



MAGNASENSE INTENDS TO CARRY OUT A RIGHTS ISSUE OF UNITS OF APPROX. SEK 26M TO DEVELOP SALIVA-BASED DIAGNOSTICS AS AN ALTERNATIVE TO BLOOD TESTING, AND BRING FORWARD THE PUBLICATION OF THE Q4 2024 REPORT

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The Board of Directors of Magnasense AB ("Magnasense" or the "Company") hereby announces the intention to carry out an issue of units, consisting of shares and free of charge warrants, with preferential rights for the Company's existing shareholders (the "Rights Issue"). Upon full subscription in the Rights Issue, the Company can receive proceeds of approximately SEK 26 million before deduction of issue costs and set-offs. If the attached warrants are exercised for subscription of new shares, the Company may receive additional capital. Members of the Board of Directors have provided subscription commitments with and without preferential rights and free of charge top-down guarantee commitments (the "Top-down guarantee") totalling approximately SEK 4.6 million, corresponding to approximately 18 percent of the Rights Issue. All commitments from members of the Board of Directors are conditional upon the Company reaching an agreement with Atlas Special Opportunities, LLC ("Atlas") regarding management of all or part of the outstanding debt to Atlas in order to strengthen the Company's financial position. The proceeds from the Rights Issue are intended to strengthen working capital to ensure continued operations and advance the initial phase of the oral health project. The Rights Issue requires an amendment of the articles of association and that the Board of Directors of the Company receives authorization to resolve on the Rights Issue, which is proposed to be decided at an extraordinary general meeting planned to be held in the end of February 2025 (the "Extraordinary General Meeting"). Notice of the Extraordinary General Meeting will be published through a separate press release. The Rights Issue, including complete terms and conditions, is expected to be resolved by the Board of Directors pursuant to the authorization at the end of February 2025. In connection with the Rights Issue, the Company has decided to bring forward the publication of the interim report for Q4 2024 from 28 March 2025 to 5 March 2025.



Summary of the Rights Issue

- The Board of Directors of Magnasense announces its intention to carry out the Rights Issue of units of approximately SEK 26 million before deduction of issue costs and set-offs. In the event that the attached warrants are exercised for subscription of new shares, the Company may receive additional capital.
- The Extraordinary General Meeting is planned to be held at the end of February 2025 and is proposed to decide on an amendment of the articles of association and to authorize the Board of Directors to resolve on the Rights Issue and its terms and conditions. Notice of the Extraordinary General Meeting will be published in a separate press release.
- The Board of Directors is expected to resolve on the Rights Issue, including complete terms and conditions such as subscription price and number of new securities, in the end of February 2025, with support of the authorization granted by the Extraordinary General Meeting.
- The proceeds from the Rights Issue are intended to strengthen working capital to ensure continued operations and advance the initial phase of the oral health project.
- The right to subscribe for units shall, with preferential rights, be granted to those who are registered as shareholders on the record date for the Rights Issue, whereby unit rights are received for shares held. Received unit rights will entitle to subscription of new shares and free of charge warrants.
- The subscription price in the Rights Issue, as well as the terms and conditions of the attached warrants, is intended to be determined by the Company's Board of Directors in consultation with the financial advisor. The warrants are issued free of charge and are intended to be admitted to trading on Nasdaq First North Growth Market.
- The subscription period in the Rights Issue is expected to run from and including 6 March 2025 up to and including 20 March 2025.
- The Rights Issue is covered to approximately 18 percent by subscription and guarantee commitments. Subscription commitments with and without preferential rights have been provided by the board members Fredrik Häglund, Michael Schwartz, William Ferenczy, and William Vickery, which together amount to approximately SEK 1.2 million or approximately 5 percent of the Rights Issue. The free of charge Top-down-guarantee amounts to approximately SEK 3.4 million or approximately 13 percent of the Rights Issue and has been provided by the board members Fredrik Häglund and Michael Schwartz in their capacity as lenders. To the extent that the Top-down-guarantee needs to be utilized, payment will be made through set-off of the loans (including interest) obtained and communicated by the Company on 26 September 2024. If the Top-down-guarantee is not utilized within the scope of the Rights Issue, the lenders have expressed their intention to allow the loans (including interest) to remain with deferred repayment to support the Company's financial position.
- All commitments from members of the Board of Directors are conditional upon the Company reaching an agreement with Atlas regarding management of all or part of the outstanding debt to Atlas in order to strengthen the Company's financial position.



