

INTERIM REPORT

January – June 2025



2

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.



Summary of the interim report for H1 2025

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

* Loss per share: Loss for the Quarter divided by the weighted average number of shares for the Quarter, which for the 3 months to 2024-12-31 amounted to 57,216,914 shares before dilution. The corresponding number for the same period in the previous year was 26,474,698 shares.

** Equity ratio: Equity divided by total assets

Group First Half (H1) in 2025 compared to the same period in 2024

- Loss before tax amounted to MSEK -25.5 (13.3)
- Cash and cash equivalents at the end of June 2025 was MSEK 0.1 (December 2024: 0.3)
- Loss per share* SEK -0.45 (-0.42)
- Equity ratio** at 30 June 2025 was -233% (December 2024: -119%)

SIGNIFICANT EVENTS

H2

After the period

- The Company signed a conditional agreement for the reverse takeover of SubGen AI Limited

H1

During the period

- The Company terminated its agreement with Digital Health Solutions LLC, as part of which 9.5M previously issued warrants for shares were waived.
- Subsidiary Magnasense Technologies Oy reached a settlement with Salofa Oy regarding a contractual dispute.
- The Company entered into an addendum with Atlas Special Opportunities LLC to change the existing convertible debt facility and loan facility arrangements, in anticipation of a rights issue.
- Directed issue of 546,230,155 shares to Atlas Special Opportunities following loan note conversions totaling MSEK 6.5. This includes 107,142,857 shares issued as part of the rights issue guarantee commitment for MSEK1.5. 223,484,847 shares to Atlas following issue of transaction fee shares, equivalent to MSEK2.5.
- Subsidiary Aegirbio UK and an undisclosed partner signed a letter of intent to develop an innovative digital diagnostic product.
- The Company carried out a rights issue which concluded on 12 May 2025, raising MSEK15 in subscriptions and guaranteed commitments.
- The Company received notification of a decision on a penalty fee from the Swedish Financial Regulatory Authority for MSEK 12.
- On 10 June 2025 Magnasense entered into a Letter Of Intent with SubGen AI Limited regarding a potential reverse takeover. After the reverse take over, the shareholders of SubGen will hold 98 percent of the issued and outstanding shares in Magnasense (excluding warrants and convertible bonds. As part of the Transaction, Aegirbio UK Ltd, along with any other subsidiaries currently held by the Magnasense group, is intended to be spun off from Magnasense AB.

CEO's message

Dear Shareholders,

In the first half of 2025, Magnasense focused on advancing saliva-based diagnostics, with an initial emphasis on oral health. This shift toward professional use shortens time-to-market and builds on expertise from prior projects, including the US NIH-funded RADx project.

To support the initial phase of the Oral Health Project, Magnasense carried out a rights issue in early 2025, concluding in May, which achieved a subscription of MSEK 7.2 with and without preferential rights, along with a further MSEK 8.2 from guarantors. While this financing provided important support, the funds raised did not fully cover the Company's operational strategy as initially planned, highlighting the need for a broader strategic solution.

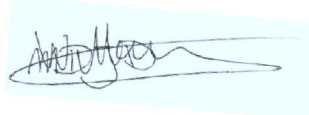
On 10 June 2025, Magnasense AB entered into a Letter of Intent with SubGen AI Limited ("SubGen"), a UK-registered company, regarding a potential reverse takeover. Under this agreement, Magnasense AB will acquire all the shares in SubGen through the issuance of newly created shares to SubGen's current shareholders.

Following the transaction, SubGen shareholders are expected to hold approximately 98% of the issued and outstanding shares in Magnasense (excluding warrants and convertible bonds). The shares issued to SubGen AI Foundation and JMSAN SL will be non-listed Class A shares, each carrying ten (10) votes per share, representing roughly 49% of the issued shares and approximately 90.6% of the voting rights. In connection with the transaction, Aegirbio UK Ltd and other subsidiaries of the Magnasense group are intended to be spun off from Magnasense AB.

This LOI was followed by a conditional agreement signed on 23 July 2025, establishing a purchase price of EUR 200m for SubGen. Payment will be made through a new issue of shares. Completion of the transaction is subject to several conditions, including approval at an Extraordinary General Meeting, clearance from Nasdaq First Growth North, and agreement by Atlas Special Opportunities to convert its claims and debts into equity.

We thank our stakeholders for their continued trust as we navigate this process.

