



FINANCIAL STATEMENTS
FOR MAGNETICA LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF YEAR ENDED 30 NOVEMBER 2025

Magnetica Limited
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Magnetica Limited & Controlled Entities

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DIRECTORS' REPORT

Your directors present their report for the half-year ended 30 November 2025.

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
Clint Gouveia
Stephen King
Duncan Stovell

REVIEW OF OPERATIONS

Magnetica's UK business unit (Scientific Magnetics (SciMag)) has achieved a healthy order intake for our liquid helium free superconducting magnets during the first half of the year. The growth in quantum computing has seen this sector quickly become a notable proportion of SciMag's order backlog, in amongst orders for prototype one-off magnets from the research community, and recurring purchases from Original Equipment Manufacturers (OEMs).

Our US-based business, Tecmag, has had a challenging first half, with orders being impacted by global geopolitical tensions, including trade tariffs, and the reduced funding to Government and research institutions within their home US-market. Whilst a desire to procure our products remains strong with customers, the timing of orders is aligned with their access to funding, creating a somewhat fluid environment for the team to work within. We remain bullish that this situation will change over time, enabling the flow of product to pick up once again.

Development of the MSK Extremity MRI system continues, with the volume of work remaining to achieve a regulatory submission steadily reducing. The complexity and volume of work needed to reach submission-readiness has impacted the program timeline, but we remain focused on completing the final development phases, with the goal of submitting our application to the US Food and Drug Administration (FDA) later this year, to seek clearance to market the system as an approved medical device.

Our participation in the RSNA (Radiological Society of North America) annual conference and exhibition in Chicago in late November was successful once again. We showcased our latest hand and wrist images, with positive feedback being received from a range of Radiologists. Further, clinicians were able to use our system user interface (UI) for the first time. We were delighted by the feedback received in terms of the simplicity and intuitiveness of the UI as they moved through the imaging workflow.

Our major shareholder, Avingtrans PLC, continues to provide the long-term loan funding to sustain operations as we work to get our first MRI system product to market. Their commitment to the business continues to be greatly appreciated. In addition to the magnet and spectrometer sales offsetting our funding requirements, we received a significant cash injection back into the business via the Australian Government's Research and Development (R&D) rebate scheme, recognising the extensive development work completed during FY2025, which continues in FY2026.

Early in the year, all three sites successfully completed recertification audits of our Quality Management System (QMS), reaffirming compliance with ISO 13485—the global standard for medical device companies. Alongside the QMS, we continue to strengthen our ISO 27001 certified Information Security Management System (ISMS) within the Australian business, which bolsters the overall cyber resilience across all three sites, and supports our global team.

As always, the Board wishes to express its sincere appreciation and thanks for the ongoing support and encouragement from our customers, partners, suppliers, shareholders, stakeholders, and the wider community.

DIRECTORS' REPORT (CONTINUED)

RESULTS OF OPERATIONS

Results for the half-year are summarised as follows:

	30 November 2025 \$	30 November 2024 \$
Profit/(loss) before income tax	3,351,718	479,295
Income tax expense	-	-
Profit/(loss) for the period	3,351,718	479,295

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

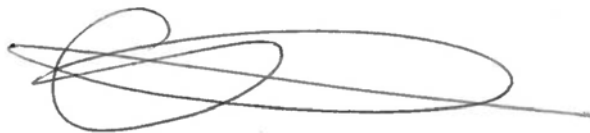
Chair

Chatteris, UK, 21st October 2026

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 2025, 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 21st day of October 2026

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 2025, 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 2025 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.

Material uncertainty relating to going concern

We draw attention to Note 1(a) in the financial statements, which indicates that the Company made a net profit of \$3,351,718 during the period ended 30 November 2025. As stated in Note 1 (a), these events or conditions, along with other matters as set forth in note 1(a), indicate a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

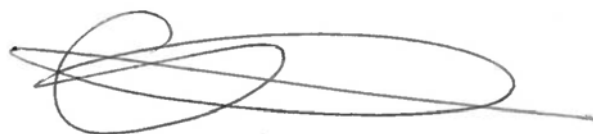
The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

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 2025 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 at Brisbane this 21st day of October 2026

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 2025 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 21st day of October 2026 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 2025**

	Note	30 November 2025 \$	30 November 2024 \$
Revenue	2	10,343,351	6,399,579
Expenses		(6,991,633)	(5,920,284)
Profit/(loss) before income tax expense		3,351,718	479,295
Income tax expense		-	-
Net profit/(loss) attributable to members of Magnetica Limited		3,351,718	479,295
Other comprehensive income, net of income tax		-	-
Exchange differences on translating foreign controlled entities		(59,164)	23,595
Other comprehensive income for the year, net of tax		(59,164)	23,595
Total comprehensive income for the period attributable to members of Magnetica Limited		3,292,554	502,890

