

INTERIM REPORT

October – December 2024

A decorative graphic on the right side of the page. It features a large, light blue circle that overlaps a smaller, darker blue circle. The darker blue circle contains the text 'Q4' in white. To the left of the darker blue circle is a small orange circle. A series of thin, light blue lines radiate from the top right corner, creating a fan-like shape that overlaps the large light blue circle.

Q4

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 Q4 2024

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

Group Fourth Quarter in 2024 compared to the same period in 2023

- Total income, including other income and revenue, amounted to SEK 5.3M (2.9M)
- Loss before tax amounted to SEK -23.8M (-10.9M)
- Cash and cash equivalents at the end of the quarter was SEK 0.3M (12.1M)
- Loss per share* SEK -0.41 (-0.40)
- Equity ratio** at 31 December 2024 was -119% (0%)

* 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

SIGNIFICANT EVENTS

During the period

Q4

- Directed issue of 13,090,908 shares to Atlas Special Opportunities following conversions totaling SEK 3.0M.
- Magnasense AB completed the NIH RADx® Tech Project.

After the period

Q1

- The Company announced its intention to carry out a rights issue of approx. SEK 26M to continue develop saliva-based diagnostics as an alternative to blood testing.
- An EGM to grant the Directors the authorisation to proceed with the rights issue.
- Termination of Agreement with Digital Health Solutions ("DHS"), LLC; as part of the termination, DHS agreed to waive 9,500,000 warrants.
- A directed issue of 22,420,632 shares to Atlas Special Opportunities LLC following conversions totaling SEK 2.50M.
- Magnasense Technologies Oy and Salofa Oy reached a settlement

CEO's message

Dear Shareholders,

As we conclude the fourth quarter of 2024, I want to share an update on Magnasense AB's progress and strategic direction. This report highlights our ongoing efforts in saliva-based diagnostics and our priorities moving forward. Our focus remains on developing non-invasive and accessible solutions for healthcare professionals and patients.

Magnasense AB continues to refine and expand saliva-based diagnostics as an alternative to traditional blood tests. Our magnetic detection technology enhances ease of use and accessibility in health monitoring. With healthcare shifting toward preventive and remote care, our solutions support early disease detection and management.

Periodontitis, a widespread condition affecting a large portion of adults—nearly 42% in the U.S., over 50% in Europe (rising to 70-85% among those aged 60-65), and almost half of adults in the U.K.—has been identified as an area with a strong need for low-cost detection and management. It also serves as a valuable test case for demonstrating the clinical viability of our non-invasive technology. By enabling earlier detection, we aim to assist dental professionals and general practitioners in improving patient care and reducing healthcare costs.

In product development, we are enhancing our diagnostic platform and exploring additional biomarker detection capabilities. As part of our strategic partnerships, we are actively pursuing grant opportunities and participating in a consortium applying for IHI* funding for which a review is expected in April 2025.

* IHI, Innovative Health Initiative, is an EU public-private partnership funding health

In November Milestone 3 of the RADx project was completed, however, due to new priorities at National Institutes of Health ("NIH") they are not ready to pursue the next phase. However, this project provided valuable insights that will strengthen our development strategy; we pioneered multiplexing technology for RADx assays, strengthened patents on magnetic technology, and optimized efficiency in Lateral Flow Assay development. We gained key insights into saliva as a sample matrix, established supply partnerships, and received positive NIH feedback on commercialization and at-home diagnostic development, while expanding our professional network. This puts us in a strong position to build on in the future. Magnasense remains committed to accessible diagnostics, particularly in oral health and preventive care. By providing tools for professional use and future home-based health assessments, we aim to improve patient outcomes. While the market potential is significant, we are focused on delivering reliable, practical, and cost-effective solutions.

Looking ahead, we are preparing a rights issue that will provide us the capital needed to finance the initial phase of the oral health project. We appreciate your support and look forward to your participation in the rights issue.

We thank our stakeholders for their continued trust as we drive innovation in diagnostic healthcare through collaboration and advancement for their continued support during this exciting phase of growth.

