FINANCIAL STATEMENTS

FOR MAGNETICA LIMITED AND ITS CONTROLLED ENTITIES

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Magnetica Limited
ACN 010 679 633
Units 3 & 4, 55 Links Avenue North
Eagle Farm QLD 4009
Australia
Tel: +61 7 3188 5445
https://magnetica.com

Magnetica Limited & Controlled Entities

MAGNETICA

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DIRECTORS' REPORT

Your directors present their report for the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of Magnetica Limited during the period and up to the date of this report:

Howard Stack (resigned 29 Jan 2021)
Philip Dubois (resigned 29 Jan 2021)
Charles Ho (resigned 29 Jan 2021)
Justin Schaffer (resigned 29 Jan 2021)
Richard Aird (resigned 29 Jan 2021)
Jonathan Schaffer (alternate to Justin Schaffer) (resigned 29 Jan 2021)
Thomas Stack (alternate to Howard Stack) (resigned 29 Jan 2021)
Duncan Stovell (appointed 29 January 2021)
Stuart Crozier (appointed 29 January 2021)
Steve McQuillan (appointed 29 January 2021)
Stephen King (appointed 29 January 2021)
Client Gouveia (appointed 29 January 2021)

REVIEW OF OPERATIONS

On 29 January 2021 Magnetica completed a merger transaction with UK-based Space Cryomagnetics Ltd (trading as Scientific Magnetics Ltd (SciMag)) and its wholly owned US-based subsidiary Tecmag Inc. The transaction also resulted in Avingtrans PLC (AVG), a UK based company listed on the AIM, becoming the majority shareholder in Magnetica. Whilst an event after the reporting period, the work leading up to this was a significant focus for Magnetica's management team and our Directors during the first half of the financial year.

SciMag designs, manufactures, tests and installs for academic research and commercial applications:

- bespoke superconducting magnet systems; and
- associated spectrometers and other instrumentation (through its US subsidiary, Tecmag Inc).

As such, the capabilities of Magnetica and SciMag are complementary, given Magnetica's existing capability to:

- design superconducting magnets;
- design and manufacture gradient coils; and
- design and manufacture Radio Frequency (RF) coils,

for clinical, research and pre-clinical applications.

On its own, Magnetica did not have the capability to manufacture superconducting MRI magnets and integrate subcomponents of MRI systems. Consequently, Magnetica was reliant on third parties to manufacture its MRI systems. SciMag has the capability to design, engineer and manufacture superconducting magnets and associated spectrometers used in MRI systems. However, on its own, SciMag did not have Magnetica's capability in relation to gradient coils and RF coils, or the know how to build an MRI system for clinical use.

Post merger the group now has the technical capability to design and manufacture the "balance of system" for use by clinicians, which until now was supplied by Magnetica's former integration partner. Further, the merged group has the internal technical capability to design and manufacture next-generation MRI systems in its own right, and the ability to commercialise its own systems globally, especially in the United Kingdom, Europe, the United States and Australia, being home markets for Magnetica post-merger.

This is an exciting opportunity for Magnetica to move up the value chain, having now become an Original Equipment Manufacturer (OEM) and seller of superconducting MRI systems in its own right.

DIRECTORS' REPORT (CONTINUED)

Australia based Magnetica remains the head entity post merger, headquartered in Brisbane. Over time we will move to a single Magnetica brand, encompassing all of the new and existing capabilities and the talented team, based over three continents, that has been brought together as a result of the merger.

Whilst the merger activities progressed during the first half of the financial year, the product development team continued to work hard on both developing the Extremity MRI system and establishing new manufacturing capabilities, underpinned by grant funding support from both the Australian Federal Government and the Queensland State Government. The ongoing funding support to Magnetica, and access to support and guidance from members of those Government teams, has been pivotal in enabling us to achieve what we have to date. All of these activities will serve us well into the future and fit seamlessly into our plans.

As part of the commercial transaction AVG has committed to provide up to £3.2M of additional equity funding (less any cash on hand in SciMag at completion) at an issue price of $0.15 per share. This funding, together with the existing revenue streams across SciMag, Tecmag, and to a lesser extent Magnetica, ensures the company has sufficient funds to execute the first part of its post-merger strategy during the remainder of calendar year 2021.

