PRESS RELEASE

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MAGNASENSE AB EXTENDS THE PAYMENT PERIOD FOR BUSINESS-CRITICAL SUPPLIER INVOICES TOTALLING USD 970,000 AND DECIDES ON A DIRECTED ISSUE

OF 9,500,000 WARRANTS TO ITS LARGEST SUPPLIER, FREE-OF-CHARGE, TO BE APPROVED BY AN EXTRAORDINARY GENERAL MEETING.

Magnasense AB (“Magnasense” or the “Company”) today announces that the Company has reached an agreement with two creditors, including the Company’s largest supplier Digital Health Solutions, LLC (“Digital Health Solutions”), to extend the payment period for several business critical supplier invoices. The invoices from Digital Health Solutions total USD 900,000 and are payable as follows: USD 100,000 in August 2024, USD 350,000 in September 2024 and USD 450,000 in January 2025. The invoice from the other creditor, Q Biotech Corp., is for USD 70,000 and is payable after the extension in August to November 2024. In the short term, this means increased financial flexibility for the Company, which is expected to favour the development of the Company’s grant-funded RADx® project. As part of the agreement, the board of directors of Magnasense has today, subject to subsequent approval by an extraordinary general meeting (the “Extraordinary General Meeting”), resolved to carry out a directed issue of a maximum of 9,500,000 warrants of series 2024/2025 (the “Warrants”) to Digital Health Solutions (the “Directed Issue”). The Warrants are issued free-of-charge. The purpose of the Directed Issue and the reason for the deviation from the shareholders’ preferential rights is to enable the extension of the payment period for business-critical supplier invoices issued by Digital Health Solutions related to the Company's grant-funded RADx® project under the auspices of the National Institutes of Health (“NIH”) and to open up the opportunity for a broadened shareholder base with an international supplier of strategic importance. Continued successful execution of the Company’s RADx® project will position the Company for potential additional grants from the NIH. Notice of the Extraordinary General Meeting regarding the Directed Issue will be announced through a separate press release.

“*Digital Health Solutions is a Boston based medical product development company, helping client companies world wide commercialize their solutions with FDA and other regulatory clearances. We have been partnered with Magnasense for nearly a year helping to improve their technology and achieve the key objectives under the ongoing RADx program. Our companies share enthusiasm in the potential of Magnasense technology and its versatile application for in-office and at-home healthcare. I look forward to the next chapter in our partnership by exploring the possibility of taking an equity position in Magnasense.*” says Navin Dewagan, CEO of Digital Health Solutions**.**

“*As the CEO of Magnasense, I am proud of our ongoing partnership with Digital Health Solutions. Their expertise has been instrumental in advancing our innovative technology through the RADx programme. We share a common vision of revolutionising healthcare, and as we explore this exciting new phase of collaboration, including the possibility of an equity partnership, we are confident that together, we will bring transformative solutions to healthcare both in-office and at-home.*” says Marco Witteveen, CEO of Magnasense**.**

Conditions of the agreements
The Company has today decided to enter into an agreement with Digital Health Solutions to extend the payment period for business critical supplier invoices. The invoices from Digital Health Solutions amounts to USD 900,000 in total and will after the agreement be paid as follows: USD 100,000 in August 2024, USD 350,000 in September 2024 and USD 450,000 in January 2025. The compensation to Digital Health Solutions consists of free-of-charge warrants that can be exercised for subscription of new shares in the Company. Furthermore, the Company has entered into an agreement with Q Biotech Corp. to extend the payment period on its invoice of USD 70,000 to be paid during August to November 2024.

Conditions of the Warrants
The board of directors has today, subject to subsequent approval by the Extraordinary General Meeting, resolved on a directed issue of Warrants to Digital Health Solutions. One (1) Warrant entitles the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 0.50, corresponding to a premium of approximately 65 per cent compared to the closing price of the Company’s share on Nasdaq First North Growth Market on 23 August 2024. The subscription period takes place during the period from 17 January 2025 up to and including 30 September 2025. The Warrants are issued free of charge and are not intended to be admitted to trading. All Warrants shall be exercised on a single occasion if the Warrant holder chooses to exercise Warrants for subscription of new shares during the subscription period. A total of 9,500,000 Warrants may be issued in connection with the Directed Issue.