Best regards,



Marco Witteveen
CEO, Magnasense AB



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

Marco Witteveen
CEO, Magnasense AB



Magnasense Overview

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

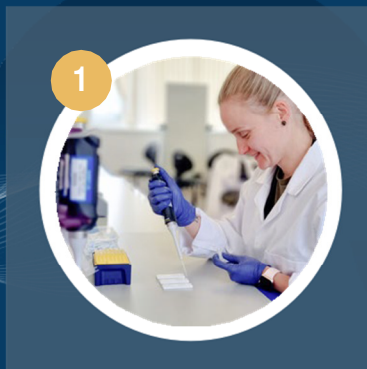
Through acquisitions, the Company has ensured long-term access to key technologies and opened up new application areas to make it possible and easy for people to monitor their own health. Through these acquisitions, Magnasense, rooted in laboratory testing, have in a short period of time added technologies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

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

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 FOURTH QUARTER IN FIGURES*

Revenue and other income

The Group reports net sales and other income of SEK 5.3M (2.9M) for the quarter. Other income all relates to grant funding.

Results

The Group's operating profit for the quarter amounted to SEK -21.0M (-9.5M).

Operating costs amounted to SEK -26.2M (-12.5M) for the fourth quarter. The increase was due to a release of SEK18.9M of previously capitalised development costs for the RADx project, following completion of the project, as there is currently no immediate prospect for commercialisation of technology developed specifically for this initiative. There was a reduction in administrative costs for the quarter to SEK -1.8M (-2.9M). These costs include administration, financial and legal services, and consultancy costs, reflecting ongoing efforts to reduce overheads.

Net financial income and costs was SEK -2.8M (-1.4M). There were higher interest costs in the quarter due the additional loan notes drawn under the facility this year. Loss before tax amounted to SEK -5.0M (-10.9M). Thus, loss before tax has improved by a total of SEK 5.9M, compared to the same period last year.

FINANCIAL POSITION

The equity ratio of the Group was -119 (0) percent as of 31 December 2024, and equity amounted to SEK -38.6M (0.2M). The Group's cash and cash equivalents amounted to SEK 0.3M (12.1M). Total assets amounted to SEK32.6M (54.7M) on the same date. Loans and borrowings amounted to SEK43.4M (32.1M).

CASH FLOW

Total cash flow for the fourth quarter amounted to SEK -1.5M (-11.2M).

*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 SEK -0.7M (-2.3M) for the fourth quarter of 2024. Income amounts to a total of SEK 1.6M (4.4M) and mainly 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 December 31, 2024, the number of shares amounted to 62,339,443. 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- Dec 2024	Jan - Dec 2023
Number of shares before dilution	62,339,443	30 876 872
Number of shares after dilution	72,589,443	34 911 872
Basic earnings per share	-0.15	-0.98
Average number of shares before dilution	40,875,514	25 053 902
Average number of shares after dilution*	51,125,514	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

Annual Report 2024	2025-06-09
Q2 2025 Interim Report	2025-08-29
Q4 2025 Interim Report	2026-03-31

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.

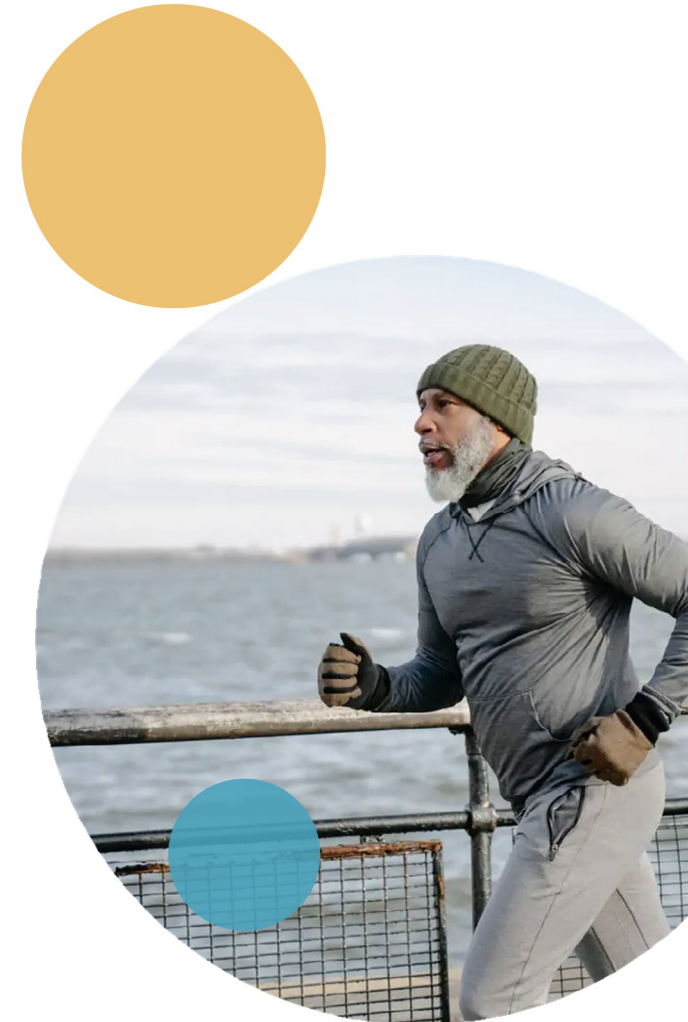
The Company is a small company with limited resources in terms of management, administration and capital. There is a risk that the Company fails to recruit or retain staff. Moreover, the Company relies on intellectual property rights, know-how and trade secrets.