Best regards,



Marco Witteveen
CEO, Magnasense AB



"Magnasense is pursuing a reverse takeover with an AI-driven company, which would mark an important step for the Company."

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

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

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 FIRST HALF 2025 IN FIGURES*

Revenue and other income

The Group reports net sales and other income of MSEK 0.9 (4.6) for the first six months. Other income relates to settlement proceeds from a legal case in 2025 and grant funding in 2024.

Results

The Group's operating loss for the half year amounted to MSEK -27.0 (-15.6).

Operating costs amounted to MSEK -27.9 (-20.1) for the half year. The increase was due to MSEK 10.8 additional provision in administrative costs for penalties following the decision from SFSA regarding its investigation into the Company's dealings with insider information in 2021.

Net financial income and costs was MSEK -1.1 (1.9). There were higher interest costs in the half due to higher loan balances across the period in 2025. Loss before tax amounted to MSEK -28.1 (-13.6).

FINANCIAL POSITION

The equity ratio of the Group was -233 (-119) percent as of 30 June 2025, and equity amounted to MSEK -46.8 (December 2024: MSEK -38.6). The Group's cash and cash equivalents amounted to MSEK 0.1 (December 2024: MSEK 0.3). Total assets amounted to MSEK20.1 (December 2024: MSEK 32.6). Loans and borrowings amounted to MSEK 33.4 (December 2024: MSEK 43.4).

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

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 MSEK -13.6 (-1.1) for first half of 2025. Income amounts to a total of MSEK 1.2 (8.9) consists of management fees invoiced to the subsidiaries.

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 June 30, 2025, the number of shares amounted to 1,861,987,293. 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- June 2025	Jan - Jun 2024	Jan- Dec 2024
Number of shares before dilution	1,861,987,293	36,052,246	62,339,443
Number of shares after dilution	3,909,470,181	36,802,246	72,589,443
Basic earnings per share	-0.04	0.10	-0.15
Average number of shares before dilution	432,241,095	31,758,392	40,875,514
Average number of shares after dilution*	2,479,727,364	32,508.392	51,125,514

* 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.

AUDITOR'S REVIEW

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

UPCOMING FINANCIAL REPORTS

Q4 2025 Interim Report 2026-03-3

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. Projects are carried out systematically and designed 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 results.

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.

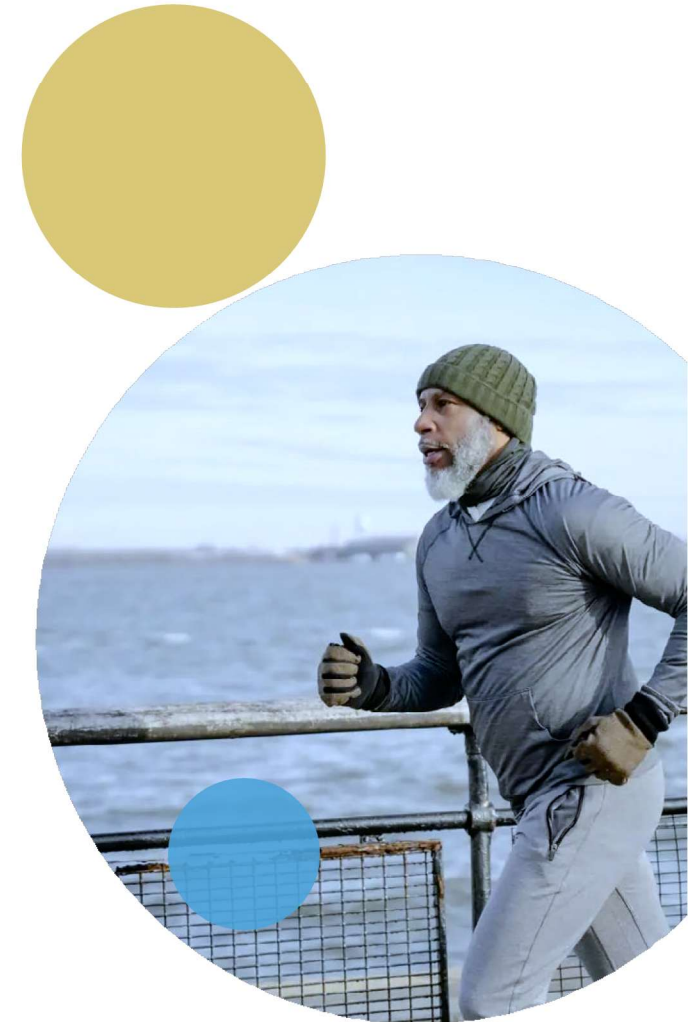
The Company is a small company with limited resources in terms of management, administration and capital. There is a risk that the Company fails to recruit or retain staff. Moreover, the Company relies on intellectual property rights, know-how and trade secrets.

