

# INTERIM REPORT

April – June 2024



Q2

**Magnasense is a diagnostics company that develops and commercializes 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.



# CONTENTS

<b>3</b>	Summary	<b>12</b>	<b>The Group</b> Statement of changes in equity
<b>4</b>	CEO's message	<b>13</b>	<b>Parent company</b> Income statement
<b>5</b>	Magnasense Operations	<b>14</b>	<b>Parent company</b> Balance sheet
<b>7</b>	Risks and uncertainties	<b>15</b>	<b>Parent company</b> Cashflow statement
<b>9</b>	<b>The Group</b> Income statement	<b>16</b>	<b>Parent company</b> Statement of changes in equity
<b>10</b>	<b>The Group</b> Balance sheet	<b>17</b>	Notes to the financial statements
<b>11</b>	<b>The Group</b> Cashflow statement		

**HEALTH CHECK.**  
**PRECISION. SIMPLICITY.**

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



# Continued success in 2024 with achievement of key milestones on the RADx project and new funding setting up the Group for growth

## Summary of the interim report

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

The Group	Q2	Parent company	Q2
<p><b>Second Quarter in 2024</b> compared to the same period in 2023</p> <ul style="list-style-type: none"> <li>• Total income amounted to 3,1 (1,3) MSEK.</li> <li>• Loss before tax amounted to -8,4 (-16,4) MSEK.</li> <li>• Cash and cash equivalents at the end of the quarter was 2,4 (36,6) MSEK.</li> <li>• Earnings per share* -0,26 (-0,61) SEK.</li> <li>• Equity ratio** at 30 June 2024 was -24 (31) %.</li> </ul>		<p><b>Second Quarter in 2024</b> compared to the same period in 2023</p> <ul style="list-style-type: none"> <li>• Total income amounted to 4,9 (0,2) MSEK</li> <li>• Profit/loss before tax amounted to 3,3 (-8,1) MSEK.</li> <li>• Cash and cash equivalents at the end of the quarter was 2,3 (32,0) MSEK.</li> <li>• Earnings per share* 0,10 (-0,34) SEK.</li> </ul>	

\* Earnings per share: Profit for the period divided by the weighted average number of shares, which as of 2024-06-30 amounted to 31,758,392 shares before dilution. The corresponding number for the same period in the previous year was 23,913,424 shares.

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

## SIGNIFICANT EVENTS

Q2

### During the period

- Jens Umehag joined Magnasense AB as the new Chairman of the Board, succeeding Anders Ingvarsson. Michael Schwartz and William Ferenczy joined the Board as new members.
- The terms and conditions of series 2023/2025 convertible loan notes, issued by Atlas Special Opportunities, were amended to extend the term and adjust conversion requirements.
- Further funding has been agreed through an additional 36 month secured MSEK 45 loan facility with Atlas Special Opportunities.
- Magnasense AB successfully completed an additional milestone in its participation in the NIH RADx Tech Program.
- The Company published a study in Multiple Sclerosis and Related Disorders journal.

Q3

### After the period

- Aegirbio AB changed its name to Magnasense AB, to better reflect core assets and focus.
- Melissa Grant, Associate Professor at the University of Birmingham's School of Dentistry, joined Magnasense's Scientific Advisory Board.
- Vicki Johnson joined Magnasense AB as CFO, succeeding Christel Dahlberg.

# CEO's message

Dear Shareholders,

**As we conclude the second quarter of 2024, I am pleased to share with you several key developments that position Magnasense AB for continued growth and success in the evolving healthcare diagnostics sector.**

Our rebranding from AegirBio to Magnasense AB aligns with our innovative roots, strengthens our leadership in magnetic test strip technology, and enhances our flexibility in diagnostic applications. This strategic move better reflects our core assets and focus, positioning us for future growth.

We are pleased to announce a conditional agreement on a MSEK 45 loan facility with Atlas Special Opportunities, alongside an amended agreement on our outstanding convertible bonds. These developments fortify our financial position and ensure we have the resources to advance our strategic initiatives.

In our pursuit of scientific excellence, our team's research has been published in "Multiple Sclerosis and Related Disorders", highlighting our dedication to contributing to the broader scientific community. Additionally, we achieved a milestone in the RADx® TECH PROGRAM, receiving payment as recognition of our team's hard work and the program's significance in our roadmap.

