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MAGNASENSE ENTERS INTO A CONDITIONAL SETTLEMENT AGREEMENT WITH ATLAS SPECIAL OPPORTUNITIES, TERMINATING ALL PRIOR AGREEMENTS AND SETTLING ALL EXISTING CLAIMS THROUGH AN INTENDED DIRECTED ISSUE

Magnasense AB ("Magnasense" or the "Company") today announces that the Company has entered into a conditional settlement agreement with Atlas Special Opportunities, LLC. ("Atlas"), under which all prior agreements with Atlas are terminated and all of Atlas' existing claims against the Company are settled (the "Settlement Agreement"). As previously announced, the Company entered into a SEK 45 million loan facility agreement (the "Loan Facility"), under which the Company could call loans in tranches, and agreements to amend the terms and conditions (the "Amendment Agreement") of the outstanding convertible bonds of series 2023/2026 (the "Convertible Bonds") with Atlas. The Loan Facility, the Amendment Agreement, the Convertible Bonds and any other outstanding claim that Atlas has, or may assert under previous agreements, against the Company will be set off against 17,722,664,794 ordinary shares in Magnasense at a subscription price of SEK 0.002426 per share (the "Settlement"). The Settlement shall be effected and completed in connection with the Extraordinary General Meeting (the "EGM") resolving on and approving, inter alia, Subgen AI Limited's planned reverse takeover of Magnasense as announced on 22 July 2025 (the "Subgen Transaction"). The notice of the EGM will be published through a separate press release. In connection with the Settlement Agreement, Magnasense and Subgen AI Limited have agreed not to pursue the requirement that a third-party investor assume responsibility for, and contractually agree to pay on behalf of the Company, the administrative fine issued by the Swedish Financial Supervisory Authority on 25 June 2025.



About the Settlement

Magnasense has today, as part of advancing the Subgen Transaction, entered into a Settlement Agreement with Atlas to terminate all prior agreements with Atlas and to set off the outstanding debt under the Loan Facility, the Amendment Agreement, the Convertible Bonds and any other outstanding claim that Atlas has, or may assert under previous agreements, against Magnasense. After the Settlement, Atlas will have set off any and all claims or other rights whatsoever against the Company and its subsidiaries. Through the Settlement, Atlas will set off all existing claims against 17,722,664,794 ordinary shares in Magnasense at a subscription price of SEK 0.002426 per share. The subscription price is based on the Loan Facility. The Settlement shall be effected and completed in connection with the EGM resolving on and approving the changes to the capital structure of the Company, the Subgen Transaction and upon Atlas receiving the Settlement shares free from any encumbrances. If the Settlement is not satisfactorily effected, or if the Subgen Transaction is not completed by 31 December 2025, then the Settlement Agreement will be terminated and all existing agreements between Magnasense and Atlas shall be reinstated whereby Atlas shall be entitled to exercise all rights and remedies in accordance with such reinstated agreements.

Considerations of the Board of Directors

The Company's Board of Directors has carefully investigated the conditions for a rights issue to achieve the anticipated outcome and impact on the Company's capital structure pursuant to the Settlement. The Board of Directors' assessment was that the Company, especially taking into account the Company's existing capital structure, could not fulfil its capital requirements in any other way than through the Settlement Agreement with Atlas together with the planned Subgen Transaction. The Board of Directors has assessed that a rights issue would require significant underwriting commitments from an underwriting consortium, which has not been deemed possible for the Company to obtain. In addition, the Subgen Transaction is conditional upon the Settlement. The Board of Directors' overall assessment is thus that the reasons for entering into the Settlement Agreement and subsequently carrying out the Settlement with Atlas outweigh the reasons that justify the main rule of issuing shares with preferential rights for existing shareholders, and that a new share issue with deviation from the shareholders' preferential rights in accordance with the Settlement Agreement is in the interest of the Company and all shareholders, ultimately progressing the planned Subgen Transaction. The reason why the issue is directed to an existing shareholder is to settle the debt that Magnasense has towards Atlas which has become a shareholder through previously completed share issues resolved to fulfil the Company's obligations to Atlas under the Loan Facility, the Convertible Bonds and the Amendment Agreement.

The basis for the calculation of the subscription price has, in consultation with a financial advisor and by analysing the Company's existing indebtedness and several market factors, been determined through arm's length negotiations with Atlas upon entering the Loan Facility. It is the Board of Directors' assessment that the subscription price hence reflects the current market conditions as well as demand and that it thereby is market-based.

**Application for continued listing on Nasdaq First North Growth Market**

The Subgen Transaction, of which the Settlement Agreement is a part, will entail a significant change in Magnasense's operations, "change of identity", and, due to this, a new listing process is required for Magnasense on Nasdaq First North Growth Market. Magnasense has initiated 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 Settlement with Atlas in accordance with the Settlement Agreement is subject to approval by an Extraordinary General Meeting in Magnasense. The EGM, expected to be held in early November 2025, intends to resolve on, inter alia, changes to the Articles of Association and share classes in the Company, the Subgen Transaction and the issue of shares as part of the Settlement. In accordance with the Board of Directors' planned proposals, the Company will have 498,987,606,931 class A shares and 519,449,763,052 ordinary shares after the Subgen Transaction and the Settlement, of which Atlas will hold 17,722,664,794 ordinary shares, equal to approximately 1.7 percent of the outstanding share capital of the Company.

As the Settlement is planned to occur in connection with the Subgen Transaction, Atlas will not reach the mandatory bid threshold and as such no mandatory bid exemption will be required by Atlas.

As part of the Settlement Agreement, Atlas has undertaken to vote in favour of any resolutions required to effect the Settlement and to take all actions and execute all documents necessary for its completion.

The notice of the EGM will be published through a separate press release.

Update on condition precedent for the Subgen Transaction

With reference to the conditions precedent for the Subgen Transaction as announced on 22 July 2025, Magnasense and Subgen AI Limited have agreed not to pursue the requirement that a third-party investor assume responsibility for, and contractually agree to pay on behalf of the Company, the administrative fine issued by the Swedish Financial Supervisory Authority on 25 June 2025. Although proposals to this effect have been considered, the parties have jointly assessed that the anticipated financial capacity of the relisted entity following the planned Subgen Transaction to meet such obligation, should it arise, together with the possibility of a positive outcome following the appeal filed with the Administrative Court in Stockholm on 14 July 2025, outweighs the benefits of securing a third-party arrangement at this stage.

For further information, please contact:

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Magnasense'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 2025-09-29 22:36 CEST.