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 2024, which is available on the Company's website, <https://www.magnasense.com/>.





FINANCIAL OVERVIEW

The Group – Consolidated income statement

(KSEK)	Note	2025 Jan-Jun	2024 Jan-Jun
Net revenue		-	-
Cost of goods sold		-	-
Gross profit		-	-
Research & development costs		-11,274	-14,786
Sales costs		-6,268	-2,082
Administrative costs	3	-10,339	-2,360
Other operating income		884	4,607
Other operating costs		-23	-939
Operating loss	3	-27,020	-15,560
<i>Result from financial items</i>			
Financial income		-	15
Financial costs	4	-1,094	1,912
Loss before tax		-28,114	-13,633
Tax		722	729
Loss for the period		-27,392	-12,904
<i>Other comprehensive income</i>			
Translation differences		1,870	-378
Comprehensive loss for the period		-25,522	-13,282
Comprehensive loss for the period attributable to Parent Company shareholders		-25,522	-13,282
Loss per share, SEK		-0.45	-0.42

The Group – Consolidated balance sheet

(KSEK)	Note	Jun 2025	Jun 2024	Dec 2024
Assets				
Intangible fixed assets		16,389	38,947	23,350
Tangible fixed assets		537	719	605
Right of use assets		1,081	2,528	1,522
Other financial assets		-	-	-
Total fixed assets		18,007	42,194	25,477
Current receivables		1,972	3,315	6,849
Cash and cash equivalents		120	2,364	283
Total current assets		2,092	5,679	7,132
Total assets		20,099	47,873	32,609

(KSEK)	Note	Jun 2025	Jun 2024	Dec 2024
Equity and Liabilities				
Equity attributable to Parent Company shareholders		-46,759	-11,476	-38,645
Deferred tax liabilities		1,632	3,113	2,344
Lease liability		269	996	586
Loans and borrowings	5	32,187	33,025	38,017
Other non-current liabilities		6,065	12,788	7,730
Total non-current liabilities		40,153	49,922	48,677
Loans and borrowings	5	1,231	1,992	5,404
Other current liabilities		25,474	7,435	17,173
Total current liabilities		26,705	9,427	22,577
Total liabilities		66,858	59,349	71,254
Total equity and liabilities		20,099	47,873	32,609
Equity ratio		-233%	-24%	-119%

The Group – Consolidated cashflow statement

(KSEK)	2025 Jan-Jun	2024 Jan-Jun
Operating activities		
Operating loss	-27,020	-15,560
Adjustment for non-cash items	5,690	7,369
Interest paid	-	-74
Interest received	-	14
Paid income tax	-	-
Cash flow before changes in working capital	-21,330	-8,251
Change in operating receivables	4,432	1,609
Change in operating liabilities	12,288	-4,704
Total change in working capital	16,720	-3,095
Cash flow from operating activities	-4,610	-11,346
Purchase of tangible assets	-	-11
Purchase of development assets	-	-8,709
Cash flow from investment activities	-	-8,720
Rights issue proceeds net of issuance costs – see Note A in Parent Company cashflow	6,010	-
Loan facility drawdowns net of issuance costs – Note 5	-	-
Director loans net of issuance costs – Note 5	-	-
Convertible loans net of issuance costs	-	11,250
Interest paid	-24	-
Interest received	-	-
Funds from credit facilities – Note 5	-1,199	-
Payment of lease liabilities	-339	-958
Cash flow from financing activities	4,448	10,292
Cash flow for the period	-162	-9,774
Cash and cash equivalents at the beginning of the period	283	12,142
Exchange rate difference on cash and cash equivalents	-1	-4
Cash and cash equivalents at the end of the period	120	2,364