The merger sees a change to our Board of Directors, with all existing Magnetica Directors retiring from their roles, and new Directors being appointed from AVG, the SciMag management team and Magnetica management team, creating a board composition of both non-executive and executive Directors.

The tireless work undertaken by the now previous Board of Directors to nurture, support and promote Magnetica over the last 15+ years cannot be understated. A huge thank you goes out to Mr. Howard Stack (Board Chair and NED), Dr. Philip Dubois (NED), Dr. Charles Ho (NED), Mr. Justin Schaffer (NED), Mr. Richard Aird (NED) and Alternate Directors Mr. Jonathan Schaffer (NED) and Mr. Thomas Stack (NED) for their efforts, support, guidance and resilience. We pick up the baton here and will charge forward with it.

As always, the Directors, both new and previous, wish to acknowledge and thank our customers, partners, suppliers, shareholders and other stakeholders for their continued support and confidence in the Magnetica team as we move into a new and exciting phase of our journey to commercialise our market offerings and grow the company.

RESULTS OF OPERATIONS

Results for the half-year are summarised as follows:

	31 December 2020 $	31 December 2019 $
Profit/(loss) before income tax	5,543	(466,906)
Income tax expense	-	-
Net profit/(loss) for the period	5,543	(466,906)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than highlighted above, there were no significant changes in the state of affairs during the half-year.

MAGNETICA

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration has been received and can be found on page 5 of this financial report.

Duncan Stovell

Director

Brisbane, 14TH day of April, 2021

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

Level 4
240 Queen Street
BRISBANE QLD 4001

GPO Box 389
BRISBANE QLD 4001

07 3221 2416 **P**

hallchadwickqld.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Magnetica Limited and its controlled entities

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2020, there have been:

i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

HALL CHADWICK QLD

Clive Massingham
Director
HALL CHADWICK QLD

Signed at Brisbane this 14th day of April 2021.

HALL CHADWICK
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS | QLD

Level 4
240 Queen Street
BRISBANE QLD 4001
GPO Box 389
BRISBANE QLD 4001
07 3221 2416 P
hallchadwickqld.com.au

Independent Auditor's Review Report

To the members of Magnetica Limited and controlled entities

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Magnetica Limited and controlled entities which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Magnetica Limited does not comply with the Corporations Act 2001 including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HALL CHADWICK QLD

Clive Massingham
Hall Chadwick QLD
Chartered Accountants

Signed this 14th day of April 2021

MAGNETICA

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

   (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

   (b) complying with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in Brisbane this 14TH day of April 2021 in accordance with a resolution of the directors.

Duncan Stovell
Director

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 $	31 December 2019 $
Revenue	2	835,700	646,334
Expenses		(830,157)	(1,113,240)
Profit/(loss) before income tax expense		5,543	(466,906)
Income tax expense		-	-
Net profit/(loss) attributable to members of Magnetica Limited		**5,543**	**(466,906)**
Other comprehensive income		-	-
Total comprehensive income for the period attributable to members of Magnetica Limited		**5,543**	**(466,906)**

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	31 December 2020 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents		1,029,503	1,579,632
Trade and other receivables		17,000	16,676
Inventories		72,673	73,772
Other current assets		87,732	118,505
TOTAL CURRENT ASSETS		**1,206,908**	**1,788,585**
NON-CURRENT ASSETS			
Property, plant and equipment		520,417	192,742
Right of Use Asset	3	54,170	27,085
Intangible assets		6,284,043	5,856,892
TOTAL NON-CURRENT ASSETS		**6,858,630**	**6,076,719**
TOTAL ASSETS		**8,065,538**	**7,865,304**
CURRENT LIABILITIES			
Trade and other payables		361,933	164,706
Lease liabilities	3	54,170	27,085
Employee Benefits		75,276	74,244
TOTAL CURRENT LIABILITIES		**491,379**	**266,035**
NON-CURRENT LIABILITIES			
Employee Benefits		2,038	2,739
TOTAL NON-CURRENT LIABILITIES		**2,038**	**2,739**
TOTAL LIABILITIES		**493,417**	**268,744**
NET ASSETS		**7,572,121**	**7,596,530**
EQUITY			
Issued capital	4	58,058,583	58,088,535
Reserves	5	873,500	903,500
Accumulated losses		(51,359,962)	(51,395,505)
TOTAL EQUITY		**7,572,121**	**7,596,530**