DHS has subscribed for all warrants in the Directed Issue. However, the Directed Issue is conditional upon an extraordinary general meeting of the Company approving the Directed Issue.

The Warrants can provide the Company with a maximum of SEK 4,750,000 before transaction costs in the event that all Warrants are exercised for subscription of new shares in the Company.

The issuance of the Warrants to Digital Health Solutions has been decided in accordance with the agreement regulating the extension of the payment period and constitutes compensation for the extension. The Warrants to Digital Health Solutions are issued free of charge and enable an additional capital contribution to the Company.

Considerations of the board of directors

The Company's board of directors has, together with its financial advisor, carefully analysed the conditions for a rights issue to raise the necessary capital. The board of directors' assessment is that the Company, especially taking into account the Company's existing capital structure, cannot fulfil its capital requirements through a rights issue. The board of directors, together with financial advisors, has assessed that a rights issue would require significant guarantee commitments from a guarantee consortium, which the Company has not been able to obtain.

The purpose of the Directed Issue and the reason for the deviation from the shareholders' preferential rights is to enable the extension of the payment period for business-critical supplier invoices issued by Digital Health Solutions linked to the Company's grant-funded RADx® project under the auspices of NIH and to open up the possibility of a broader shareholder base with an international supplier of strategic importance.

The board's overall assessment is that the reasons for entering into the agreement and carrying out a directed issue of warrants outweigh the reasons that justify the main rule of issuing shares with preferential rights for existing shareholders, and that the Directed Issue is in the interests of the Company and all shareholders.

The subscription price and the other terms and conditions of the Warrants and the issue have been determined through arm's length negotiations between the Company and Digital Health Solutions. In this connection, the Company has taken into account the prevailing market conditions for raising capital, whereby the terms and conditions are deemed to be market-based.

Shares and share capital

Upon full exercise of the Warrants, the Company's share capital will increase by a maximum of SEK 133,000.00 to SEK 723,350.712. The number of shares and votes in the Company may increase by a maximum of 9,500,000 to 51,667,908. Upon full exercise, the Warrants will result in a dilution of approximately 18.39 per cent for existing shareholders in relation to the total number of outstanding shares and votes in the Company.

For additional information, please contact:
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This press release is not a prospectus within the meaning of Regulation (EU) No. 2017/1129 (the "**Prospectus Regulation**") and has not been approved or reviewed by any regulatory authority in any jurisdiction. The Company has not authorised any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in respect of the Warrants. In any EEA Member State, this announcement is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

This press release does not identify or purport to identify any risks (direct or indirect) that may be associated with an investment in new shares. The information contained in this press release is for the sole purpose of describing the background to the Directed Issue and does not purport to be complete or exhaustive.

This press release does not constitute an offer or invitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of such securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland, the United States or any other jurisdiction where such announcement, publication or distribution of this information would be unlawful or where such action is subject to legal restrictions or would require additional registration or other measures than those required by Swedish law. Actions contrary to this instruction may constitute a violation of applicable securities legislation.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or current expectations regarding the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialise or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from error and does not accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, except as required by law or the rules of Nasdaq First North Growth Market.

About Magnasense AB

Magnasense is a Swedish diagnostics company founded in 2019 to offer tests to monitor and optimize the dosage of biological drugs via its unique patented technology platform. In June 2020, Magnasense was listed on the Nasdaq First North Growth Market. The company's ambition is, in addition to bringing innovative diagnostic technology to the market, to make diagnostics more accessible, easier to use and to provide accurate and easily transferable results. For more information, see Magnasense's website www.magnasense.com.

This information is information that Magnasense is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-08-25 22:07 CEST.