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## **Completion of Acquisition of Majority Stake in New Medtech Joint Venture**

Further to its announcement on 5 January 2021, Avingtrans is delighted to announce that it has completed the acquisition of a majority stake in Magnetica following approval from Magnetica shareholders earlier today. The combination will see Avingtrans' two medical equipment businesses, Scientific Magnetics (SciMag) and Tecmag, merge with Magnetica.

Magnetica Limited is an Australian medtech and engineering company which specialises in next-generation MRI technologies. It has now merged with Avingtrans' subsidiary SciMag – a UK-based business that designs, manufactures, tests and installs bespoke superconducting magnet systems – and its US subsidiary Tecmag, which manufactures instrumentation for NMR, NQR and MRI markets (the “Combination” or “Combined Business”).

Prior to the Combination, Avingtrans, held a majority interest in SciMag (82.0%). As part of the Combination, existing minority shareholders in Scientific Magnetics have exchanged part of their holding for shares in Avingtrans, amounting to 40,713 new ordinary shares of 5 pence each (“New Ordinary Shares”). Avingtrans and the other shareholders in SciMag have sold their interests to Magnetica in exchange for Magnetica shares. As a result, Avingtrans is now the majority shareholder in the Combined Business (with an initial interest of 59.0%). The Combined Business will

continue to be known as Magnetica (with SciMag and Tecmag to be rebranded) and will form the key part of Avingtrans' Medical and Industrial Imaging division moving forward. SciMag and Tecmag are now wholly owned subsidiaries of Magnetica Limited.

Nil consideration is initially payable by Magnetica or Avingtrans but following today's completion, Avingtrans will invest up to £3.2m for new shares in Magnetica, at 15 cents per share, to fund new MRI product development and commercialisation activities. This could increase Avingtrans' interest to 61.2% in Magnetica.

Application has been made for the 40,713 New Ordinary Shares to be admitted to trading on AIM and it is expected that admission will occur at 8:00 a.m. on or around 4 February 2021. Following issue of the New Ordinary Shares, the Company will have a total of 31,938,307 ordinary shares in issue. The Company does not hold any shares in Treasury.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

The above information is provided by the Company in accordance with its obligations under the FCA's Disclosure Guidance and Transparency Rules.

**Steve McQuillan, CEO of Avingtrans, said:** "This merger presents an important strategic step forward to accelerate the planned move up the value chain in what is a highly specialised and integrated, international medical-imaging market. There is a potentially transformational opportunity to become a leading MRI systems integrator for a variety of niche markets, as well as the prospect of increasing accessibility to high quality medical imaging around the world. We now plan to map out the road ahead over the next few months and bring together expertise from all areas of the combined business, to realise its full potential."

**Duncan Stovell, CEO of Magnetica, added:** "The merger with SciMag and Tecmag expands our product portfolio and provides access to core intellectual property, design and manufacturing capability, which means that all of the key components of our compact, cryogen-free MRI systems will be manufactured in-house. This deal allows us to take the business to the next level and become a disruptive new force as an OEM MRI system provider."

Further details of the initial plans for the new business can be found on the Avingtrans website, in a dedicated investor presentation, which can be viewed here:

<https://www.avingtrans.plc.uk/investor-presentations>