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital $	Option Reserve $	Performance rights Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2020	**58,088,535**	**281,000**	**622,500**	-	**(51,395,505)**	**7,596,530**
Equity issue costs	(29,952)	-	-	-	-	(29,952)
Exercise of Perform rights	-	-	(30,000)	-	30,000	-
Total comprehensive income	-	-	-	-	5,543	5,543
Balance at 31 December 2020	**58,058,583**	**281,000**	**592,500**	-	**(51,359,962)**	**7,572,121**
Balance at 1 July 2019	**58,088,535**	**281,000**	**270,000**	**2,280,000**	**(54,314,020)**	**6,605,515**
Performance Rights Vesting December 2020	-	-	352,500	-	-	352,500
Development Contributions	-	-	-	1,520,000	-	1,520,000
Transfer of Development Cont on lapse of option to convert to shares	-	-	-	(3,800,000)	3,800,000	-
Total comprehensive income for the period	-	-	-	-	(466,906)	(466,906)
Balance at 31 December 2019	**58,088,535**	**281,000**	**622,500**	-	**(50,980,926)**	**8,011,109**

The above condensed consolidated statement of consolidated changes in equity should be read in conjunction with the accompanying notes.

MAGNETICA

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 $	31 December 2019 $
Cash flows from operating activities		
Receipts from customers and grants	952,776	677,882
Payments to suppliers and employees	(616,873)	(715,499)
Interest received	761	3,993
GST recovered/(paid)	(33,433)	40,374
Net cash provided by/ (used in) operating activities	**303,231**	**6,750**
Cash flows from investing activities		
Payments for property, plant and equipment	(360,497)	(62,093)
Payments for intangible assets	(430,409)	(419,459)
Net cash provided by/ (used in) investing activities	**(790,906)**	**(481,552)**
Cash flows from financing activities		
Contributions – share based payments reserve	-	1,520,000
Payments for share issue costs	(29,952)	-
Payment of lease liabilities	(32,502)	(36,872)
Net cash provided by/ (used in) financing activities	**(62,454)**	**1,483,128**
Net increase (decrease) in cash and cash equivalents held	(550,129)	1,008,226
Cash and cash equivalents at the beginning of the financial period	1,579,632	1,436,040
Cash and cash equivalents at the end of the financial period	**1,029,503**	**2,444,266**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of the group. As such, they do not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the group for the year ended 30 June 2020, together with any disclosures made during the half-year.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

a. Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

On 29 January 2021 Magnetica completed a merger transaction with Space Cryomagnetics Ltd (trading as Scientific Magnetics Ltd) and its wholly owned subsidiary Tecmag Inc., which also resulted in Avingtrans PLC (AVG), a UK based company listed on the AIM, becoming the majority shareholder in Magnetica (for further information see Note 7 - Post Balance Date Events). Commercially, as a result of the merger, Magnetica has now been transformed to become the newest MRI System Original Equipment Manufacturer (OEM) in the world, born from the MRI (and NMR) sub-systems OEMs of Magnetica, Scientific Magnetics and Tecmag. The merger provides the “missing link” to Magnetica in that it now possesses in-house magnet manufacturing capabilities, together with other key technologies which means the merged entity possesses the ability to internally generate the critical and high-value components for a fully integrated MRI system, making Magnetica a systems integrator rather than a component supplier.

While prior to the merger the company has large accumulated losses, for the last six months the company has made a net profit of $5,543. Historically the company has had the ability to secure Government grant funding and secure share capital as needed. Further, the company was entitled to a substantial annual research and development tax rebate. To date, this funding support has been utilised to develop a fully functional beta compact Extremity MRI system that produces excellent clinical quality images, and provides an attractive commercial and functional offering to clinicians and patients alike.

Whilst complementary to existing traditional whole body MRI system market offerings, the compact and light-weight nature of our dedicated system provides opportunities to deploy MRI capability closer to the patient point-of-care than previously possible with existing high-field systems. We believe the product is well positioned in the “sweet spot” as an alternative to larger and heavier high-field whole body systems and cheaper low-field dedicated systems that are in the market today.

Whilst maintaining ongoing revenue generating work via sub-system sales and supply (eg superconducting magnets, gradient coils, RF coils and spectrometers), the key focus of the new company is to finish the commercialisation of the Extremity MRI system and launch to the global market.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The ability of the Company to continue to adopt the going concern basis is dependent on a number of matters. These include the successful raising of necessary future funding, and/or the successful development and subsequent commercialisation of the Company's magnetic resonance imaging (MRI) systems and underpinning technologies.