The Group – Changes in Equity

	(KSEK)	Share capital Note 6	Other contributed capital	Reserves	Retained earnings	Total Parent Company shareholders	Non- controlling interests	Total
Opening balance on 1 January 2024		2,470	532,072	-3,376	-530,998	168	-	168
Profit/loss for the year		-	-	-	-12,904	-12,904	-	-12,904
Translation differences		-	-	-378	-	-378	-	-378
Comprehensive loss for the period				-378	-12,904	-13,282	-	-13,282
New issue/ conversion of convertibles less transaction costs		414	2,122	-	-898	1,638	-	1,638
Equity on June 30 2024		2,884	534,194	-3,754	-544,800	-11,476	-	-11,476
Loss for the period		-	-	-	-36,728	-36,728	-	-36,728
Translation differences		-	-	53	-	53	-	53
Comprehensive loss for the period		-	-	53	-36,728	-36,675	-	-36,675
Capital reduction		-2,379	2,379	-	-	-	-	-
Conversion of convertible loan less transaction costs		368	8,096	-	868	9,332	-	9,332
Issue of warrants		-	174	-	-	174	-	174
Equity on 31 December 2024		873	544,843	-3,701	-580,660	-38,645	-	-38,645
Loss for the year		-	-	-	-27,392	-27,392	-	-27,392
Translation differences		-	-	1,870	-	1,870	-	1,870
Comprehensive loss for the period		-	-	1,870	-27,392	-25,522	-	-25,522
Capital reduction – Note 6		-15,414	15,414	-	-	-	-	-
Rights issue		15,415	-	-	-6,011	-9,404	-	9,404
Conversion of convertible loan less transaction costs		991	7,013	-	-	8,004	-	8,004
Equity on 30 June 2025		1,865	567,270	-1,831	-614,063	-46,759	-	-46,759

Parent company – Income statement

(KSEK)	Note	2025 Jan - Jun	2024 Jan - Jun
Net revenue		-	-
Cost of goods sold		-	-
Gross profit		-	-
Research & development costs		-128	-987
Sales costs		-6,308	-3,981
Administrative costs		-8,356	-4,045
Other operating income		1,165	8,856
Other operating costs		-21	-938
Operating loss	3	-13,648	-1,095
Result from financial items			
Interest income and other similar items		-6,648	4,746
Interest costs and similar items	4	2,850	-521
(Loss) / Profit before tax		-17,446	3,130
Tax		-	-
(Loss) / Profit for the period		-17,446	3,130

Parent company – Balance sheet

(KSEK)	Note	Jun 2025	Jun 2024	Dec 2024
Assets				
Other financial assets		2,885	2,885	2,885
Total fixed assets		2,885	2,885	2,885
Current receivables				-
Receivables from Group companies		33,384	48,606	35,192
Other receivables		678	966	481
Prepayments and accrued income		494	179	227
Cash and cash equivalents		24	2,311	164
Total current assets		34,580	52,062	36,064
Long term receivables from Group companies		23,971	-	23,414
Total non-current assets		23,971	54,947	23,414
Total assets		61,436	54,947	62,363

(KSEK)	Note	Jun 2025	Jun 2024	Dec 2024
Equity and Liabilities				
Equity attributable to Parent Company shareholders		8,623	8,322	8,711
Loans and borrowings	5	30,125	33,025	35,892
Other non-current liabilities		990	4,464	2,500
Total non-current liabilities		31,115	37,489	38,392
Loans and borrowings	5	-	-	3,117
Liabilities to Group companies		3,466	3,069	3,238
Other current liabilities		4,560	2,738	6,092
Accruals and deferred income		13,672	3,329	2,813
Total current liabilities		21,698	9,136	15,260
Total liabilities		52,813	46,625	53,652
Total equity and liabilities		61,436	54,947	62,363

Parent company – Cashflow statement

(KSEK)	2025 Jan - Jun	2024 Jan - Jun
Operating activities		
Operating profit	-13,648	-1,094
Adjustment for non-cash items	-9	40
Add back items included in financing activities	-	124
Cash flow before changes in working capital	-13,657	-930
Change in operating receivables	-860	-17,826
Change in operating liabilities	8,367	-428
Total change in working capital	7,507	-18,254
Cash flow from operating activities	-6,150	-19,186
Rights issue proceeds net of issuance costs – see Note A	6,010	-
Loan facility drawdowns net of issuance costs	-	11,250
Interest paid	-	-3
Interest received	-	1
Payment of lease liabilities	-	-124
Cash flow from financing activities	6,010	11,126
Cash flow for the period	-140	-8,060
Cash and cash equivalents at the beginning of the period	164	10,371
Exchange rate difference on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	24	10,371

