

SenzaGen enters into agreement to acquire 100 percent of the shares in VitroScreen

Lund, October 28, 2021

SenzaGen AB ("SenzaGen" or the "Company") has entered into an agreement to acquire 100 percent of the shares in the Italy-based company VitroScreen S.r.l. ("VitroScreen").

VitroScreen is a recognized CRO and leading *in vitro* research laboratory with two decades experience committed to alternatives to animal testing within *in vitro* toxicology and pre-clinical testing. VitroScreen was founded in 2001 and currently has 11 employees. In 2020 VitroScreen generated revenues of approximately EUR 1.6 million. During H1 2021 the company's revenues increased 18 percent, compared to H1 2020, reaching approximately EUR 0.96 million. Through the acquisition SenzaGen will increase its total H1 2021 revenues by approximately 190 percent.

The transaction in brief

- The transaction is in line with SenzaGen's previously communicated accelerated growth strategy which includes acquisitions of profitable, growing companies that complement SenzaGen's offering.
- The acquisition of a CRO with a strong reputation and a unique services portfolio for *in vitro* toxicology and pre-clinical models on human 3D reconstructed tissues is expected to strengthen SenzaGen's position through expansion into the pre-clinical efficacy testing, expansion of the current regulatory test offering, cross-sales and consolidation of tests to specific labs, strengthening operating efficiency.
- The initial consideration for 100 percent of the shares in VitroScreen amounts to EUR 2.6 million, equivalent to approximately SEK 25.9 million, paid at the closing of the transaction. EUR 2.0 million of the initial consideration is to be paid in cash and EUR 0.6 million is to be paid in SenzaGen shares (the "**Consideration Shares**"). In addition to the initial consideration, the sellers of VitroScreen may be entitled to earn-out payments of up to EUR 1.4 million. The earn-out payments will be paid during 2022-2024 upon achieving certain financial targets.
- The Consideration Shares are under lock-up for 24 months following the closing of the transaction.
- Completion of the transaction is subject to customary conditions and closing is expected to take place in the beginning of November 2021.

Background and rationale

VitroScreen is based in Milan, Italy. The company has a history of profitable growth due to strong scientific expertise in *in vitro* science, endless commitment to R&D and loyal support and trust from customers. VitroScreen was founded in 2001 by Marisa Meloni, PharmaD, PhD, with academic and industry background and a visionary idea to provide the industry with the best *in vitro* testing strategy in order to replace animal testing with sound *in vitro* data. VitroScreen provides non-animal testing and pre-clinical research services organized in the following business units:

- GLP certified facility for *in vitro* toxicology, including regulatory testing.



- Pre-clinical *in vitro* testing service unit for safety and efficacy testing on human 3D tissue models for pharmaceutical, cosmetic, chemical and nutritional industries.
- *In vitro* Innovation Center with the VitroScreen ORA™ platform for the production of human organoids and spheroids and the microbiome research.
- *In vitro* Consulting unit providing advice on regulatory *in vitro* toxicology strategies.

SenzaGen aims to be a leader in non-animal toxicology testing, driving the transition from animal testing to methods better suited to reflect human biology. The company has a growth strategy which involve continued commercialization of the in house developed GARD® test platform, expansion of the test portfolio with a broader range of tests and pursuing acquisition opportunities of profitable and growing companies with complementary offerings.

The transaction is in line with SenzaGen's accelerated growth strategy and the rationale behind the acquisition of VitroScreen is the company's broad regulatory test portfolio, innovative platform, and expertise within the team. VitroScreen's complementary product offering results in an expanded addressable market, cross selling opportunities and opportunity for the combined entity to address larger clients than previously through joint offerings. Furthermore, the addition of operationally and strategically important team members enables acceleration of innovative projects. Dr Marisa Meloni will be part of the group management team and of the scientific advisory committee that will drive the Group's research and strategic projects. Furthermore, she will be appointed CEO of VitroScreen and become a shareholder of SenzaGen.

"By combining VitroScreen and SenzaGen we are delivering on the vision of replacing animal testing by providing best-in-class *in vitro* technology. SenzaGen's and VitroScreen's revolutionary technologies and broad regulatory test portfolios offer market-leading *in vitro* methods towards a broad market and customer base. The transaction enables cross sales, expansion of the addressable market and expansion of our regulatory test portfolio and platform as well as improved financial stability. I look forward to continuous rapid growth and execution on our communicated strategy which focus on organic and acquisition-driven growth", comments Peter Nählstedt, CEO of SenzaGen.

"Since 2001 VitroScreen, by staying true to its core values of excellence, innovation and quality has been one of key players in the introduction and acceptance of *in vitro* pre-clinical studies in life sciences. VitroScreen and SenzaGen share the same vision of the future of *in vitro* science. The time has come for the next step on the path to business expansion and development, where VitroScreen and SenzaGen, joining forces, enables reach to a wider market and customer base through high-performance, efficiency and sustainability", comments Dr Marisa Meloni, founder of VitroScreen.

Payment

The price for 100 percent of the shares in VitroScreen consists of an initial consideration of EUR 2.6 million that is paid on closing and earn-outs of up to EUR 1.4 million, with certain requirements. The initial consideration consists of EUR 2.0 million in cash and EUR 0.6 million in Consideration Shares. In addition to the initial consideration, the sellers of VitroScreen may be entitled to earn-out payments that will be paid during 2022-2024 upon achieving certain financial targets.

Issue of Consideration Shares



As part of the up-front payment, the board of directors of SenzaGen will resolve to issue the Consideration Shares at the completion of the transaction pursuant to the authorization granted by the annual general meeting on 5 May 2021. The subscription price for the shares, to be paid with contribution in kind, has been determined to SEK 14,71 per share corresponding to the volume-weighted average price of SenzaGen's shares on Nasdaq First North Growth Market during 7 – 26 October 2021. The Consideration Shares are under lock-up for 24 months following the closing of the acquisition.

The Consideration Shares represent 2 percent of the total number of shares and votes outstanding in SenzaGen. By issuing the Consideration Shares, the number of shares and votes increase by 416,586. The share capital increases by SEK 20,829.30.

Closing of the transaction

Closing of the transaction are subject to customary conditions and closing is expected to take place in the beginning of November 2021.

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About us

SenzaGen aims to be a leader in non-animal toxicology testing driving the transition from animal testing to methods better suited to reflect human biology. The company has a growth strategy which involve continued commercialization of the in house developed GARD® test platform, expansion of the test portfolio with a broader range of tests and pursuing acquisition opportunities of profitable and growing companies with complementary offerings. The company's state-of-the-art GARD® test platform combines genomic data from human cells with machine learning for a unique capability to identify and analyze whether a chemical could cause allergic reactions on the skin or in the respiratory tract. Its high informational content and a holistic view of the immunological responses contribute to high predictive accuracy and human relevance. SenzaGen has its headquarters and GLP certified laboratory in Lund, Sweden, and a subsidiary in the US. For more information, please visit: www.senzagen.com.

SenzaGen is listed on Nasdaq Stockholm First North Growth Market (ticker: SENZA), and FNCA Sweden AB, +46(0)8-528 00 399, info@fnca.se, is the company's Certified Adviser.

This information is information that SenzaGen is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-10-28 17:31 CEST.

Attachments



[SenzaGen enters into agreement to acquire 100 percent of the shares in VitroScreen](#)