- In the event that not all units are subscribed for with support of unit rights, the Board of Directors shall resolve on the allocation of remaining units within the maximum amount of the Rights Issue as follows:
 - i. in the first instance, allotment shall be made to those who have also subscribed for units with the support of unit rights and have indicated that on the application form, regardless of whether they were shareholders on the record date or not, and, in the event of oversubscription, allotment shall be made pro rata in relation to the number of units subscribed for with the support of unit rights, and, insofar as this is not possible, by drawing of lots,
 - ii. secondly, allotment shall be made to others who have only applied for subscription of units without the support of unit rights and who are not covered by i) above, regardless of whether they were shareholders on the record date or not, and, in the event of oversubscription, allotment shall be made pro rata in relation to the number of units that each person has applied for subscription, and, insofar as this is not possible, by drawing of lots,
 - iii. thirdly, allotment of any remaining units shall be made to those who have provided guarantee commitments, in proportion to such guarantee commitment (in relation to the other guarantee commitments provided).
- Due to the Rights Issue, the Company has decided to bring forward the publication of the interim report for Q4 2024 from 28 March 2025 to 5 March 2025.

Background and motive

Magnasense has become a leading developer of saliva-based testing for disease as an alternative to blood testing. Saliva-based diagnostics offer a non-invasive, cost-effective, and highly convenient way to detect and monitor a wide range of health conditions, from diseases to systemic issues like diabetes and cancer. With easy sample collection, faster results, and the potential for early detection, Magnasense's technology is poised to transform healthcare by making testing more accessible, efficient, and patient-friendly, driving both better outcomes and lower costs. Magnasense's innovative product platform enables the creation of integrated, user-friendly saliva-based tests for personalized diagnostics and monitoring.

Following a portfolio review, the Company is strategically concentrating its initial work on developing diagnostics to address critical gaps in oral health, building on the expertise and insights gained from previous projects and partnerships like RADx. This shift also marks a transition in focus from home-use diagnostics to professional use, aligning with shorter time-to-market opportunities in the oral health domain.

Periodontitis is a serious gum disease that happens when the gums and the bones supporting the teeth become infected. It starts as gingivitis, a mild gum irritation, but if not treated, it can get worse, causing the gums to pull away from the teeth, form pockets of infection, and eventually lead to tooth loss. Periodontitis is affecting over 1 billion people, with severe cases being the 6th most common disease worldwide. It impacts 45-50 percent of adults over 30, and 11 percent of



the global adult population suffers from severe forms. The condition is linked to a higher risk of stroke, heart disease, diabetes, and respiratory issues. Diabetes, affecting 537 million adults globally, increases the likelihood of periodontitis by 2-3 times, and conversely, periodontitis can worsen blood glucose control in diabetics.

Diagnosing periodontitis remains a clinical challenge. A simple, cost-effective saliva test could revolutionize the assessment of oral health, aligning with Magnasense's mission to leverage innovative diagnostics for diseases like periodontitis and diabetes.

By focusing on saliva testing for the oral health market, Magnasense has been able to streamline its operations to significantly reduce costs.

The intended Rights Issue, together with successful management of outstanding debt, is critical for fulfilling the Company's obligations and advancing the oral health project. The proceeds will allow Magnasense to start working on the product's design and development, which will extend through the end of 2025. This phase is essential for establishing a strong foundation for the project. The full product development stages are as follows:

1. Design & Development
2. Verification
3. Transfer to Manufacturing
4. Validation
5. Regulatory Approval & Market Release

If the Rights Issue is fully subscribed, the Company will receive approximately SEK 26 million before deduction of issue costs and set-offs. The proceeds are intended to be used for the following purposes:

- Strengthen working capital to ensure continued operations
- Advance the initial phase of the oral health project

The subscription level of the Rights Issue will influence the extent to which the Company can progress the oral health project without external support. To complement this funding, Magnasense is actively pursuing grants and strategic partnerships with key stakeholders in the oral health sector to accelerate development and optimize resource allocation.

The attached warrants in the Rights Issue offer an opportunity for future capital injection, essential for advancing the next phases of oral health product development and supporting the Company's broader long-term objectives.

The vision is to establish Magnasense as a leader in saliva-based diagnostics, starting with the transformative oral health initiative. By leveraging insights gained from past projects funded by the National Institutes of Health (NIH), fostering cost-effective partnerships, and aligning the Company's innovations with market demands, Magnasense aim to drive sustainable growth, strengthen its competitive position, and create lasting value for shareholders.



Indicative timetable for the Rights Issue

The timetable is indicative and dates are subject to change.