In June, I attended SalivaDirect's 3rd Annual Conference in Washington, DC, which offered valuable opportunities for business development to further enhance our products and market reach. I look forward to sharing more about these prospects soon.

I'm thrilled to welcome Dr. Melissa Grant to Magnasense's Scientific Advisory Board. Dr. Grant, Associate Professor at the University of Birmingham's School of Dentistry, brings deep expertise in the biochemistry of saliva and disease detection, which will greatly support our innovation in diagnostic technologies.

In a significant leadership transition, we welcome Jens Umehag as our new Chairman of the Board, succeeding Anders Ingvarsson.

We're also pleased to have Michael Schwartz and William Ferenczy join the Board, bringing fresh perspectives and valuable experience to drive our strategic direction.

Looking ahead, we have initiated several projects focussed on intellectual property, business development, and go-to-market strategies. We remain committed to keeping you informed, with a particular focus on the RADx® TECH PROGRAM.

Thank you for your continued support.

Best regards,

**Marco Witteveen**  
CEO, Magnasense AB



**“On the operational front, we have successfully completed an additional milestone of the RADx® TECH PROGRAM, for which we have received payment. This achievement reflects our team's hard work and the program's critical role in our company's roadmap. Our focus remains firmly on advancing this program, as it is central to our mission of delivering cutting-edge diagnostic solutions.”**

**Marco Witteveen**  
CEO, Magnasense AB

# Magnasense Operations

**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, Magnasense has ensured long-term access to key technologies and opened up new application areas to make it possible for people to easily monitor their own health, and for the Company 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 SECOND QUARTER IN FIGURES

### Revenue and other income

The Group reports net sales of MSEK 0 (0) for the quarter.

In the second quarter, payment for the first and second milestones of the RADx® project was received. Together with other research grants, the Group thus reports other income totaling MSEK 3.1 (1.3).

### Results

The Group's operating loss for the quarter amounted to MSEK -6.3 (-14.1).

Operating costs amounted to MSEK -9.3 (-15.5) for the second quarter, a decrease of MSEK 6.2 compared to the same period last year. The reduction was driven by lower overall R&D costs to MSEK -2.9 (-9.7), and also more costs were capitalized this year (see investments commentary). There was an increase in administrative costs for the quarter to MSEK -4.5 (-4.2). These costs include administration, financial and legal services, and consultancy costs. There was an increase in other operating costs in the quarter to MSEK -0.9 (0), which were costs associated with a grant in Sweden.

Net financial income and costs was MSEK -2.1 (-2.3). There were lower interest costs in the quarter due to revised terms of the convertible loan notes in April 2024. Loss before tax amounted to MSEK -8.4 (-16.4). Thus, loss before tax has reduced significantly, by a total of MSEK 8.0, compared to the same period last year.

### FINANCIAL POSITION

The equity ratio of the Group was -24 (31) percent as of June 30, 2024, and equity amounted to MSEK -11.5 (25.6). The Group's cash and cash equivalents amounted to MSEK 2.4 (36.6). Total assets amounted to MSEK 47.9 (81.5) on the same date.

## CASH FLOW

Total cash flow for the second quarter amounted to MSEK 2.1 (-11.3).

### INVESTMENTS

Net investments in intangible fixed assets for the quarter amounted to MSEK 2.8 (0). The investment relates to capitalized development costs for the RADx project. Of the capitalized development costs, MSEK 0.5 (0) related to capitalized personnel costs, and MSEK 1.9 (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 loss of MSEK -0.3 (-5.8) for the second quarter of 2024. Income amounts to a total of MSEK 4.9 (0.2) and mainly consists of management fees invoiced to the subsidiaries.

Participations in subsidiaries as of June 30 amounted to MSEK 2.9 (2.9), and net amounts receivable from subsidiaries was MSEK 48.6 (13.9). The Parent Company's cash and cash equivalents at the end of the period amounted to MSEK 2.3 (32.0).