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 2023, which is available on the Company's website, <https://www.magnasense.com/>.





FINANCIAL OVERVIEW

The Group – Consolidated income statement

(KSEK)	Note	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Net revenue		-	-1	-	92
Cost of goods sold		-	-	-	-48
Gross profit		-	-1	-	44
Research & development costs		-23,561	-8,143	-44,038	-42,495
Sales costs		-554	-1,380	-3,828	-3,883
Administrative costs		-1,787	-2,850	-7,551	-14,182
Other operating income		5,257	2,941	9,856	4,505
Other operating costs		-362	-89	-1,314	-147
Operating loss	3	-21,007	-9,522	-46,875	-56,158
<i>Result from financial items</i>					
Financial income		19	10,817	37	17,443
Financial costs	4	-2,860	-12,244	-4,680	-22,473
Loss before tax		-23,848	-10,949	-51,518	-61,188
Tax		371	370	1,886	1,493
Loss for the period		-23,477	-10,579	-49,632	-59,695
<i>Other comprehensive income</i>					
Translation differences		53	3,306	-325	-3,376
Comprehensive loss for the period		-23,424	-7,273	-49,957	-63,071
Comprehensive loss for the period attributable to Parent Company shareholders		-23,424	-7,273	-49,957	-63,071
Loss per share, SEK		-0.41	-0.40	-1.22	-2.38

The Group – Consolidated balance sheet

(KSEK)	Note	Dec 2024	Restated Dec 2023
Assets			
Intangible fixed assets	7	23,350	36,155
Tangible fixed assets		605	756
Right of use assets		1,522	519
Other financial assets		-	284
Total fixed assets		25,477	37,714
Current receivables		6,849	4,867
Cash and cash equivalents		283	12,142
Total current assets		7,132	17,009
Total assets		32,609	54,723

(KSEK)	Note	Dec 2024	Restated Dec 2023
Equity and Liabilities			
Equity attributable to Parent Company shareholders		-38,645	168
Deferred tax liabilities		2,344	3,731
Lease liability		586	207
Loans and borrowings	5	38,017	32,112
Other non-current liabilities		7,730	8,132
Total non-current liabilities		48,677	44,182
Loans and borrowings	5	5,404	-
Other current liabilities		17,173	10,373
Total current liabilities		22,577	10,373
Total liabilities		71,254	54,555
Total equity and liabilities		32,609	54,723
Equity ratio		-119%	0%

The Group – Consolidated cashflow statement

(KSEK)	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Operating activities				
Operating loss	-21,007	-9,522	-46,875	-56,158
Adjustment for non-cash items	20,719	4,297	32,282	14,308
Cash flow before changes in working capital	-288	-5,225	-14,593	-41,626
Change in operating receivables	-1,974	-159	-1,697	-105
Change in operating liabilities	1,389	-475	4,158	-207
Total change in working capital	-585	-634	2,461	-312
Cash flow from operating activities	-873	-5,859	-12,132	-42,162
Purchase of tangible assets	-	-	-11	-93
Purchase of development assets	-1,261	-5,445	-15,537	-5,445
Cash flow from investment activities	-1,261	-5,445	-15,548	-5,538
New issue net of issuance costs	-	-	-	1,269
Loan facility drawdowns net of issuance costs – Note 5	-	-	13,612	45,052
Director loans net of issuance costs – Note 5	-	-	2,850	-
New issue, warrants	-	87	-	87
Funds from credit facilities	1,199	-	1,199	-
Interest paid	-380	-33	-454	-117
Interest received	-	341	14	341
Payment of lease liabilities	-216	-308	-1,420	-1,362
Cash flow from financing activities	603	87	15,801	45,270
Cash flow for the period	-1,531	-11,217	-11,879	-2,430
Cash and cash equivalents at the beginning of the period	1,792	23,441	12,142	14,588
Exchange rate difference on cash and cash equivalents	22	-82	20	-16
Cash and cash equivalents at the end of the period	283	12,142	283	12,142