In the end of February 2025: Extraordinary General Meeting

In the end of February 2025: Board of Directors' resolution on the Rights Issue including terms

28 February 2025: Last day of trading in shares including right to receive unit rights

3 March 2025: First day of trading in shares excluding right to receive unit rights

4 March 2025: Record date in the Rights Issue

5 March 2025: Estimated date of publication of information memorandum

6 March – 20 March 2025: Subscription period

6 March – 17 March 2025: Trading in unit rights

6 March 2025: First day of trading in paid subscribed units (BTU)

24 March 2025: Preliminary date for announcement of the outcome in the Rights Issue

Extraordinary General Meeting

The Extraordinary General Meeting is planned to be held at the end of February 2025 to decide on the authorization that will form the basis for the Board of Directors' resolution on the Rights Issue and its terms and conditions. Furthermore, the Extraordinary General Meeting is intended to decide on amendments to the articles of association, in accordance with the Board of Directors' proposal. Notice of the Extraordinary General Meeting will be published through a separate press release.

Subscription and guarantee commitments

The Company has received subscription and guarantee commitments amounting to approximately SEK 4.6 million, corresponding to approximately 18 percent of the Rights Issue.

The subscription commitments with and without preferential rights have been provided by the board members Fredrik Häglund, Michael Schwartz, William Ferenczy, and William Vickery, which in total amounts to approximately SEK 1.2 million or approximately 5 percent of the Rights Issue. The Top-down-guarantee amounts to approximately SEK 3.4 million or approximately 13 percent of the Rights Issue and has been provided free of charge by the board members Fredrik Häglund and Michael Schwartz in their capacity as lenders. To the extent that the Top-down-guarantee needs to be utilized, payment will be made through set-off of the loans (including interest) obtained and communicated by the Company on 26 September 2024. Guarantee commitments under the Top-down-guarantee will be forfeited if the Rights Issue is subscribed to 100 percent or more. The Top-down-guarantee is added to the current subscription level and aims to ensure the subscription of the last part of the Rights Issue in case the Rights Issue is not fully subscribed. In this way, the guarantee commitment is not relieved as in the case of a guarantee structure agreed up to a certain level of a rights issue (such as a so-called bottom-up guarantee). If the Top-down-guarantee is not utilized within the scope of the Rights Issue, the lenders have expressed their intention to allow the loans (including interest) to remain with



deferred repayment to support the Company's financial position. Neither the subscription commitments nor the guarantee commitments are secured by bank guarantees, restricted funds, pledging, or similar arrangements. No compensation is paid for the subscription commitments or commitments under the Top-down-guarantee.

All commitments from members of the Board of Directors are conditional upon the Company reaching an agreement with Atlas regarding management of all or part of the outstanding debt to Atlas in order to strengthen the Company's financial position.

Bringing forward publication of the interim report for Q4 2024

Due to the Rights Issue, the Company has decided to bring forward the publication of the interim report for Q4 2024 from 28 March 2025 to 5 March 2025 to enable insiders to participate in the Rights Issue.

Information memorandum

Complete terms and conditions for the Rights Issue and other information about the Company will be provided in the information memorandum that is expected to be published by the Company before the subscription period commences.

Comment surrounding the financing agreements with Atlas

The Company has previously entered into agreements with Atlas regarding a loan facility and an amendment of the terms and conditions of outstanding convertible bonds of series 2023/2026 (the "**Convertible Bonds**"), which were communicated to the market on 9 April 2024 (the "**Financing Agreements**"). In accordance with the loan facility agreement with Atlas, the Company can call for loans in seven (7) tranches (the "**Tranches**" or each a "**Tranche**") in an aggregate nominal amount of SEK 45 million before deduction of set-up fee (the "**Loan Facility**") and transaction costs.

Magnasense has previously called for the issuance of Tranche 1, 2 and partially 3 in accordance with the press releases issued on 13 May 2024, 30 May 2024, 18 July 2024 and on 20 September 2024, respectively. The outstanding Loan Facility amounts to SEK 17.5 million, which means that SEK 27.5 million remains of the Loan Facility for the Company to call on. SEK 33.5 million of the Convertible Bonds remain (including requested but not yet executed conversions of SEK 1.50 million) and SEK 2.5 million of the transaction fee remains.

Due to the announced Rights Issue, the Company intends to enter into negotiations with Atlas with the aim of improving the Company's financial position and flexibility. All commitments from members of the Board of Directors are conditional upon the Company reaching an agreement with Atlas regarding management of all or part of the outstanding debt to Atlas in order to strengthen the Company's financial position.

**Advisors**

Eminova Partners Corporate Finance AB acts as financial advisor and Moll Wendén Advokatbyrå AB acts as legal advisor in connection with the Rights Issue. Eminova Fondkommission AB acts as the issue agent.

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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



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Information for distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Magnasense have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Magnasense may decline and investors could lose all or part of their investment; the shares in Magnasense offer no guaranteed income and no capital protection; and an investment in the shares in Magnasense is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Magnasense.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Magnasense and determining appropriate distribution channels.

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.



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