



FINANCIAL STATEMENTS
FOR MAGNETICA LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF YEAR ENDED 30 NOVEMBER 2024

Magnetica Limited
ACN 010 679 633
4/115 Frederick St,
Northgate, QLD, 4013
Australia
Tel: +61 7 3188 5445
<https://magnetica.com>

Magnetica Limited & Controlled Entities



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DIRECTORS' REPORT

Your directors present their report for the half-year ended 30 November 2024.

DIRECTORS

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

Stephen McQuillan – Board Chair
Prof. Stuart Crozier
Client Gouveia
Stephen King
Duncan Stovell

REVIEW OF OPERATIONS

Order intake by the UK and US based business units has been strong in the first half of the financial year. These superconducting magnets and spectrometer / console sales demonstrates the ongoing pull from research-based customers for our market offerings, during a period of global uncertainty and ever-changing commercial landscape. A healthy mix of prototype/one-off orders and repeat product orders from Original Equipment Manufacturers (OEMs) helps to ensure we are utilising capacity effectively, whilst also maintaining and developing the team's capabilities with exciting and novel product requirements from a range of customers.

Occurring at the end of the half year, a further highlight so far this year was our attendance once again at the annual RSNA (Radiological Society of North America) Radiology conference and exhibition in Chicago. We exhibited our prototype MSK (musculoskeletal) Extremity MRI system, resulting in some very positive discussions with potential customers, and confirming the ongoing desire to see our product supplied into a range of geographic markets. Of particular note was the overall excitement and feedback received from Radiologists regarding the quality of the images we shared with them.

Following the delays we experienced last year (as outlined in the FY2024 Annual Report review of operations), we have been working diligently to progress the remaining set of activities necessary to complete the development of our MSK Extremity MRI system. Supported by a range of experienced medical device consultants, the team has progressed through a range of tasks and is working hard to complete the remaining development phases. These efforts should culminate in us being ready to submit our application to the US Food and Drug Administration (FDA) later this year, to seek clearance to market the product as an approved medical device.

At the beginning of the year all three sites successfully completed recertification audits of our existing Quality Management System (QMS), confirming it remains compliant to ISO 13485, a QMS standard for medical device companies. Maintaining a suitable QMS, that is fit to support our medical device products, is an essential part of demonstrating to regulators our competence and readiness for market entry. Further to the QMS, we have continued to invest in our Information Security Management Systems (ISMS) in the Australian business, which was certified as compliant to ISO 27001 in February 2024. With both enterprise and product cybersecurity remaining front of mind, as well as for medical device market regulators, our ISMS is providing underpinning benefits to mature our existing secure software development environment and strengthen our cyber resilience.

Magnetica continues to receive longer-term loan funding from our major shareholder, Avingtrans PLC, to support our ongoing operational needs, for which we are very thankful, and we wish to acknowledge the heavy lifting that Avingtrans is undertaking to support the business. The great work by the US and UK teams in terms of the sale and supply of custom magnets and spectrometers to research-industry customers is also providing significant support to reduce our overall funding requirements. Furthermore, we received a sizeable return of cash to the business in November, as a result of the amount of development work undertaken during FY2024, through the Research and Development (R&D) rebate scheme operated by the Federal Government in Australia.

DIRECTORS’ REPORT (CONTINUED)

The plan remains to undertake a capital raising once we reach a notable milestone of sufficient importance to external investors, being the securing of clearance from the US FDA to market our MRI system as a medical device. This larger quantum of funding would provide the working capital for the growth of the business, ideally from both new and existing investors alike.

The Directors wish to take this opportunity to acknowledge the continuing support and encouragement we receive from our customers, partners, suppliers, shareholders, other stakeholders and the broader community.

RESULTS OF OPERATIONS

Results for the half-year are summarised as follows:

	30 November 2024 \$	30 November 2023 \$
Profit before income tax	479,295	1,392,406
Income tax expense	-	(8,242)
	<hr/>	<hr/>
Profit for the period	479,295	1,384,164
	<hr/>	<hr/>

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.

