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MAGNASENSE ENTERS INTO A CONDITIONAL AGREEMENT REGARDING A REVERSE TAKEOVER OF SUBGEN AI LIMITED

Magnasense AB ("Magnasense" or the "Company") announces today that the Company has entered into a conditional agreement with the shareholders of SUBGEN AI LIMITED, registration number 15374966, ("Subgen") regarding a reverse takeover (the "Transaction") of Subgen. 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 Special Opportunities, LLC ("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 SEK 25.50 million in convertible bonds of series 2023/2026 and SEK 17.50 million disbursed under the loan facility.

On 10 June 2025, Magnasense entered into a letter of intent with Suben regarding a reverse takeover. After discussions between the parties, Magnasense and the shareholders of Subgen have today entered into an agreement on a reverse takeover which is conditional upon, inter alia, approval by Magnasense's shareholders, after which a new listing process will be initiated.

Summary of the transaction



- Magnasense has entered into an agreement with the shareholders of Subgen to acquire all shares in Subgen through an issue of new shares in the Company. Through the Transaction, Subgen will become a wholly-owned subsidiary of Magnasense and Subgen's shareholders will hold approximately 98 percent of the total number of shares and votes in the Company (excluding outstanding warrants).
- Subgen is valued at EUR 200 million in the Transaction, and Magnasense is valued at approximately EUR 4.1 million.
- The Company intends to convene an Extraordinary General Meeting (the "EGM") to resolve on approval of the Transaction, issue of Consideration Shares, amendments to the articles of association, election of new Board members, and other resolutions that follow from the Transaction.
- The completion of the Transaction is, inter alia, conditional upon (i) the shareholders of Magnasense resolving on approval of the Transaction and other proposals at the EGM, (ii) the Company obtaining approval for continued listing on Nasdaq First North Growth Market, (iii) a third party investor has contractually agreed to pay, on behalf of the Company, the administrative fine issued to the Company by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) on 25 June 2025, (iv) the Company has no more liabilities or debts than agreed between the parties, (v) the required regulatory approvals are fulfilled, (vi) Aegirbio UK Ltd, along with any other subsidiaries currently held by the Magnasense group, is spun off from Magnasense AB, and (vii) 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.
- Further information about the Transaction will be set out in a company description that is expected to be published before the EGM.

Information about Subgen

Subgen is an enterprise artificial intelligence company that develops both infrastructure and proprietary agent-centric AI-as-a-Service software, branded as Serenity Star. Its solutions are designed to scale and accelerate the adoption of AI across organizations. Subgen is experiencing rapid growth, building data centers and delivering services to clients in sectors such as healthcare, energy, legal, and human resources.

Subgen operates across Europe, Latin America, and the United States. Through its wholly and partially owned subsidiaries, the company reports consolidated total operating revenues of approximately EUR 25.5 million in 2024 and an EBITDA of around EUR 6 million, driven by strong underlying growth. Headquartered in London, United Kingdom, Subgen also maintains commercial offices in the United States, France, Uruguay, and Brazil.

About the Transaction

Magnasense has today entered into an agreement with the shareholders of Subgen to acquire all shares in Subgen, which Magnasense will pay through a new issue of shares against payment through set-off. The Transaction constitutes a so-called reverse takeover whereby Subgen will become a wholly-owned subsidiary of Magnasense. Subgen's valuation is EUR 200 million on a



fully diluted basis and Magnasense is valued at approximately EUR 4.1 million. The basis for the calculation of the subscription price has been determined through arm's length negotiations with the representative of the shareholders of Subgen. It is the Board's assessment that the subscription price through this procedure will reflect current market conditions and demand and that it is thereby market-based.

Subgen's current shareholders will hold approximately 98 percent of the total number of shares in the Company and Magnasense's shareholders, including Atlas after conversion of its loans to Magnasense, will hold approximately 2 percent of the total number of shares in the Company (excluding outstanding warrants) following completion of the Transaction. Atlas outstanding loan to Magnasense currently amounts to SEK 25.50 million in convertible bonds of series 2023/2026 and SEK 17.50 million disbursed under the loan facility. The shares issued to Subgen AI Foundation and JMSAN SL shall be non-listed Class A shares, each carrying ten (10) votes per share.

