issued alongside the convertible notes. These were fair valued using the Black Scholes model, and an equity component of SEK 8M was recognised directly within equity. The amortised cost of the residual loan note liability at inception had a calculated discount rate of 23,1%.

#### In April 2024, the terms of the convertible loan notes were re-negotiated as follows

- The term was extended by 12 months to January 2026
- outstanding T3 and T4 warrants were terminated
- a reduction of the minimum conversion amount for each individual request for conversion

It has been determined that the terms of the modification do not meet the threshold for substantial modification as defined by IFRS 9 guidance, and therefore the revised convertibles have been accounted for as having extinguished

the existing notes, and replacement with new notes. Following the extinguishment, a gain was recognized in the income statement of SEK 7,4M. The present value of the new convertible notes was calculated using a discount rate of 27,1%.

A new 36 month SEK 45M secured loan facility was also agreed in April 2024. The facility accrues no interest. Repayment shall either be in cash or in set-off against newly issued shares. At September 2024, tranches of the facility corresponding to SEK 17,5M have been called down, and at 30 September 2024 SEK 15,0M had been paid by the lender. Calls for funding are paid net of a 10% transaction fee by the Lender. SEK 25M of the facility has been secured by floating charge. The present value of the loan call has been calculated using a discount rate of 28,6%.

A transaction fee of SEK 7M is payable to the lender for the issue of the new loan facility, terminating the outstanding warrants and for amending the terms of the convertible loan notes. If the market value of the Transaction Fee Shares falls below SEK 1M, the Company shall issue additional Transaction Fee Shares to ensure that the market value of such shares is again SEK 7M. This has been identified as an equity instrument, but at the balance sheet date the likelihood of this "top-up" clause being triggered is judged as remote, and therefore has been assessed as having nil value at 30 September, but will be assessed at each balance sheet date.

During the year to September 2024, 6,122,448 transaction shares were issued with an equivalent value of SEK 3,0M. At the end of the third quarter, there is a liability included within other non-current liabilities for the remaining SEK 4,0M transaction shares.

#### Non-current loans and borrowings movement reconciliation (KSEK)

	Opening balance 1 January	Interest on debt	Recognition/ (derecognition) of debt	Fair value adjustments	Conversions to ordinary shares	Drawdowns (paid net of lender issue costs)	Capitalised transaction fees	Closing balance 30 September
Convertible notes - 2023/2025	32 112	1 707	-33 818	-	-	-	-	-
Convertible notes - 2024/2026	-	2 685	26 434	1 459	-5 000	-	-	25 578
Loan facility - 2024/2027	-	664	-	-493	-	15 750	-6 645	9 276
	<b>32 112</b>	<b>5 056</b>	<b>-7 384</b>	<b>966</b>	<b>-5 000</b>	<b>15 750</b>	<b>-6 645</b>	<b>34 854</b>

## NOTE 5 - PRIOR PERIOD ERROR

(KSEK)	Group		Restated Dec 2023
	Dec 2023	Adjustment	
<b>Assets:</b>			
Intangible assets	34 534	1 621	36 155
<b>Equity:</b>			
Retained earnings	-1 453	1 621	168

In Q3 and Q4 of 2023, additional amortisation was recorded on assets that were already fully depreciated. The impact of this is a SEK 1,6M understatement of assets and retained earnings at 31 December 2024. The errors have been corrected by restating each of the affected financial statement lines for the prior period. The error only affected the consolidated financial statements.

## THE BOARD'S ASSURANCE

The Board of Directors and the Chief Executive Officer confirm that this report provides a true and fair view of the financial position and performance of the Group and describes the material risks and uncertainties that the Group and the companies belonging to the Group face.

Lund, November 15, 2024

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**Jens Umehag**  
Chairman of the Board

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**Marco Witteveen**  
Chief Executive Officer

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**William Vickery**  
Board member

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**Fredrik Häglund**  
Board member

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**William Ferenczy**  
Board member

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**Michael Schwartz**  
Board member



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