AUDITOR’S INDEPENDENCE DECLARATION

The Auditor’s Independence Declaration has been received and can be found on page 6 of this financial report.



Stephen McQuillan

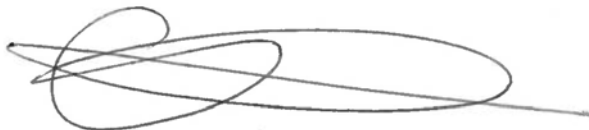
Chair

Chatteris, UK, 19 February 2025

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 30 November 2024, 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 19th day of February 2025

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 30 November 2024, 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 30 November 2024 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

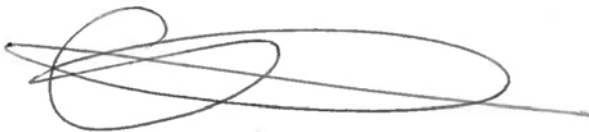
The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

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 30 November 2024 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 19th day of February 2025

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 30 November 2024 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 Chatteris, UK this 19 day of February 2025 in accordance with a resolution of the directors.



Stephen McQuillan
Chair



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

	Note	30 November 2024 \$	30 November 2023 \$
Revenue	2	6,399,579	5,815,583
Expenses		(5,920,284)	(4,423,177)
Profit before income tax expense		479,295	1,392,406
Income tax expense		-	(8,242)
Net profit attributable to members of Magnetica Limited		479,295	1,384,164
Other comprehensive income, net of income tax		-	-
Exchange differences on translating foreign controlled entities		23,595	8,101
Other comprehensive income for the year, net of tax		23,595	8,101
Total comprehensive income for the period attributable to members of Magnetica Limited		502,890	1,392,265

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024

	Note	30 November 2024 \$	31 May 2024 \$
CURRENT ASSETS			
Cash and cash equivalents		1,108,498	770,502
Trade and other receivables		705,419	863,307
Inventories		2,207,607	1,490,900
Accrued Income		2,637,543	2,635,506
Other current assets		1,526,087	915,094
TOTAL CURRENT ASSETS		8,185,154	6,675,309
NON-CURRENT ASSETS			
Property, plant and equipment		724,392	813,217
Right of Use Asset		2,172,933	2,469,435
Intangible assets	3	34,638,504	29,461,079
Investments		91,959	54,900
TOTAL NON-CURRENT ASSETS		37,627,788	32,798,631
TOTAL ASSETS		45,812,942	39,473,940
CURRENT LIABILITIES			
Trade and other payables		5,117,258	4,440,444
Lease liabilities		597,990	566,209
Related party loan payables - convertible notes		9,414,571	3,743,952
Employee Benefits		379,236	394,352
Interest bearing loans borrowings		344,511	618,529
TOTAL CURRENT LIABILITIES		15,853,566	9,763,486
NON-CURRENT LIABILITIES			
Employee Benefits		183,816	155,522
Lease liability		1,785,602	2,067,863
TOTAL NON-CURRENT LIABILITIES		1,969,418	2,223,385
TOTAL LIABILITIES		17,822,984	11,986,871
NET ASSETS		27,989,958	27,487,069
EQUITY			
Issued capital	4	101,535,720	101,535,720
Reserves	5	(18,237,198)	(18,260,792)
Accumulated losses		(55,308,564)	(55,787,859)
TOTAL EQUITY		27,989,958	27,487,069

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 30 NOVEMBER 2024

Consolidated	Share capital		Reserves	Reserves	Reserves	Reserves	Accumulated Losses	Total equity
	Ordinary	Share premium Reserve	Share option Reserve	Share Based Payments	Foreign Currency Translation Reserve			
	\$	\$	\$	\$	\$	\$		
Balance at 1 June 2023	97,674,220	(19,130,051)	281,000	-	586,435	(55,182,194)	24,229,410	
Vesting of all remaining performance rights before deed of cancellation and issue of ordinary shares	-	-	-	-	-	-	-	
Issue of Ordinary Shares	2,961,500	-	-	-	-	-	2,961,500	
Share premium adjustment on acquisition	-	-	-	-	-	-	-	
Share Issue Costs	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	1,384,164	1,384,164	
Other Comprehensive income for the year	-	-	-	-	8,101	-	8,101	
Balance at 30 November 2023	100,635,720	(19,130,051)	281,000	-	594,536	(53,798,030)	28,583,175	