Note A (KSEK)	2025 Jan-Jun
Rights issue subscriptions	15,415
Set off against guarantee commitment - Directors' loan	-3,387
Set off against guarantee commitment - Convertible loan	-1,500
Guarantor costs - Hunter Capital publ.	-1,344
Share issue to supplier	-375
Transaction fees - Broker	-1,995
Transaction fees – Certified advisor	-154
Transaction fees - Lawyer	-526
Transaction fees – registrar and exchange	-124
Rights issue cash proceeds net of issuance costs	6,010

Parent company – Changes in Equity

(KSEK)	Share capital Note 6	Share premium reserve	Retained earnings	Profit/loss for the period	Non- controlling interests	Total
Opening balance on 1 January 2024	2,470	432,830	-407,184	-24,563	-	3,553
Previous year's result	-	-	-24,563	24,563	-	-
Profit/loss for the year	-	-	-	3,131	-	3,131
Net value of conversion rights before transaction costs	-	-	-	-	-	1,638
Equity on June 30 2024	2,470	432,830	-431,747	3,131	-	8,322
Profit/loss for the period	-	-	-	-9,118	-	-9,118
Capital reduction	-2,379	2,379	-	-	-	-
Fair value of warrants issued	-	174	-	-	-	174
Conversion of convertibles less transaction costs	368	8,994	-	-30	-	9,332
Equity on 31 December 2024	873	445,601	-431,747	-6,017	-	8,711
Opening balance on 1 January 2025	873	445,601	-431,747	-6,017	-	8,711
Previous year's result	-	-	-6,017	6,017	-	-
Loss for the year	-	-	-	-17,446	-	-17,446
Capital reduction	-15,414	15,414	-	-	-	-
Rights issue less transaction costs	15,415	-6,011	-	-	-	9,404
Conversion of convertibles less transaction costs	991	6,964	-	-	-	7,955
Equity on June 30 2025	1,865	461,968	-437,764	-17,446	-	8,623

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 – OPERATING LOSS

In the statement of comprehensive income, the operating costs are classified based on the functions "Cost of goods sold", "Research and development costs", "Sales costs" and "Administrative costs". The total costs classified by function break down into the following cost categories:

	Parent Company	
	2025 Jan-Jun	2024 Jan-Jun
(KSEK)		
Other external costs	12,984	6,452
Personnel costs	1,808	4,789
Total COGS, R&D, Sales and Administrative costs	14,792	11,241
	Group	
	2025 Jan-Jun	2024 Jan-Jun
(KSEK)		
Raw materials and consumables	104	117
Other external costs	16,410	6,805
Personnel costs	4,619	5,976
Depreciation	6,749	7,299
Release of capitalized costs	-	-
Total COGS, R&D, Sales and Administrative costs	27,882	20,197

Other external costs in H1 2025 include an additional MSEK10.8 accrual for penalty fees following the SFSA decision against the Company, which related to the Company's handling of insider information between May and October 2021. The Company has filed an appeal against this decision.

Within personnel costs, there were KSEK 372 accruals for board members fees relating to 2025, of which none have been paid at the reporting date.

NOTE 4 - FINANCE COSTS

(KSEK)	Parent Company	
	2025 Jan - Jun	2024 Jan - Jun
Interest on debt instruments	-3,914	-2,970
Translation of financial instruments	-6,639	-2,563
Transaction fee costs on debt extinguishment	-	-2,370
Fair value adjustments	2,910	7,385
Lease interest	-	-
Other	-6	-3
Total	2,850	-521
(KSEK)	Group	
	2025 Jan - Jun	2024 Jan - Jun
Interest on debt instruments	-3,922	-3,018
Translation of financial instruments	-	-
Transaction fee costs on debt extinguishment	-	-2,369
Fair value adjustments	2,910	7,385
Lease interest	-25	-57
Other	-57	-29
Total	-1,094	1,912

During the period there have been fair value adjustments to debt owed of MSEK2.9. There was a gain on extinguishment of the existing convertible loan notes in the period due to revised terms. This has resulted in a credit to the income statement of MSEK4.6 (see Note 5 for more details of this transaction), off-set by other fair value adjustments of MSEK1.7 due to re-measurement following conversions.