The directors believe that the adoption of the going concern basis is appropriate for the following reasons:

a) AVG, Magnetica's new majority shareholder is a significant UK public company with a proven successful strategy of "buy and build" in its specified markets, with a proven track record in delivering shareholder value through prudent synergistic acquisitions of component parts, the building of strong brands and value creation, and then crystallising the gains through divestment at advantageous valuations. This strategy has seen growth in revenues of >£100m with strong positive EBITDA.
b) Supported by the AVG Group, Magnetica has strong prospects to enable it to raise the necessary funds to execute the merged company's strategy across the globe, particularly in European, North America and Asian markets.
c) As part of the merger transaction, AVG have committed to provide up to £3.2m of additional equity funding (less any cash on hand in Scientific Magnetics at completion) at an issue price of $0.15 per share.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses and the statement of financial position classifications used. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned, as described above, will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these financial statements.

2. REVENUE

	31 December 2020	31 December 2019
	$	$
Sale of goods	-	4,341
Government subsidies	174,500	-
Other Income	1,430	1,149
Research and development tax rebate	559,009	636,851
Grants	100,000	-
Interest income	761	3,993
	835,700	646,334

MAGNETICA

3. LEASES

The group has recognised depreciation and interest costs where material in relation to right-of-use assets and lease liabilities. Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period.

	Right of use Assets	Lease Liabilities
	$	$
As at 1 July 2020	27,085	27,085
Additions during the half year	59,587	59,587
Depreciation expense	(32,502)	-
Interest expense	-	(180)
Payments	-	(32,322)
As at 31 December 2020	54,170	54,170

The right-to-use assets represents a 12-month lease of office and factory premises at Eagle Farm.

Set out below are the amounts recognised in the Group's Consolidated Statement of Profit or Loss in relation to leases:

	31 December 2020
	$
Depreciation expense right to use assets	32,502
Interest Expense	180
Total amount recognised in Profit or Loss	32,682

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

4. ISSUED CAPITAL

	No of shares	$
Ordinary Shares		
Balance as at 1 July 2020	119,567,184	58,088,535
Shares issued per performance rights issued at nil	200,000	-
Share issue costs	-	(29,952)
Balance as at 31 December 2020	**119,767,184**	**58,058,583**

5. SHARE-BASED PAYMENTS – PERFORMANCE RIGHTS

Magnetica has a Performance Rights Plan to incentivise staff, directors and contractors working with the company. The Performance Rights are issued at no cost to recipients. The exercise price of each right is Nil. Each of the Performance Rights entitles the holder to exercise that right to receive one fully paid ordinary share in the entity under various terms and conditions. The Performance Rights consist of:

- "Series A" rights, which were issued for past performance and vested immediately;
- "Series B" rights, which were subject to various company-wide/individual performance hurdles to be achieved by 30 June 2018 (as these hurdles were not achieved to the satisfaction of the Board of Directors, these rights lapsed); and
- "Series C" rights, which were issued in November 2018 which are subject to various company-wide/individual hurdles to be achieved at nominated dates in the future. In December 2019, 50% of these issued rights vested to recipients with individual hurdles, following a determination by Board of Director's at that time.

Shares issued or transferred under the Plan on exercise of a Performance Right (Plan Shares) may not be disposed of, transferred, or otherwise dealt with without Board approval while they are Restricted Shares, except by way of transmission to legal personal representative.

Plan Shares will be Restricted Shares for the period commencing on their date of issue or transfer and ending on the occurrence of a Liquidity Event.

- Liquidity Event means the first to occur of:
    - the date on which any Shares are either or both allotted or transferred under a prospectus lodged with the Australian Securities and Investments Commission (or other relevant regulatory body) in connection with an IPO;
        - the date on which a takeover bid for all of the Shares not owned by the bidder becomes unconditional;
    - the date on which, following a Trade Sale all or part of the net proceeds of sale are paid to shareholders;
    - a scheme of arrangement is made or undertaken in respect of the company; or

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

5 SHARE BASED PAYMENTS (CONTINUED)

  - any event similar to those described above involving a change in ownership or control of the Company or all or substantial part of the assets of the Company.
- Generally speaking a performance right will lapse when any of the following events occur:
  - the Expiry Date has been reached;
  - the applicable performance conditions are not achieved within the performance period specified;
  - the recipient of the right ceases to be employed or engaged by the company; or
  - the recipient is dismissed or removed from office for a reason which entitles the company to dismiss the recipient without notice or has committed any act of fraud, defalcation or gross misconduct, or any act which brings the Company into disrepute.