Consolidated	Share capital		Reserves	Reserves	Reserves	Reserves	Accumulated Losses	Total equity
	Ordinary	Share premium Reserve	Share option Reserve	Share Based Payments	Foreign Currency Translation Reserve			
	\$	\$	\$	\$	\$	\$		
Balance at 1 June 2024	101,535,720	(19,130,051)	281,000	-	588,259	(55,787,859)	27,487,069	
Vesting of all remaining performance rights before deed of cancellation and issue of ordinary shares	-	-	-	-	-	-	-	
Issue of Ordinary Shares	-	-	-	-	-	-	-	
Share premium adjustment on acquisition	-	-	-	-	-	-	-	
Share Issue Costs	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	479,295	479,295	
Other Comprehensive income for the year	-	-	-	-	23,594	-	23,594	
Balance at 30 November 2024	101,535,720	(19,130,051)	281,000	-	611,853	(55,308,564)	27,989,958	



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

	30 November 2024	30 November 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers and grants	7,387,064	6,295,801
Payments to suppliers and employees	(6,991,188)	(6,076,070)
GST recovered/(paid)	170,328	256,947
Net cash provided by/ (used in) operating activities	566,204	476,678
Cash flows from investing activities		
Payments for property, plant and equipment	(105,054)	(80,388)
Payments for intangible assets	(5,257,878)	(3,138,839)
Net cash provided by/ (used in) investing activities	(5,362,932)	(3,219,227)
Cash flows from financing activities		
Shares issued (net costs)	-	2,961,500
Proceeds from related party borrowings (convertible notes)	5,700,000	1,885,454
Payments of finance lease	(279,869)	(175,533)
Payment of Interest bearing loans borrowings	(285,407)	-
Net cash provided by/ (used in) financing activities	5,134,724	4,671,421
Net increase (decrease) in cash and cash equivalents held	337,996	1,928,872
Cash and cash equivalents at the beginning of the financial period	770,502	627,648
Cash and cash equivalents at the end of the financial period	1,108,498	2,556,520

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 30 NOVEMBER 2024

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 30 November 2024 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 31 May 2024, 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.

Magnetica Ltd is an emerging technology company and is in the continuing process of fund raising to develop the technology to a stage where the company becomes profitable and self-sufficient. The Company has made a net profit over the last financial period of \$479,295 and a profit of \$1,392,406 in the corresponding prior period. The Company also has a negative working capital position of (\$7,668,412). This is primarily due to the related party convertible note issued by Avingtrans PLC, as explained in more detail below.

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 in the future of necessary funding, the ability to continue to secure government grants and/or the successful development and subsequent commercialisation of the Company's magnetic resonance imaging (MRI) technologies.

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 below, will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these financial statements.

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

1. Avingtrans PLC has confirmed its willingness to provide funding in support of the agreed plan that is being executed. This commitment is demonstrated by the convertible loan provided by the company, which will not be recalled for payment if doing so would be detrimental to the Group.
2. Once we have obtained authorisation from the US FDA to market our MRI system as a medical device, being both a risk reduction and value inflection point for the company, we anticipate completing a further capital raising. The loan funds from Avingtrans would likely be converted into



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

equity as part of the capital raise, in addition to raising new funds to continue to scale the business and meet working capital requirements;

3. Sales of superconducting magnets and spectrometers, and periodic sales of gradient coils and RF coils, are expected to occur throughout the financial year;
4. As an MRI system OEM, Magnetica will be focused upon the commercialisation of dedicated compact MRI systems, with the MSK Extremity MRI system as the first such market offering, from which future revenues are expected to be generated;
5. The company has historically had the ability to secure Government grant funding, in addition to securing share capital as needed;
6. The company is entitled to a substantial annual research and development tax rebate; and
7. The company has a surplus of net current assets at period end, and as at the date of this report.