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 2023		1,703	513,679	-953	-474,602	39,827	-	39,827
Profit/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
Conversion of convertible loan		767	18,393	-	-51	19,109	-	19,109
Subscription warrants		-	-	-	86	86	-	86
Equity on 31 December 2023		2,470	532,072	-3,376	-532,619	-1,453	-	-1,453
Opening balance on 1 January 2024		2,470	532,072	-3,376	-532,619	-1,453	-	-1,453
Correction of previous errors – Note 7		-	-	-	1,621	1,621	-	1,621
Restated balance at 1 January 2024		2,470	532,072	-3,376	-530,998	168	-	168
Loss for the year		-	-	-	-49,632	-49,632	-	-49,632
Translation differences		-	-	-325	-	-325	-	-325
Capital reduction – Note 6		-2,379	2,379	-	-	-	-	-
Conversion of convertible loan less transaction costs		782	10,218	-	-30	10,970	-	10,970
Issue of warrants		-	174	-	-	174	-	174
Equity on 31 December 2024		873	544,843	-3,701	-580,660	-38,645	-	-38,645

Parent company – Income statement

(KSEK)	Note	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Net revenue		-	-	-	41
Cost of goods sold		-	-	-	-
Gross profit		-	-	-	41
Research & development costs		-158	-1,226	-1,426	-4,176
Sales costs		-774	-1,432	-6,466	-5,181
Administrative costs		-1,368	-4,040	-7,727	-15,902
Other operating income		1,645	4,434	11,804	12,882
Other operating costs		-5	-21	-956	-68
Operating loss	3	-660	-2,285	-4,771	-12,404
Result from financial items					
Interest income and other similar items		3,794	3,310	9,375	9,913
Interest costs and similar items	4	-4,556	-11,516	-10,590	-21,648
Loss before tax		-1,422	-10,491	-5,986	-24,139
Tax		-	-425	-	-424
Loss for the period		-1,422	-10,916	-5,986	-24,563

Parent company – Balance sheet

(KSEK)	Note	Dec 2024	Restated Dec 2023
Assets			
Other financial assets		2,885	2,885
Total fixed assets		2,885	2,885
Current receivables		-	40
Receivables from Group companies		35,192	28,252
Other receivables		481	848
Prepayments and accrued income		227	281
Cash and cash equivalents		164	10,371
Total current assets		36,064	39,792
Long term receivables from Group companies		23,414	-
Total non-current assets		23,414	-
Total assets		62,363	42,677

(KSEK)	Note	Dec 2024	Restated Dec 2023
Equity and Liabilities			
Equity attributable to Parent Company shareholders		8,711	3,553
Deferred tax liabilities		-	-
Lease liability		-	-
Loans and borrowings	5	35,892	32,112
Other non-current liabilities		2,500	-
Total non-current liabilities		38,392	32,112
Loans and borrowings	5	3,117	-
Liabilities to Group companies		3,238	790
Other current liabilities		6,092	1,358
Accruals and deferred income		2,813	4,864
Total current liabilities		15,260	7,012
Total liabilities		53,652	39,124
Total equity and liabilities		62,363	42,677

Parent company – Cashflow statement

(KSEK)	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Operating activities				
Operating profit	-660	-2,287	-4,771	-12,403
Adjustment for non-cash items	16	-3,586	238	-3,585
Cash flow before changes in working capital	-644	-5,873	-4,533	-15,988
Change in operating receivables	-868	-5,183	-26,290	-31,959
Change in operating liabilities	550	255	6,168	373
Total change in working capital	-318	-4,928	-20,122	-31,586
Cash flow from operating activities	-962	-10,801	-24,655	-47,574
New issue	-	-	-	1,269
Loan facility drawdowns net of issuance costs – Note 5	-	-	13,612	45,052
Director loans net of issuance costs – Note 5	-	-	1,425	-
New issue, warrants	-	87	-	87
Interest paid	-370	-	-373	-29
Interest received	19	339	20	341
Payment of lease liabilities	-60	-	-236	-
Cash flow from financing activities	-411	87	14,448	46,408
Cash flow for the period	-1,373	-10,375	-10,207	-854
Cash and cash equivalents at the beginning of the period	1,537	20,746	10,371	11,225
Exchange rate difference on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the period	164	10,371	164	10,371