NOTE 5 – LOANS AND BORROWINGS

(KSEK)	Parent company		Group	
	Jun 2025	Dec 2024	Jun 2025	Dec 2024
Directors' Loan	-	3,117	-	3,117
Interest bearing loans and overdrafts	-	-	1,231	2,287
Total current Loans and borrowings	-	3,117	1,231	5,404
Convertible notes	18,928	26,008	18,928	26,008
Loan facility	11,197	9,884	11,197	9,884
Interest bearing loans	-	-	2,062	2,125
Total non-current Loans and borrowings	30,125	35,892	32,187	38,017

Current loans and borrowings

In September 2024, the Company raised MSEK 3 loan funding net of 5% commitment fees, through short term loan notes issued to 2 directors, Fredrik Häglund and Michael Schwartz. The loans accrued compound interest of 2.0% per month and were repayable in cash on 30 March 2025. The loans and associated interest were converted to shares as part of the rights issue in May 2025. A total of KSEK 3,387 was converted as consideration for the shares.

Non-current loans and borrowings

The Company has previously agreed terms with Atlas Special Opportunities LLC ("Atlas") in April 2024 for a convertible loan facility 2023/2026 series and a separate loan facility.

In April 2025, the terms of existing convertible loan notes, held by Atlas were re-negotiated as follows:

- The term was extended by 24 months to January 2028
- A free of charge guarantee commitment to participate in the rights issue through a top-down guarantee commitment of MSEK 1.5 to be set off against the convertible loan notes outstanding
- Transaction fee shares of KSEK 990 were awarded as a restructuring fee
- Lock-up provisions for conversion of debt relating to Convertible Bonds and trading of shares were agreed
- a reduction of the minimum conversion amount for each individual request for conversion
- The Company agreed no further capital will be requested under the loan facility.
- The Company agreed to allocate 20% of the proceeds from future capital raises to repayment of the outstanding debt.

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 MSEK 7.4. The present value of the new convertible notes was calculated using a discount rate of 27.1%.

A transaction fee of MSEK 7 was agreed in exchange for the issue of the loan facility in April 2024. If the market value of the Transaction Fee Shares falls below MSEK 1 and providing that all Transaction Fee Shares have been issued, the Company shall issue additional Transaction Fee Shares to facilitate that the market value of such shares is again MSEK 7. 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 June 2025. This will be assessed at each balance sheet date.

During the period to June 2025, 223,484,847 transaction shares were issued with an equivalent value of MSEK 2.5. An additional KSEK 990 has been awarded to Atlas in exchange for revised terms on the convertible loan notes. At the end of June 2025 there is a liability included within other non-current liabilities for the remaining KSEK 990 transaction shares.

NOTE 5 – LOANS AND BORROWINGS continued

Group Loan and borrowings movement reconciliation:

	Opening balance 1 January 2025	Finance charge	Interest paid	Foreign exchange	Conversion to shares	Payments/ Receipts (paid net of lender issue costs only)	Closing balance 30 June 2025
(KSEK)							
Directors loan	3,117	270	-	-	-3,387	-	-
Interest bearing loans and overdrafts	2,287	10	-16	149	-	-1,199	1,231
Total current Loans and borrowings	5,404	280	-16	149	-3,387	-1,199	1,231

	Opening balance 1 January 2025	Finance charge	Recognition/ (derecognition) of debt	Foreign exchange	Fair value adj.	Conversion to ordinary shares	Closing balance 30 June 2025
(KSEK)							
Convertible notes – 2024/2026	26,008	1,698	-25,703	-	497	-2,500	-
Convertible notes – 2025/2028	-	632	21,073	-	1,223	-4,000	18,928
Loan facility – 2024/2027	9,884	1,313	-	-	-	-	11,197
Interest bearing loan	2,125	-	-	-63	-	-	2,062
Total non-current Loans and borrowings	38,017	3,643	-4,630	-63	1,720	-6,500	32,187

Reconciliation of undiscounted value of debt drawn on “Loan facility – 2024/2027” series to closing balance at 30 June 2025:

	(KSEK)
Drawdowns in 2024	17,500
Lender fees at drawdown	(1,750)
Net drawdowns from lender in 2024	15,750
Broker commission	(1,216)
Legal fees	(922)
Loan facility drawdowns net of issuance costs in 2024	13,612
Transaction fee shares	(5,000)
Finance charge excluding amortisation of issue costs	624
Amortisation of capitalised transaction fees	1,961
Closing debt value of loan facility 2024/2027	11,197

The undiscounted value of Convertible notes at 30 June 2025 was MSEK 27.0 (31 December 2024: 33.5). The undiscounted value of debt owed under the Loan facility – 2024/2027 series at 30 June 2025 was MSEK 17.5 (31 December 2024: MSEK 17.5).