2. REVENUE

	30 November 2024	30 November 2023
	\$	\$
Sale of goods	4,035,872	2,843,602
Other Income	-	-
Research and development tax rebate	2,336,880	2,955,215
Grants	-	-
Interest income	26,827	16,766
	6,399,579	5,815,583



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

3. INTANGIBLE ASSETS

	30 November 2024	31 May 2024
	\$	\$
Goodwill		
At cost	5,972,548	5,972,548
Less: Accumulated impairment losses	-	-
Total Goodwill	5,972,548	5,972,548
Development costs and other Intangible assets		
At cost	29,548,680	24,331,673
Less: Accumulated amortisation and impairment losses	(882,724)	(843,142)
Total Other Intangible assets	28,665,956	23,488,531
Total Intangible assets	34,638,504	29,461,079



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

4. ISSUED CAPITAL

	No of shares	\$
Ordinary Shares		
Balance as at 1 June 2024	579,871,648	101,535,720
Shares issued during the period	-	-
Balance as at 30 November 2024	579,871,648	101,535,720

5. RESERVES

SHARE-BASED PAYMENTS - OPTIONS

No options were granted or exercised during the half year ended 30 November 2024.

In 2005 options were granted as equity compensation benefits to certain directors in office at that time. The options were issued at no cost. Each of the granted options entitled the holder to subscribe for one fully paid ordinary share in the entity at various exercise prices and various option periods. Set out below are summaries of options previously granted to directors.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

5. RESERVES (CONTINUED)

SHARE-BASED PAYMENTS – OPTIONS (CONTINUED)

Grant date	First exercise date	Last exercise date	Exercise price per share	Balance at 30 November 2024	Balance at 31 May 2024
20-May-05	Relisting date	Relisting date+3yr	\$0.50	1,000,000	1,000,000
20-May-05	Relisting date+1yr	Relisting date+4yr	\$0.54	1,000,000	1,000,000
20-May-05	Relisting date+2yr	Relisting date+5yr	\$0.60	1,000,000	1,000,000
				3,000,000	3,000,000
Options outstanding at year-end				3,000,000	3,000,000
Options exercisable at year-end				-	-
Weighted average exercise price of outstanding options				\$0.54	\$0.54
Weighted average fair value of outstanding options				\$0.09	\$0.09

The options granted have been valued using the Black-Scholes option pricing model applying the following assumptions: -

- Risk free interest rate 5.37%
- Expected share price volatility 78.00%
- Underlying share price \$0.40
- Expiry date see last exercise date above.

SHARE-BASED PAYMENTS – RESTRICTED ORDINARY SHARES

A Share and Option Plan instituted by the company in January 2021 replaced a Performance Rights Plan operated prior to the merger. A total of 8,925,000 fully paid Restricted Ordinary Shares are on issue, replacing Performance Rights previously held by plan participants.

A holder of Restricted Ordinary Shares must not dispose or otherwise deal with any shares issued or transferred to a participant under the plan while they are restricted shares and subject to a restriction period. The restriction period is from the date of issue until the earlier of:

- (a) the occurrence of a Liquidity Event;
- (b) the date that is 15 years from the date of issue; or
- (c) the date determined by the Board in its absolute discretion.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2024

5. RESERVES (CONTINUED)

SHARE BASED PAYMENTS – RESTRICTED ORDINARY SHARES (CONTINUED)

Liquidity Event means the first to occur of:

- a) 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;
- b) the date on which a takeover bid for all of the Shares not owned by the bidder becomes unconditional;
- c) the merger or consolidation of the company into another company;
- d) a scheme of arrangement is made or undertaken in respect of the company;
- e) the date on which, following a trade sale all or part of the net proceeds of sale are paid to shareholders; or
- f) any event similar to those described in (a) to (e) involving a change in ownership or control of the company or all or substantial part of the assets of the group.

When a share ceases to be a restricted share, all restrictions on disposing of or otherwise dealing or purporting to deal with that share under the rules of the plan will cease.

6. CONTINGENT LIABILITIES

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

7. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.