Parent company – Changes in Equity

(KSEK)	Share capital Note 6	Share premium reserve	Reserves	Retained earnings	Profit/loss for the period	Non- controlling interests	Total
Opening balance on 1 January 2023	1,703	414,175		-113,799	-293,472		8,607
Profit/loss for the year	-	-		-2,93,472	2,93,472		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
Equity on 31 December 2023	2,470	432,830	-	-407,184	-24,563	-	3,553
Opening balance on 1 January 2024	2,470	432,830	-	-407,184	-24,563	-	3,553
Previous year's result	-	-	-	-24,536	24,536		-
Loss for the year	-	-	-	-	-5,987		-5,987
Capital reduction	-2,379	2,379	-	-	-		-
Fair value of warrants issued	-	174	-	-	-		174
Conversion of convertibles less transaction costs	782	10,218	-	-	-30		10,970
Equity on 31 December 2024	873	445,610	-	-431,747	-6,017	-	8,711

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:

(KSEK)	Parent company			
	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Other external costs	176	4,919	10,754	18,936
Personnel costs	2,129	1,800	5,821	6,350
Total COGS, R&D, Sales and Administrative costs	2,305	6,719	16,575	25,286
(KSEK)	Group			
	2024 Oct - Dec	2023 Oct-Dec	2024 Jan - Dec	2023 Jan - Dec
Raw materials and consumables	56	-15	-57	1,227
Other external costs	1,801	5,962	13,765	25,530
Personnel costs	2,131	2,820	9,879	17,334
Depreciation	3,403	3,696	14,272	16,517
Release of capitalized costs	18,872	-	18,872	-
Total COGS, R&D, Sales and Administrative costs	26,263	12,463	56,731	60,608

The release of capitalized costs in Q4 2024 relates to previously capitalized raw materials and external development costs in connection with RADX project in the US subsidiary. The majority of these costs were capitalized within 2024.

Within personnel costs, there were SEK 600k accruals for board members fees relating to 2024, of which none have been paid at the reporting date.

NOTE 4 - FINANCE COSTS

(KSEK)	Parent company			
	2024	2023	2024	2023
	Oct - Dec	Oct-Dec	Jan - Dec	Jan - Dec
Interest on debt instruments	-2,424	-1,591	-7,480	-5,366
Translation of financial instruments	-1,722	-5,451	-6,059	-11,782
Transaction fee costs on debt extinguishment	-	-	-2,369	-
Fair value adjustments	-381	-4,472	5,545	-4,472
Lease interest	-	-	-	-
Other	-29	-2	-227	-28
Total	-4,556	-11,516	-10,590	-21,648
(KSEK)	Group			
	2024	2023	2024	2023
	Oct - Dec	Oct-Dec	Jan - Dec	Jan - Dec
Interest on debt instruments	-2,456	-1,601	-7,512	-5,405
Translation of financial instruments	2	-6,151	-	-12,490
Transaction fee costs on debt extinguishment	-	-	-2,369	-
Fair value adjustments	-381	-4,472	5,545	-4,472
Lease interest	-16	-6	-84	-47
Other	-9	-14	-260	-60
Total	-2,860	-12,244	-4,680	-22,474

During the year there have been fair value adjustments to debt owed of SEK5.5m. There was a gain on extinguishment of the existing convertible loan notes in Q2 2024, due to revised terms. This has resulted in a credit to the income statement of SEK7.4M (see Note 5 for more details of this transaction), off-set by other fair value adjustments of SEK1.9M. During Q3 and Q4 2024 there were fair value adjustments to debt owed under the convertible 2024/2026 facility, which has been re-measured due to conversions during the period, resulting in a charge of SEK1.9M.