## 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, 2024, the number of shares amounted to 36,052,246. 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	Apr - Jun 2024	Apr - Jun 2023	Jan - Dec 2023
Number of shares before dilution	36,052,246	25,876,872	30,876,872
Number of shares after dilution	36,802,246	29,161,872	34,911,872
Basic earnings per share	0.10	-0.34	-0.98
Average number of shares before dilution	31,758,392	23,913,424	25,053,902
Average number of shares after dilution*	33,508,392	27,198,424	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.

## AUDITOR'S REVIEW

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

## UPCOMING FINANCIAL REPORTS

Interim report Q3 2024	2024-11-15
Year end report Q4 2024	2025-03-28

## 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. Moreover, the Company relies on intellectual property rights, know-how and trade secrets. The financial risks may be summarized as liquidity and financing risks, credit risks, and currency risks.

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 statement of comprehensive income

(KSEK)	Note	2024 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
Net revenue		-	1	-	57
Cost of goods sold		-	92	-	-48
<b>Gross Profit</b>		-	<b>93</b>	-	<b>9</b>
Research & development costs		-2 852	-9 710	-14 786	-19 041
Sales costs		-1 107	-1 556	-2 082	-2 820
Administrative costs		-4 472	-4 189	-2 360	-9 206
Other operating income		3 052	1 303	4 607	1 303
Other operating costs		-908	-21	-939	-38
<b>Operating loss</b>		<b>-6 287</b>	<b>-14 080</b>	<b>-15 560</b>	<b>-29 793</b>
<b>Result from financial items</b>					
Financial income		-6 033	16	15	256
Financial costs	3	3 916	-2 309	1 912	-2 394
<b>Loss before tax</b>		<b>-8 404</b>	<b>-16 373</b>	<b>-13 633</b>	<b>-31 931</b>
Tax		365	375	729	748
<b>Loss for the period</b>		<b>-8 039</b>	<b>-15 998</b>	<b>-12 904</b>	<b>-31 183</b>
<b>Other Comprehensive loss</b>					
Translation differences		-378	1 309	-378	5 739
<b>Comprehensive loss for the period</b>		<b>-8 417</b>	<b>-14 689</b>	<b>-13 282</b>	<b>-25 444</b>
Comprehensive loss for the period attributable to Parent Company shareholders		-8 417	-14 689	-13 282	-25 444
<b>Earnings per share, SEK</b>		<b>-0,26</b>	<b>-0,61</b>	<b>-0,42</b>	<b>-1,06</b>

Earnings per share, calculated as profit attributable to Parent Company shareholders for each period (stated in SEK per share) divided by the average number of shares before dilution as of June 30, 2024, which amounted to 31,758,392 shares (June 2023: 23,913,424 shares)



# The Group – Consolidated statement of financial position

(KSEK)	Note	Jun 2024	Jun 2023	Dec 2023 Restated
<b>ASSETS</b>				
Intangible fixed assets	5	38 947	39 365	36 155
Tangible fixed assets		719	848	756
Rights of use		2 528	307	519
Other financial assets		-	-	284
<b>Total fixed assets</b>		<b>42 194</b>	<b>40 520</b>	<b>37 714</b>
<b>Current assets</b>				
Current receivables		3 315	4 355	4 867
Cash and cash equivalents		2 364	36 595	12 142
<b>Total current assets</b>		<b>5 679</b>	<b>40 950</b>	<b>17 009</b>
<b>Total assets</b>		<b>47 873</b>	<b>81 470</b>	<b>54 723</b>

(KSEK)	Note	Jun 2024	Jun 2023	Dec 2023 Restated
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Parent Company shareholders</b>	5	<b>-11 476</b>	<b>25 550</b>	<b>168</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		3 113	4 477	3 731
Lease liability		996	317	207
Loans and borrowings	4	33 025	31 513	32 112
Other non-current liabilities	4	12 788	8 642	8 132
<b>Total non-current liabilities</b>		<b>49 922</b>	<b>44 949</b>	<b>44 182</b>
<b>Current liabilities</b>				
Interest bearing liabilities		1 992	955	404
Other current liabilities		7 435	10 016	9 969
<b>Total current liabilities</b>		<b>9 427</b>	<b>10 971</b>	<b>10 373</b>
<b>Total liabilities</b>		<b>59 349</b>	<b>55 920</b>	<b>54 555</b>
<b>Total Equity and liabilities</b>		<b>47 873</b>	<b>81 470</b>	<b>54 723</b>
Equity ratio		-24%	31%	0%

