



Senzime acquires Acacia Designs and issues new shares in a guaranteed rights issue

Uppsala, May 3, 2016. Senzime AB (publ.) ("Senzime") has entered into an agreement to acquire Acacia Designs BV ("Acacia"), an international development company within anesthesia monitoring. The acquisition will be financed by 16,076,730 newly issued shares in Senzime through a non-cash issue. After the acquisition, Acacia's shareholders will own 50 percent of the shares in Senzime. In connection with the acquisition, a rights offering to existing shareholders will be made, amounting to 15.2 million SEK before transaction expenses. The rights offering is fully guaranteed through subscription commitments and guarantees.

Acacia is a clinical innovation company developing solutions to enable safer surgery. Acacia originates from research at Mayo Clinic, USA, and has developed novel, patent pending solutions for monitoring patients undergoing anesthesia to determine when it is safe to wake up the patient and allow spontaneous breathing following surgery. The merger of Senzime's and Acacia's businesses creates a company with a broad and unique offering of systems and products that continuously monitor biological and physiological processes in patients during and after surgery. Through this acquisition, Senzime obtains a significantly increased market potential.

"The acquisition of Acacia is part of our strategy to build a global leader in the field of perioperative patient monitoring. We add an entirely new product and an internationally established network to Senzime. The new Senzime will offer a broader and more complete range of products for the healthcare market," said Lena Söderström, CEO of Senzime.

The market potential for Acacia's anesthesia monitoring technology amounts to more than USD 1 billion in Europe and the United States alone*. The Board of Senzime has valued Acacia to more than 94 million SEK based on its assets, confirmed customer licenses and its cash flow forecast. On December 31, 2015 Acacia's total assets amounted to 24.6 million SEK, of which 23.9 million SEK related to acquired intangible assets. In accordance with the acquisition agreement, Acacia is acquired on a debt free basis (apart from some limited operating liabilities), which means that the reported equity at Senzime's disposal will be equal to total assets. Acacia's net result for 2015 was negative. The company is owned and run by internationally recognized, experienced professionals in the field of anesthesia and product and business development. The new company's systems and products are being verified in ongoing clinical trials in collaboration with industrial partners. Market introductions of both Senzime's and Acacia's products are planned for late 2016.

The benefits of the merger of Senzime's and Acacia's businesses can be summarized as follows:

- **Wider range of products in the field of perioperative patient monitoring** - a more attractive offer providing greater volume potential and a reduction in the risk of variation in sales of individual products.
- **Larger volume potential** - common expenses allocated to a higher number of units produced, which increases profitability; through increased total sales more resources can be generated for sales, marketing and development.

- **Operational synergies** - resources are used more efficiently in regulatory development, in the planning of clinical studies, logistics, marketing and sales, as well as for administration and management.

After the acquisition all operations will be conducted under the name Sensime AB (publ).

Non-cash share issue

The acquisition will be financed in full through a non-cash share issue in which Sensime will issue 16,076,730 new shares. Immediately after the acquisition, but before the subsequent proposed rights issue (see next section below), Acacia's shareholders will own 50 percent of the shares in Sensime. The non-cash issue requires a statement from Sensime's Board of Directors regarding the value of the contribution in kind as well as an opinion on this report from the auditor. These documents are available through the company on 3rd of May 2016. The issue price is set at 5.90 SEK representing the closing price of trading on April 29, 2016. The value of the contribution in kind will be taken up in the company's balance sheet based on the closing price of Sensime's shares at closing on the day of admission.

Closing of the deal requires a resolution at an extra general meeting in Sensime. Expected time of closing is late May, 2016.

Capital is supplied through a rights issue in order to complete CE marking and commercialization

In connection with the acquisition a rights issue will be made that adds 15.2 million SEK before transaction expenses. The company's existing cash and new capital enables CE marking and commercialization of both Sensime's as Acacia's products. The issue is fully secured through subscription commitments and guarantees by Sensime's current main shareholder - the Crafoord family, the LMK Forward AB and Ulf Lindskog. As part of the required documentation for the rights issue, the company will publish a memorandum describing Acacia and the transaction.

Proposal for new board

In connection with the acquisition of Acacia, a re-election is proposed of Philip Siberg, Adam Dahlberg and Ulf Lindskog to the Sensime Board of Directors. In addition, Sorin J. Brull and Terry Cross are proposed for election to the Board of Directors. Sorin J. Brull is an anesthesiologist and Professor at the Mayo Clinic and a world authority in the field of anesthesiology as well as founder of Acacia. Terry Cross is a senior investor with many years of industry experience from Silicon Valley in developing and building successful companies. Philip Siberg, Chairman of Acacia, is proposed as the new Chairman and Lena Söderström will continue as CEO of Sensime.