Set out below are details of performance rights as at balance date:

Series	Grant Date	Vesting Date	First possible exercise Date	Expiry Date (unless right otherwise lapses as above)	Balance at 31 December 2020	Lapsed -Employment ceased	Exercised	Balance at 31 December 2019
A	20-12-2017	Immediately	20-12-2017	20-12-2024	**1,700,000**	(100,000)	**-**	**1,800,000**
B	20-12-2017	Lapsed Aug 2018	Lapsed	Lapsed	-	-	-	-
C	20-11-2018	When performance hurdles are met to the satisfaction of the Board of Directors	On vesting date	20-11-2023	7,150,000	(75,000)	(200,000)	7,425,000
C-2	29-11-2019	When performance hurdles are met to the satisfaction of the Board of Directors	On vesting date	29/11/2024	275,000	-	-	275,000
Total C					**7,425,000**	(75,000)	(200,000)	**7,700,000**
Grand Total					**9,125,000**	(175,000)	(200,000)	**9,500,000**

MAGNETICA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

6. CONTINGENT LIABILITIES

There has been no material change in contingent liabilities since the last annual reporting date.

7. EVENTS AFTER THE REPORTING PERIOD

Merger transaction

On 29 January 2021 Magnetica Limited (MNA) entered into a transaction with Avingtrans PLC (AVG), which is a UK based company listed on the London Stock Exchange's Alternative Investment Market (AIM), (AIM:AVG). AVG is principally engaged in acquiring businesses that operate across three markets; aerospace, energy and medical. AVG's business divisions design and manufacture original equipment and systems, and provide associated aftermarket services. Its market capitalisation at 23 Dec 2020 as £90.9m (AU$161.5m).

Under the terms of the transaction:

- MNA acquired 100% of the issued share capital in Space Cryomagnetics Limited, trading as Scientific Magnetics ('SciMag') from Avingtrans (who had a 98.48% ownership interest prior to the transaction) and two Senior Managers. SciMag in turn owns 100% of Tecmag, Inc. Tecmag is a Houston, Texas based company that manufactures NMR, MRI and Nuclear Quadrupole Resonance (NQR) instrumentation including spectrometers and full consoles, system upgrades and solid-state probes.
- MNA issued a total of 180.83m ordinary shares as consideration to the sellers, which represented approximately 57.5% of MNA's shares on a diluted basis immediately after completion of the transaction.
- Subsequent to the transaction a further 0.445m ordinary shares issued in consideration for stamp duty on the acquisition.

The transaction also provides that AVG may in the future acquire up to an additional 29.27m MNA ordinary shares ('investment shares') under a legally binding commitment to provide up to £3.2m of additional equity funding (less any cash on hand in SciMag at completion) at an issue price of $0.15 per share. Should all of these 'investment shares" be issued, AVG will hold approximately 61.2% of the issued capital of Magnetica on a diluted basis.

The transaction provides the merged entity with an opportunity to become - in its own right - an independent original equipment manufacturer (OEM) and seller of superconducting MRI systems, given SciMag and its subsidiary Tecmag have the ability to design, engineer and manufacture superconducting magnets and associated spectrometers used in MRI systems, thus augmenting and rounding out MNA's existing capabilities.

Performance Rights (PR) cancellation and issue of restricted ordinary shares to PR recipients to date

Prior to completing the AVG transaction, the Board of MNA decided to restructure its equity incentive plan, having regard that the remaining performance hurdles for unvested performance rights were no longer appropriate in the context of the merged entity's new strategy.

Accordingly, the Board made an offer to all participants of the PR plan at that time for the issue of fully paid ordinary shares in MNA in exchange for the cancellation of all performance rights held to that date. As a result, on 29 January 2021, prior to the shareholder vote on the AVG transaction, a total of 8,925,000 ordinary shares were issued to former recipients of Performance Rights in exchange for signed Deeds of Cancellation in relation to the performance rights. The issued shares remain restricted, awaiting a future liquidity event, when the restriction would be removed.