# The Group – Consolidated cashflow statement

(KSEK)	2024 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
<b>Operating activities</b>				
Operating loss	-6 287	-14 080	-15 560	-29 793
Adjustment for non-cash items	4 886	3 357	7 369	6 846
Interest paid	-21	-27	-74	-40
Interest received	-	-6	14	-
Paid income tax	-	-	-	-
<b>Cash flow before changes in working capital</b>	<b>-1 422</b>	<b>-10 756</b>	<b>-8 251</b>	<b>-22 987</b>
Change in operating receivables	285	-38	1 609	250
Change in operating liabilities	-4 287	-475	-4 704	-569
<b>Total change in working capital</b>	<b>-4 002</b>	<b>-513</b>	<b>-3 095</b>	<b>-319</b>
<b>Cash flow from operating activities</b>	<b>-5 424</b>	<b>-11 269</b>	<b>-11 346</b>	<b>-23 306</b>
Tangible asset purchases	-11	-44	-11	-44
Intangible assets purchases	-2 805	-	-8 709	-
Business combinations	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-2 816</b>	<b>-44</b>	<b>-8 720</b>	<b>-44</b>
New issue net of issuance costs	-	-	-	1 269
Issuance costs	-	-	-	-
Convertible loans net of issuance costs	11 250	-	11 250	45 052
Amortisation	-	-	-	-1 047
Payment of lease liabilities	-958	-	-958	-
<b>Cash flow from financing activities</b>	<b>10 292</b>	<b>-</b>	<b>10 292</b>	<b>45 274</b>
<b>Cash flow for the period</b>	<b>2 052</b>	<b>-11 313</b>	<b>-9 774</b>	<b>21 924</b>
Cash and cash equivalents at the beginning of the period	234	47 851	12 142	14 588
Exchange rate difference on cash and cash equivalents	78	57	-4	83
<b>Cash and cash equivalents at the end of the period</b>	<b>2 364</b>	<b>36 595</b>	<b>2 364</b>	<b>36 595</b>

## The Group – Consolidated statement of 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 year	-	-	-	-59 696	-59 696	-	-59 696
Correction of previous errors	-	-	-1 285	1 644	359	-	359
Translation differences	-	-	-1 138	-	-1 138	-	-1 138
Subscription warrants	-	-	-	86	86	-	86
New issue/ conversion of convertibles	767	18 393	-	-51	19 109	-	19 109
<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>
<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	-	-	-	-12 904	-12 904	-	-12 904
Translation differences	-	-	-378	-	-378	-	-378
<b>Comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-378</b>	<b>-12 904</b>	<b>-13 282</b>	<b>-</b>	<b>-13 282</b>
New issue/ conversion of convertibles less transaction costs	414	2 122	-	-898	1 638	-	1 638
Subscription options	-	-	-	-	-	-	-
<b>Equity on June 30 2024</b>	<b>2 884</b>	<b>534 194</b>	<b>-3 754</b>	<b>-544 800</b>	<b>-11 476</b>	<b>-</b>	<b>-11 476</b>

## Parent company – Income statement

(KSEK)	Note	2024 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
Net revenue		-	-	-	5
Cost of goods sold		-	-	-	-
<b>Gross Profit</b>		-	-	-	<b>5</b>
Research & development costs		497	-1 477	-987	-2 051
Sales costs		-2 746	-1 384	-3 981	-2 467
Administrative costs		-2 000	-3 190	-4 045	-7 450
Other operating income		4 899	233	8 856	233
Other operating costs		-907	-21	-938	-27
<b>Operating loss</b>		<b>-257</b>	<b>-5 839</b>	<b>-1 095</b>	<b>-11 757</b>
<b>Result from financial items</b>					
Impairment of shares in group companies		-	-	-	-
Financial income		659	-	4 746	235
Financial costs	3	2 902	-2 277	-521	-2 331
<b>Profit/loss before tax</b>		<b>3 304</b>	<b>-8 116</b>	<b>3 130</b>	<b>-13 853</b>
Tax		-	-	-	-
<b>Profit/loss for the period</b>		<b>3 304</b>	<b>-8 116</b>	<b>3 130</b>	<b>-13 853</b>
<b>Earnings per share, SEK</b>		<b>0,10</b>	<b>-0,34</b>	<b>0,10</b>	<b>-0,58</b>