Extraordinary general meeting

Shareholders of Sensime AB (publ) are summoned to an extraordinary general meeting, which will be held on May 16, 2016 at 09.00 at Lindahls Advokatbyrå, Vaksalagatan 10, Uppsala. The extraordinary general meeting will be proposed to make the necessary decisions to enable the acquisition. For it to be valid, a decision regarding the non-cash issue to Acacia's shareholders requires the approval of shareholders representing at least nine tenths of both the votes casted as well as represented at the meeting. The reason for this is that Philip Siberg holds 4 percent of the shares in Acacia Design B.V. and is a director of Sensime. Thus, the majority rules in the Companies Act, Chapter 16 apply. Complete agenda for meeting is available in a separate notice.

AktieTorget

AktieTorget has initiated a customary review process concerning the transaction for review of the company.

Terms of the rights issue

The rights issue means that Senszime's share capital will be increased by a maximum of SEK 502,397.875 by a maximum of 4,019,183 new shares. Existing shareholders will have preferential rights to subscribe for new shares in proportion to the number of shares they already own. Those who on the record date are registered as shareholders in Senszime have the right to subscribe for one (1) new share for every eight (8) shares held in the company.

In the event that all subscription rights are not exercised for subscription with preferential rights, the Board shall, within the maximum amount of the issue, decide on the allocation without preferential rights. For this purpose, the over subscription allotment primarily should be made to those who have subscribed for shares with subscription rights and who wish to subscribe for additional shares, pro rata in relation to their subscription with subscription rights, and secondly to others who have interest to subscribe for shares without subscription rights in proportion to the amount subscribed and thirdly, to those who have left the underwriting of the subscription of shares.

The record date for participation in the rights issue is 27 May 2016. Subscription shall take place from May 31 to June 15, 2016. The subscription price has been set at SEK 3.80 per share, which means that the rights issue, at full subscription, adds Senszime 15.2 million before issue costs. The price has been calculated based on a rolling average historical share price of Senszime.

Indicative timetable for the rights issue

May 3, 2016	Notice of extraordinary general meeting
May 17, 2016	Extraordinary general meeting
May 26, 2016	First day of trading without the right to receive subscription rights
May 27, 2016	Record date for participation in the rights issue
May 30, 2016	Estimated date of publication of information memorandum
May 31-June 15, 2016	Subscription period
May 31-June 13, 2016	Trading in subscription rights
June 20, 2016	Estimated date of publication of the outcome of the rights issue

Advisor

Redeye AB is the financial advisor and Lindahl KB is the legal adviser to Senszime in connection with the transaction.

Translation

This is a translation of the Swedish original text.

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TO THE EDITORS

About Senszime

Senzime develops patient oriented systems enabling automated and continuous monitoring of vital substances such as glucose and lactate in blood and tissue. Based on Senszime's patented biosensor technology, the company offers complete patient monitoring systems for the health care market. Senszime's products consist of the CliniSenz Analyzer and OnZurf Probe that make it possible, among other things, to detect post-operative complications significantly earlier than by conventional methods, thus contributing to improved patient care and lower health care costs. The company's share is listed on Aktietorget, Stockholm. www.senzime.com

Acacia Designs

Acacia Designs is an international development company founded by leading clinicians and developers within the field of anesthesia. The company originates from research at Mayo Clinic, USA, the largest integrated non-commercial medical institution in the world and in 2015 ranked as the world's best hospital. Acacia has developed TetraGraph - a unique system for objective monitoring of patients undergoing anesthesia and the use of neuromuscular blocking agents (NMBAs). The system makes it possible to objectively determine the right dose of medication and when it is safe to wake the patient and allow for spontaneous breathing following surgery. Every year more than 20 million patients are affected by post-operative complications related to the use of NMBAs and premature extubation. The TetraGraph is intended to easily and precisely improve the monitoring of these patients to reduce complications and healthcare costs. Objective monitoring of patients receiving NMBAs is an established practice in several countries such as Scandinavia and France, and number of initiatives are underway to establish the method as Standard of Care. Acacia was founded in 2014 by Prof. Sorin J. Brull and Dr. David R. Hampton based on many years of research and development. www.acaciadesigns.eu

*There is a large and available global medical device market for a simple and reliable objective neuromuscular monitor that can indicate the depth of neuromuscular relaxation and evaluate when postoperative patients are able to breathe without assistance at the end of surgery. The global market for anesthetic and respiratory devices was \$12.4 billion in 2013 and it is projected to grow to \$19.6 billion by 2018, with a compound annual growth rate (CAGR) of 9.5% (Report Buyer, 2014).

Of the total of approximately 405,000 operating rooms worldwide (Funk LM, 2010), Acacia conservatively estimates a realistic opportunity for a market of 140,000 operating rooms in which NMBAs are used annually – operating rooms in which portable and integrated solutions for objective neuromuscular monitors will be used. Acacia estimates the market value for neuromuscular monitoring to increase to \$1 billion by year 2020.