Completion of the Transaction is subject to, inter alia, the following conditions, (i) the shareholders of Magnasense resolving on approval of the Transaction and other proposals at the EGM, (ii) the Company obtaining approval for continued listing on Nasdaq First North Growth Market, (iii) a third party investor has contractually agreed to pay, on behalf of the Company, the administrative fine issued to the Company by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) on 25 June 2025, (iv) the Company has no more liabilities or debts than agreed between the parties, (v) the required regulatory approvals are fulfilled, (vi) Aegirbio UK Ltd, along with any other subsidiaries currently held by the Magnasense group, is spun off from Magnasense AB, and (vii) the Company entering 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.

Application for continued listing on Nasdaq First North Growth Market

The Transactions will entail a significant change in Magnasense's operations, "change of identity", and, due to this, a new listing process will be required for Magnasense on Nasdaq First North Growth Market. The Company will initiate a process to obtain such approval. Due to the listing process and provided that Nasdaq Stockholm approves the listing, a company description will be published.

Extraordinary general meeting

The Company's acquisition of Subgen will be subject to approval by an EGM of Magnasense. The Company intends to convene the EGM, to resolve on (i) the Transaction, (ii) issue of the Consideration Shares, (iii) amendment of the articles of association, and (iv) election of new Board members.



The notice of the EGM will be published through a separate press release and will be available together with complete proposals for resolutions for the EGM, on the Company's website. The intention is to obtain Nasdaq Stockholm's preliminary approval and to have a company description available before the EGM.

Exemption from mandatory takeover offer

One of the sellers of Subgen, Subgen AI Foundation, will through the Transaction and through closely related parties acquire an ownership stake in Magnasense surpassing 30 percent of the shares in Magnasense after the Transaction. According to the Stock Market Self-Regulation Committee's takeover rules for certain trading platforms, Subgen AI Foundation and closely related parties, will thus be required to make a mandatory takeover offer for all shares in Magnasense (so-called mandatory takeover offer). Subgen AI Foundation and closely related parties intend to apply to the Swedish Securities Council for an exemption from such a mandatory takeover offer.

Indicative timetable for the Transaction

The Transaction is intended to be closed during 2025. The Company will revert with a more detailed timetable.

Jens Umehag, Chairman of Magnasense comments:

"We view this agreement as a positive step for Magnasense and a potential turning point for the Company. Subgen AI brings strong momentum and technological expertise, and we believe their presence in Sweden can contribute to the country's growing role in the AI sector. While there is still work ahead, we look forward to the next phase and to creating long-term value for all shareholders."

Lorenzo Serratosà, CEO of Subgen comments:

"Sweden is recognized as a perfect market for innovative companies, so being listed in Sweden is a great step for Subgen AI and its future. Doing it through this RTO with Magnasense gives us the opportunity to establish a well-formed base of shareholders with a focus on innovation and disruptive technologies. We aim for Magnasense's shareholders and Swedish investors to recognize Subgen AI as a high-potential company on its path to becoming a leader in the European AI landscape."

For further information, please contact:

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The Company's Certified Adviser is Eminova Fondkommission AB | adviser@eminova.se

About Magnasense

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.

IMPORTANT INFORMATION

The release, publication or distribution of this press release may, in certain jurisdictions, be restricted by law and persons in the jurisdictions where this press release has been published or distributed should inform themselves about and observe any such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with the applicable rules in each jurisdiction. This press release does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for any securities issued by the Company in any jurisdiction in which such offer or solicitation would be unlawful.

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. A prospectus will not be prepared in connection with the Transaction.

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 Transaction 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 the United States, Canada, Australia, Hong Kong, New Zealand, South Africa, South Korea, Switzerland, Singapore, Japan, Russia, Belarus 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.

**Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or 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 contained in this press release are accurate and any reader 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.

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 2025-07-22 23:46 CEST.