NOTE 6 – SHARE CAPITAL

	Group and Parent Company			Group and Parent Company		
	Number			KSEK		
	Jun 2025	Jun 2024	Dec 2024	Jun 2025	Jun 2024	Dec 2024
Opening balance 1 January	62,339,443	30,876,872	30,876,872	873	2,470	2,470
New issue from loan conversion and allocation of transaction shares to lender	698,572,145	5,175,374	31,462,571	991	414	782
New issue from rights issue	1,101,075,705	-	-	15,415	-	-
Capital reduction	-	-	-	-15,414	-	-2,379
Share Capital at period end	1,861,987,293	36,052,246	62,339,443	1,865	2,884	873

In the period from January to June 2025, there were several conversions by lender Atlas Special Opportunities LLC of their convertible loan notes and transaction fee, totaling 769,715,002 shares (MSEK9.0).

In May 2025, there was an issue of 1,101,075,705 shares, corresponding to a KSEK15,415 rights issue for ordinary shares (subscription price SEK0.014 per share). This figure includes conversion MSEK1.5 of Atlas convertible loan debt as part of the rights issue, equivalent to 107,142,857 shares. Also, in May 2025 there was a separate issue of 36,000,000 shares to Hunter Capital AB (publ.), along with 36,000,000 TO5 warrants and 28,800,000 TO6 warrants, in consideration for acting as a guarantor for the rights issue. Following the rights issue there was a capital reduction, which Board Members were granted authorisation to effect at the EGM in February 2025, to reduce the quota value of an ordinary share to SEK 0.001001, from SEK 0.014. The reduction in share capital has been allocated to non-restricted equity under share premium.

A warrant of series TO5 entitles the holder to subscribe for one (1) new share during the period from 18 May 2026 up to and including 1 June 2026 at a subscription price per share of SEK 0.014, corresponding to 100 percent of the subscription price per share in the Rights Issue. A warrant of series TO6 entitles the holder to subscribe for one (1) new share during the period from 2 June 2027 up to and including 16 June 2027 at a subscription price per share of SEK 0.0175, corresponding to 125 percent of the subscription price per share in the Rights Issue. At 30 June 2025 there were 2 047.49M warrants for ordinary shares outstanding (December 2024: 10.25M). During the period, 2 046.74M TO5 and TO6 warrants were issued as part of the rights issue. 9.5M warrants issued to a supplier in August 2024 were waived.

NOTE 7 – ESTIMATES AND UNCERTAINTIES

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2024.

NOTE 8 – POST BALANCE SHEET EVENTS

On 23 July a conditional agreement was signed regarding the reverse takeover of SubGen AI Limited ("the Transaction"). The purchase price will amount to EUR 200 million, which Magnasense will pay through a new issue of shares against payment through set-off ("Consideration Shares"). The completion of the Transaction is, inter alia, conditional upon resolutions at the Extraordinary General Meeting, that the Company receives approval for continued listing on Nasdaq First North Growth Market and that the Company enters into an agreement with Atlas, whereby Atlas agrees that any and all of Atlas' outstanding debt and claims against Magnasense is converted into shares in Magnasense. After the Transaction, the shareholders of Subgen will hold approximately 98 percent of the shares and Magnasense's shareholders, including Atlas after conversion of its claims and debts against Magnasense, will hold approximately 2 percent of the shares in the Company (excluding outstanding warrants). Atlas outstanding loan to Magnasense currently amounts to MSEK 25.50 in convertible bonds of series 2023/2026 and MSEK 17.50 disbursed under the loan facility.

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.



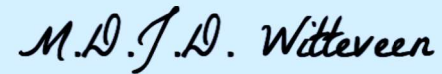
Jens Umehag
Chairman of the Board



William Vickery
Board member



William Ferenczy
Board member



Marco Witteveen
Chief Executive Officer



Fredrik Häglund
Board member



Michael Schwartz
Board member



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