Earnings per share, calculated as profit attributable to Parent Company shareholders for each period (stated in SEK per share) divided by the average number of shares before dilution as of June 30, 2024, which amounted to 31,758,392 shares (June 2023: 23,913,424 shares)



## Parent company – Balance sheet

(KSEK)	Note	Jun 2024	Jun 2023	Dec 2023
<b>ASSETS</b>				
<b>Fixed Assets</b>				
Right of use asset		-	-	-
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		-	-	40
Receivables from Group companies		48 606	13 876	28 252
Other receivables		966	934	848
Prepayments and accrued income		179	378	281
Cash and cash equivalents		2 311	31 954	10 371
<b>Total current assets</b>		<b>52 062</b>	<b>47 142</b>	<b>39 792</b>
<b>Total assets</b>		<b>54 947</b>	<b>50 027</b>	<b>42 677</b>

(KSEK)	Note	Jun 2024	Jun 2023	Dec 2023
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>8 322</b>	<b>11 370</b>	<b>3 553</b>
<b>Non-current liabilities</b>				
Loans and borrowings	4	33 025	31 513	32 112
Other non-current liabilities	4	4 464	-	-
<b>Total non-current liabilities</b>		<b>37 489</b>	<b>31 513</b>	<b>32 112</b>
<b>Current liabilities</b>				
Liabilities to Group companies		3 069	940	790
Other current liabilities		2 738	6 204	1 358
Accruals and deferred income		3 329	-	4 864
<b>Total current liabilities</b>		<b>9 136</b>	<b>7 144</b>	<b>7 012</b>
<b>Total liabilities</b>		<b>46 625</b>	<b>38 657</b>	<b>39 124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54 947</b>	<b>50 027</b>	<b>42 677</b>

## Parent company – Cashflow statement

(KSEK)	2024 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
<b>Operating activities</b>				
Operating loss	-257	-5 838	-1 094	-11 757
Adjustment for non-cash items	-2 177	-	164	81
Interest paid	-2	-5	-3	-7
Interest received	-	-	1	1
<b>Cash flow before changes in working capital</b>	<b>-2 436</b>	<b>-5 843</b>	<b>-932</b>	<b>-11 682</b>
Change in operating receivables	-4 947	-7 538	-17 826	-14 267
Change in operating liabilities	-1 470	685	-428	357
<b>Cash flow from operating activities</b>	<b>-8 853</b>	<b>-12 696</b>	<b>-19 186</b>	<b>-25 592</b>
Change in intangible assets	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exercise of warrants net of issuance costs	-	-	-	1,269
Debt issue after issuance costs	11 250	-	11 250	45 052
Payment of lease liabilities	-124	-	-124	-
<b>Cash flow from financing activities</b>	<b>11 126</b>	<b>-</b>	<b>11 126</b>	<b>46 321</b>
<b>Cash flow for the period</b>	<b>2 273</b>	<b>-12 696</b>	<b>-8 060</b>	<b>20 729</b>
Cash and cash equivalents at the beginning of the period	38	44 650	10 371	11 225
<b>Cash and cash equivalents at the end of the period</b>	<b>2 311</b>	<b>31 954</b>	<b>2 311</b>	<b>31 954</b>

## Parent company – Statement of 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	0
New issue	53	1 164	-	-	1 217
Net value of conversion rights before transaction costs	-	7 436	-	-	7 436
Conversion of convertible loans	714	10 055	-	-	10 769
New issue, warrants	-	-	87	-	87
Loss for the year	-	-	-	-24 563	-24 563
<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 for the period	-	-	-	3 131	3 131
New issue/ conversion of convertibles less transaction costs	414	1 224	-	-	1 638
<b>Equity on June 30 2024</b>	<b>2 884</b>	<b>434 054</b>	<b>-431 747</b>	<b>3 131</b>	<b>8 322</b>



# 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 loan granted in the first quarter of 2023:

In Q1 2023 the Company raised a convertible loan of nominally MSEK 55 through a directed issuance of at most 550 convertibles together with an issuance of warrants of series TO3 and TO4, issued free of charge.