NOTE 5 – LOANS AND BORROWINGS

(KSEK)	Parent company		Group	
	Dec 2024	Dec 2023	Dec 2024	Dec 2023
Directors' Loan	3,117	-	3,117	-
Interest bearing loans and overdrafts	-	-	2,287	-
Total current Loans and borrowings	3,117	-	5,404	-
Convertible notes	26,008	32,112	26,008	32,112
Loan facility	9,884	-	9,884	-
Interest bearing loans*	-	-	2,125	3,079
Total non-current Loans and borrowings	35,892	32,112	38,017	35,191

*In Dec 2023 statements, this item was presented as "Other long term debts". As this is an interest bearing financial instrument to a credit institution, this has been described as "Loans and borrowings" in the current year.

Current loans and borrowings

In September 2024, the Company raised SEK 3M loan funding net of 5% commitment fees, through short term loan notes issued to 2 directors, Fredrik Häglund and Michael Schwartz. The loans accrue compound interest of 2.0% per month and are repayable in cash on 30 March 2025. The loan had a calculated discount rate of 40.6%. Half of the net proceeds were paid directly to wholly owned subsidiary Abreos Biosciences LLC, resulting in a net cashflow to the Company of SEK1.425M.

Non-current loans and borrowings

In March 2023, the Company raised a convertible loan of nominal SEK 55M through a directed issuance of 550 convertible bonds. The convertible bonds accrue zero interest and had an initial term until 20 January 2025, unless they are converted into shares before that date at the holder's request. At inception an equity component was identified, being T3 and T4 warrants that were issued alongside the convertible notes. These were fair valued using the Black Scholes model, and an equity component of SEK 8M was recognised directly within equity. The amortised cost of the residual loan note liability at inception had a calculated discount rate of 23.1%.

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

- The term was extended by 12 months to January 2026
- 2.585m outstanding T3 and T4 warrants were terminated
- a reduction of the minimum conversion amount for each individual request for conversion

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

the existing notes, and replacement with new notes. Following the extinguishment, a gain was recognized in the income statement of SEK 7.4M. The present value of the new convertible notes was calculated using a discount rate of 27.1%.

A new 36-month SEK 45M secured loan facility was also agreed in April 2024. The facility accrues no interest. Repayment shall either be in cash or in set-off against newly issued shares. At December 2024, tranches of the facility corresponding to SEK 17.5M have been called down. Calls for funding are paid net of a 10% transaction fee by the Lender. SEK 25M of the facility has been secured by floating charge. The present value of the loan call has been calculated using a discount rate of 28.6%.

A transaction fee of SEK 7M is payable to the lender for the issue of the new loan facility, terminating the outstanding warrants and for amending the terms of the convertible loan notes. If the market value of the Transaction Fee Shares falls below SEK 1M 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 SEK 7M. This has been identified as an equity instrument, but at the balance sheet date the likelihood of this "top-up" clause being triggered is judged as remote and not all Transaction Fee Shares have been issued in any case, and therefore has been assessed as having nil value at 31 December 2024, but will be assessed at each balance sheet date.

During the year to December 2024, 12,667,902 transaction shares were issued with an equivalent value of SEK 4.5M. At the end of the fourth quarter, there is a liability included within other non-current liabilities for the remaining SEK 2.5M transaction shares.

NOTE 5 – LOANS AND BORROWINGS continued

Loan and borrowings movement reconciliation:

	Opening balance 1 January	Finance charge	Interest paid	Reclass	Payments/ Receipts (paid net of lender issue costs only)	Closing balance 31 December
(KSEK)						
Directors loan	-	267	-	-	2,850	3,117
Interest bearing loans and overdrafts	-	32	-7	1,063	1,199	2,287
Total current Loans and borrowings	-	299	-7	1,063	4,049	5,404

	Opening balance 1 January	Finance charge	Recognition/ (derecognition) of debt	Reclass	Foreign exchange	Fair value adj.	Conversion to ordinary shares	Net drawdowns from lender**	Other capitalised transaction on fees*	Closing balance 31 December
(KSEK)										
Convertible notes – 2023/2025	32,112	1,707	-33,819	-	-	-	-	-	-	-
Convertible notes – 2024/2026	-	4,234	26,434	-	-	1,840	-6,500	-	-	26,008
Loan facility – 2024/2027	-	1,272	-	-	-	-	-	15,750	-7,138	9,884
Interest bearing loan	3,079	-	-	-1,063	109	-	-	-	-	2,125
Total non-current Loans and borrowings	35,191	7,213	-7,385	-1,063	109	1,840	-6,500	15,750	-7,138	38,017

*Other capitalised transaction fees include transaction fee shares, legal fees and broker fees. Please see next table for analysis.