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 2025

	Note	30 November 2025 \$	31 May 2025 \$
CURRENT ASSETS			
Cash and cash equivalents		110,588	1,080,746
Trade and other receivables		563,956	684,049
Inventories		2,153,719	2,237,299
Accrued Income		3,292,173	2,939,167
Other current assets		1,595,679	1,117,402
TOTAL CURRENT ASSETS		7,716,115	8,058,663
NON-CURRENT ASSETS			
Property, plant and equipment		1,044,228	1,248,715
Right of Use Asset		1,527,623	1,874,708
Intangible assets	3	45,790,417	41,345,703
Investments		91,959	91,959
TOTAL NON-CURRENT ASSETS		48,454,227	44,561,085
TOTAL ASSETS		56,170,342	52,619,748
CURRENT LIABILITIES			
Trade and other payables		3,290,271	2,530,140
Contract liabilities		2,274,484	2,692,821
Lease liabilities		644,364	637,899
Employee Benefits		565,484	498,381
Interest bearing loans borrowings		-	3,900,396
TOTAL CURRENT LIABILITIES		6,774,603	10,259,637
NON-CURRENT LIABILITIES			
Employee Benefits		264,490	259,544
Lease liability		1,143,972	1,481,836
Interest bearing loans borrowings		19,823,775	15,747,783
TOTAL NON-CURRENT LIABILITIES		21,232,237	17,489,163
TOTAL LIABILITIES		28,006,840	27,748,800
NET ASSETS		28,163,502	24,870,948
EQUITY			
Issued capital	4	101,535,720	101,535,720
Reserves	5	(18,176,440)	(18,117,276)
Accumulated losses		(55,195,778)	(58,547,496)
TOTAL EQUITY		28,163,502	24,870,948

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 2025

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 2025	101,535,720	(19,130,051)	281,000	-	731,775	(58,547,496)	24,870,948
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	-	-	-	-	-	3,351,718	3,351,718
Other Comprehensive income for the year	-	-	-	-	(59,164)	-	(59,164)
Balance at 30 November 2025	101,535,720	(19,130,051)	281,000	-	672,611	(55,195,778)	28,163,502

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 2025

	30 November 2025	30 November 2024
	\$	\$
Cash flows from operating activities		
Receipts from customers and grants	10,343,460	7,387,064
Payments to suppliers and employees	(6,487,925)	(6,991,188)
GST recovered/(paid)	57,573	170,328
Net cash provided by/ (used in) operating activities	3,913,108	566,204
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(15,879)	(105,054)
Payments for intangible assets	(4,679,223)	(5,257,878)
Net cash provided by/ (used in) investing activities	(4,695,102)	(5,362,932)
Cash flows from financing activities		
Shares issued (net costs)	-	-
Proceeds from related party borrowings	4,075,992	5,700,000
Payments of lease liabilities	(363,760)	(279,869)
Payment of Interest bearing loans borrowings	(3,900,396)	(285,407)
Net cash provided by/ (used in) financing activities	(188,164)	5,134,724
Net increase (decrease) in cash and cash equivalents held	(970,158)	337,996
Cash and cash equivalents at the beginning of the financial period	1,080,746	770,502
Cash and cash equivalents at the end of the financial period	110,588	1,108,498

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 2025

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 30 November 2025 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 2025, 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 \$3,351,718 and a profit of \$479,295 in the corresponding prior period. The Company also has a positive working capital position of \$941,512. This is primarily due to the related party convertible note issued by Avingtrans PLC being non current, 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 that they will not call on their funding for at least 12 months from the date of approval of the 31 May 2026 financial statements, subject to the continued positive progression of the FDA submission process.

Once we have obtained clearance from the US FDA (Food and Drug Administration) 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 equity as part of the capital raise, in addition to raising new funds to continue to scale the business and meet working capital requirements;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2025

2. Sales of superconducting magnets and spectrometers, and periodic sales of gradient coils and RF coils, are expected to occur throughout the financial year;
3. 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;
4. The company has historically had the ability to secure Government grant funding, in addition to securing share capital as needed;
5. The company is entitled to a substantial annual research and development tax rebate; and
6. The company has a surplus of net current assets at period end, and as at the date of this report.

2. REVENUE

	30 November 2025	30 November 2024
	\$	\$
Sale of goods	5,201,965	4,035,872
Other Income	-	-
Research and development tax rebate	5,122,244	2,336,880
Grants	-	-
Interest income	19,142	26,827
	<hr/> 10,343,351	<hr/> 6,399,579

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 30 NOVEMBER 2025
3. INTANGIBLE ASSETS

	30 November 2025	31 May 2025
	\$	\$
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	40,757,010	36,307,076
Less: Accumulated amortisation and impairment losses	(939,152)	(933,921)
Total Other Intangible assets	39,817,869	34,439,234
Total Intangible assets	45,790,417	41,345,703

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2025

4. ISSUED CAPITAL

	No of shares	\$
Ordinary Shares		
Balance as at 1 June 2025	579,871,648	101,535,720
Shares issued during the period	-	-
Balance as at 30 November 2025	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 2025.

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 2025

5. RESERVES (CONTINUED)

SHARE-BASED PAYMENTS – OPTIONS (CONTINUED)

Grant date	First exercise date	Last exercise date	Exercise price per share	Balance at 30 November 2025	Balance at 31 May 2025
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:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 NOVEMBER 2025

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.