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 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
Interest on debt instruments	-1 262	-1 910	-2 970	-1 909
Translation of financial instruments	-849	-363	-2 563	-416
Transaction fee costs on debt extinguishment	-2 369	-	-2 370	-
Fair value adjustment on extinguishment of debt	7 385	-	7 385	-
Lease interest	-	-	-	-
Other	-3	-4	-3	-6
<b>Total</b>	<b>2 902</b>	<b>-2 277</b>	<b>-521</b>	<b>-2 331</b>

(KSEK)	Group			
	2024 apr-jun	2023 apr-jun	2024 jan-jun	2023 jan-jun
Interest on debt instruments	-1 271	-1 923	-3 018	-1 933
Translation of instruments	212	-364	-	-416
Transaction fee costs on debt extinguishment	-2 369	-	-2 369	-
Fair value adjustment on extinguishment of debt	7 385	-	7 385	-
Lease interest	-26	-11	-57	-31
Other	-15	-11	-29	-14
<b>Total</b>	<b>3 916</b>	<b>-2 309</b>	<b>1 912</b>	<b>-2 394</b>

During the period there was a gain on extinguishment of the existing convertible loan notes, due to revised terms. This has resulted in a credit to the income statement of MSEK 7.4 within finance costs. See Note 4 for more details of this transaction.

## NOTE 4 - LOANS AND BORROWINGS

(KSEK)	Parent company			Group		
	Jun 2024	Jun 2023	Dec 2023	Jun 2024	Jun 2023	Dec 2023
Convertible notes	27 516	31 513	32 112	27 516	31 513	32 112
Loan facility	5 509	-	-	5 509	-	-
<b>Total Loans and borrowings</b>	<b>33 025</b>	<b>31 513</b>	<b>32 112</b>	<b>33 025</b>	<b>31 513</b>	<b>32 112</b>
Transaction shares payable	4 464	-	-	4 464	-	-
Other loans	-	-	-	8 324	8 642	8 132
<b>Total Other non-current liabilities</b>	<b>4 464</b>	<b>-</b>	<b>-</b>	<b>12 788</b>	<b>8 642</b>	<b>8 132</b>

In March 2023, the Company raised a convertible loan of nominal MSEK 55 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 MSEK 8 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 MSEK 7.4. The present value of the new convertible notes was calculated using a discount rate of 27.1%.

A new 36 month MSEK 45 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. On 9 April 2024, a tranche of the facility corresponding to MSEK 7.5 was called down. Calls for funding are paid net of a 10% transaction fee by the Lender. MSEK 25 of the facility has been secured by floating charge. The present value of the loan was calculated using a discount rate of 34.3%.

A transaction fee of MSEK 7 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 MSEK 1, 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, but will be assessed at each balance sheet date.

During the period to June 2024, 5,175,374 transaction shares were issued with an equivalent value of MSEK 2.54. At the end of the second quarter, there is a liability included within other non-current liabilities for the remaining MSEK 4.5 transaction shares.

Loans and borrowings movement reconciliation: (KSEK)	Opening balance 1 January	Interest on debt	Recognition/ (derecognition) of debt	Cashflows (paid net of lender issue costs)	Capitalised transaction fees	Closing balance 30 June
Convertible notes 2023/2025	32 112	1 707	-33 819	-	-	-
Convertible notes 2024/2026	-	1 082	26 434	-	-	27 516
Loan facility	-	181	-	11 250	-5 922	5 509
<b>Convertible notes</b>	<b>32 112</b>	<b>2 970</b>	<b>-7 385</b>	<b>11 250</b>	<b>-5 922</b>	<b>33 025</b>



## NOTE 5 - PRIOR PERIOD ERROR

(KSEK)	Group		
	Dec 2023	Adjustment	Restated Dec 2023
<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 MSEK 1.6 understatement of assets and retained earnings at 31 December 2023. The errors have been corrected by restating each of the affected financial statement lines for the prior period. The error only affects the consolidated figures.