Cash receipts from loan facility drawdowns in 2024:

	(KSEK)
Drawdowns	17,500
Lender fees	(1,750)
**Net drawdowns from lender	15,750
Broker commission	(1,216)
Legal fees	(922)
Loan facility drawdowns net of issuance costs	13,612
Transaction fee shares	(5,000)
Finance charge	323
Amortisation of capitalised transaction fees	949
Closing debt value of loan facility 2024/2027	9,884

In 2023 the Company raised SEK55m from Atlas Opportunities LLC, before issue costs. During 2023 there were SEK15m conversions of this debt. The debt was re-negotiated in early 2024. The net effect of drawdowns and conversions in 2024 has been to increase the gross liability to Atlas from SEK40m to SEK51m.

NOTE 6 – SHARE CAPITAL

	Group and Parent Company		Group and Parent Company	
	Number		KSEK	
	Dec 2024	Dec 2023	Dec 2024	Dec 2023
Opening balance 1 January	30,876,872	21,283,848	2,470	1,703
New issue from loan conversion and allocation of transaction shares	31,462,571	9,593,024	782	767
Capital reduction	-	-	-2,379	-
Share Capital at 31 December	62,339,443	30,876,872	873	2,470

In Q4 2024, there was an issue of 13,090,908 shares, corresponding to SEK183k.

During the year there was a capital reduction, as approved by the AGM in June 2024, to reduce the quota value of an ordinary share to SEK0.014, from SEK 0.08. The reduction in share capital has been allocated to non-restricted equity under share premium. At 31 December 2024 there were 10.25M warrants for ordinary shares outstanding (December 2023: 4.035M). During the period, 2.6M warrants relating to Atlas were terminated, see Note 5, and a further 0.7M warrants were cancelled.

In August 2024, 9.5M warrants were issued to DHS, a key supplier. These warrants were free of charge warrants, with a subscription price of SEK0.50, issued in exchange for revising commercial terms. The subscription period for the warrants is 17 January 2025 to 30 September 2025. These were valued using a dilutive Black-Scholes model and were valued at SEK 0.174M. This has been recorded as an expense within finance costs in the year (recorded in the "Other" category in Note 4), with a corresponding increase in equity. These warrants were waived post year end, however, see Note 9.

NOTE 7 – PRIOR PERIOD ERROR CORRECTION

In Q3 and Q4 of 2023, additional amortisation was recorded on assets that were already fully depreciated. The impact of this is a SEK1.6M understatement of assets and retained earnings at 31 December 2024. The errors have been corrected by restating each of the affected financial statement lines for the prior period. The error only affects the consolidated figures.

KSEK	Group		
	Dec 2024	Adjustment	Restated Dec 2024
Assets:			
Intangible assets	34,534	1,621	36,155
Equity:			
Retained earnings	-1,453	1,621	168

NOTE 8 – 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 2023.

NOTE 9 – POST BALANCE SHEET EVENTS

On 20 January 2025, the Company announced its intention to carry out a rights issue to raise proceeds of approximately SEK26m by issue of ordinary shares. The issue is necessary to strengthen the working capital of the Company, to ensure continued operations, and to advance the initial phase of the Group's oral health project. Members of the Board have provided subscription commitments, without preferential rights, to support the issue including a top down guarantee of SEK4.6M.

The Rights Issue requires an amendment of the articles of association, so that the Board of Directors of the Company could be granted authorization to resolve on the rights issue. This authorisation was granted to the Board at an extraordinary general meeting on 24 February 2025.

On 28 January 2025, the Company terminated its existing agreement with supplier DHS, which included the waiver of 9,500,000 warrants.

On 3 March 2025, a settlement was agreed between Magnasense Technologies Oy, a wholly owned subsidiary of Magnasense AB, and Salofa Oy, in respect of a legal action brought by Magnasense Technologies Oy during the 2024.

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

Marco Witteveen
Chief Executive Officer

William Vickery
Board member

Fredrik Häglund
Board member

William Ferenczy
Board member

Michael Schwartz
Board member



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