



## **MAGNASENSE AB CARRIES OUT PREVIOUSLY ANNOUNCED DIRECTED SHARE ISSUE OF 6,115,662 SHARES TO ATLAS SPECIAL OPPORTUNITIES FOLLOWING CALLED UPON CONVERSIONS OF SEK 2.50 MILLION**

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The board of directors of Magnasense AB ("Magnasense" or the "Company") has today, based on the authorisation from the annual general meeting 2024 and in accordance with the press release issued on 1 July 2024, resolved on a directed share issue to Atlas Special Opportunities, LLC ("Atlas") of a maximum of 6,115,662 shares at a subscription price of SEK 0.484 per share (the "Directed Issue"). The purpose of the Directed Issue and the reason for the deviation from the shareholders' preferential rights is to fulfil the Company's commitment to Atlas pursuant to the agreements entered into regarding a loan facility and an amendment of the terms and conditions of outstanding convertible bonds of series 2023/2026 (the "Convertible Bonds"), respectively, which were communicated to the market on 9 April 2024 (the "Financing Agreements"). All shares issued through the Directed Issue have been subscribed for and allocated. 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 45.00 million before deduction of set-up fee (the "Loan Facility") and transaction costs. Magnasense has previously called for the issuance of Tranche 1 and 2 in accordance with the press releases issued on 13 May 2024 and on 30 May 2024, respectively. The outstanding Loan Facility amounts to SEK 12.50 million, which means that SEK 32.50 million remains of the Loan Facility for the Company to call on.

### **The Directed Issue**

Magnasense has previously announced that the Company has entered into the Financing Agreements and that the Company will carry out the Directed Issue. For more information on the Financing Agreements, readers are referred to the press release dated 9 April 2024 ("AegirBio enters into a conditional agreement on a MSEK 45 loan facility with Atlas Special Opportunities and an agreement to amend the outstanding convertible bonds, subject to EGM approval). In



accordance with the press release on 9 April 2024, a transaction fee of SEK 7.00 million is payable to Atlas for the issuance of the Loan Facility, the extension of outstanding Convertible Bonds and the termination of outstanding warrants of series TO4, to be paid by set-off against newly issued shares in Magnasense. As further announced in the press release on 9 April 2024, Atlas has the right to call for conversion of outstanding debt in directed issues of all or part of the nominal amount of the called Tranches, the nominal amount of the outstanding Convertible Bonds and the transaction fee up to and including the respective maturity date.

In view of the above, the board of directors of Magnasense has today resolved on the Directed Issue, of which approximately SEK 2.50 million corresponds to requested conversions and approximately SEK 0.46 million corresponds to part of the outstanding transaction fee. The issue proceeds are intended to be paid in full by Atlas through set-off. As part of the Directed Issue, Convertible Bonds corresponding to SEK 2.5 million will be terminated. After the completion of the Directed Issue and the termination of the Convertible Bonds, SEK 37.50 million of the Convertible Bonds remain and SEK 4.00 million of the transaction fee remains. The purpose of the issue and the reason for the deviation from the shareholders' preferential rights is to fulfil the Company's obligations towards Atlas under the Financing Agreements. All shares issued through the Directed Issue have been subscribed for and allocated.

In accordance with the Financing Agreements, the subscription price per share in the Directed Issue has been set at a weighted price of SEK 0.484, corresponding to 100.00 per cent of the lowest daily volume-weighted average price according to Nasdaq First North Growth Market's price list for the share in the Company during the fifteen (15) trading days preceding each receipt of conversion request, respectively, in relation to the size of each conversion request, respectively. The method for calculating the subscription price in the share issue has, in consultation with a financial advisor and through analysis of the Company's capital structure and several market factors, been determined through arm's length negotiations with Atlas. It is the board of directors' assessment that the subscription price through this procedure reflects current market conditions and demand and that it thereby is market-based.

#### **The board of directors' considerations**

Prior to the decision to enter into the Financing Agreements, the Company's board of directors has, together with a financial advisor, carefully investigated the conditions for a rights issue to raise the necessary capital. The board's assessment is that the Company currently, cannot meet its' capital needs in any other way than through the Financing Agreements with Atlas. The board of directors has together with a financial advisor assessed that a rights issue would require significant guarantee commitments from a guarantee syndicate, which has not been deemed possible for the Company to obtain. In addition, a rights issue would probably have been carried out at a significantly lower subscription price than that which Atlas will be able to convert at in accordance with the terms and conditions of the Financing Agreements. The board of directors' overall assessment is thus that the reasons for entering into the Financing Agreements and



subsequently carrying out directed share issues to Atlas in this way outweigh the reasons that justify the main rule of issuing shares with preferential rights for existing shareholders, and that share issues with deviation from the shareholders' preferential rights in accordance with the Financing Agreements thus are in the interest of the Company and all shareholders.

### **The Loan Facility**

The Loan Facility consists of seven (7) tranches with a total nominal amount of SEK 45.00 million. Magnasense has previously called for Tranche 1 and 2 corresponding to a total of SEK 12.50 million, which means that SEK 32.50 million remains of the Loan Facility for the Company to call on. Tranches drawn under the Loan Facility are interest-free and mature on 9 April 2027.

Atlas has the right to call for conversion of debt in directed issues of all or part of the nominal amount of the called Tranches and the transaction fee up to and including the maturity date. The minimum amount to convert is SEK 0.50 million. To facilitate the administration of the conversions, the parties have agreed that a new issue under the Loan Facility shall be made when Atlas has called for conversion in an aggregate amount of at least SEK 2.50 million or if the market value of the transaction fee shares is less than SEK 1.00 million. The Company will only announce conversions to the market when Atlas has called for conversions that lead to a new share issue.

The Loan Facility accelerates the Company's grant-funded RADx® project under the auspices of the National Institutes of Health ("NIH") aimed at developing a digital multiplex self-testing platform for individuals with disabilities. A successful execution of the Company's RADx® project will position the Company for potential additional grants from the NIH.

For more information on the Loan Facility, readers are referred to the press release dated 9 April 2024 ("AegirBio enters into a conditional agreement on a MSEK 45 loan facility with Atlas Special Opportunities and an agreement to amend the outstanding convertible bonds, subject to EGM approval").

### **Change in share capital, number of shares and votes and dilution**

The Directed Issue entails that the Company's share capital will increase by no more than SEK 85,619,268 to SEK 590,350,712. The number of shares and votes will increase by no more than 6,115,662 to 42,167,908. Carrying out the Directed Issue entails a dilution of approximately 14.50 per cent for existing shareholders in relation to the total number of 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. A prospectus will not be prepared in connection with the Directed Issue.

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.

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### **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",



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#### **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](http://www.magnasense.com).