## 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, August 23, 2024

---

**Jens Umehag**  
Chairman of the Board

---

**Marco Witteveen**  
Chief Executive Officer

---

**William Vickery**  
Board member

---

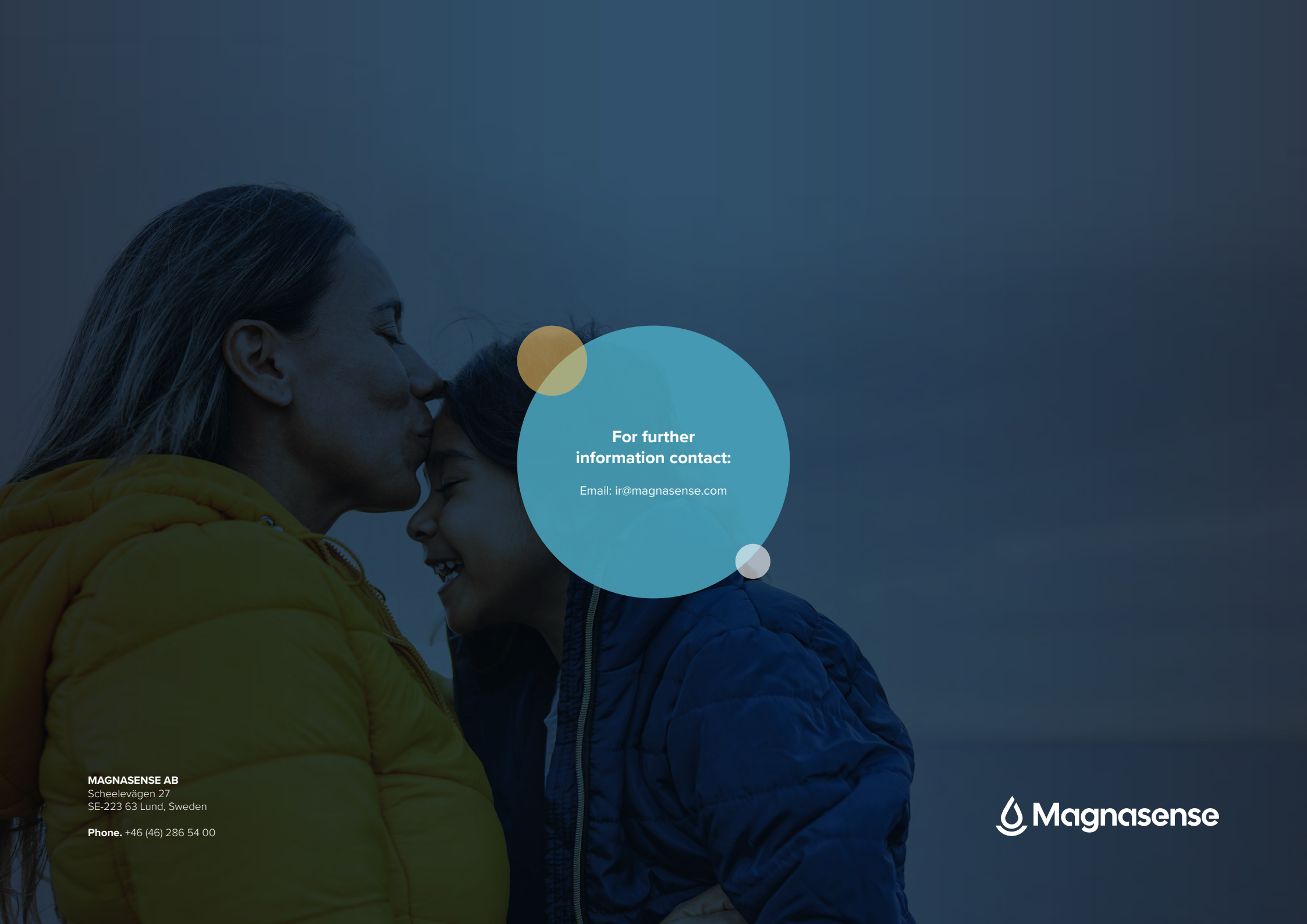
**Fredrik Häglund**  
Board member

---

**William Ferenczy**  
Board member

---

**Michael Schwartz**  
Board member



**For further  
information contact:**

Email: [ir@magnasense.com](mailto:ir@magnasense.com)

**MAGNASENSE AB**  
Scheelevägen 27  
SE-223 63 Lund, Sweden

**Phone.** +46 (46) 286 54 00

 **Magnasense**