

PRESS RELEASE

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Senzime completes the acquisition of Respiratory Motion and issues 2,127,537 new shares

Press release: Uppsala, 1 July 2022

Senzime AB (publ) ("Senzime" or the "Company") has today completed the acquisition of 100 percent of the shares in Respiratory Motion, Inc. ("Respiratory Motion"), as was made public on 1 June 2022. Senzime's Board of Directors has in connection therewith resolved to issue 2,127,537 new shares to the sellers of Respiratory Motion at a subscription price of SEK 18,59 per share (the "Consideration Share Issue").

On 1 June 2022, the Company entered into an acquisition agreement on the purchase of all of the outstanding shares in Respiratory Motion for an initial consideration of USD 19 million on a cash- and debt-free basis (the "Initial Consideration") with an additional potential earn-out payment of up to USD 25 million, to be paid out in 2024, at the earliest (the "Transaction"). The earn-out payment is based on the outcome of Respiratory Motion's sales budget for 2023.

Pursuant to the Transaction agreements, the Initial Consideration shall, following customary adjustments for net debt and normalized working capital, be paid with 8,477,937 shares in Senzime (the "Consideration Shares"), which corresponds to a value of 16.1 million USD, to those sellers of Respiratory Motion that satisfy certain conditions precedent. Ten percent of the Consideration Shares are however held in escrow for one year to cover potential warranty breaches and will be issued only after the settlement of any warranty claims raised during said period. The Consideration Shares held in escrow will be issued on the same terms as the Consideration Share Issue.

The subscribers' in the Consideration Share Issue, also being sellers of Respiratory Motion, have fulfilled the conditions precedent in the Transaction and have therefore claims on Senzime in amounts equal to each seller's part of the Initial Consideration. Senzime's Board of Directors has therefore, based on the authorization to issue shares granted by the extraordinary general meeting on 27 June 2022, resolved on a directed issue of 2,127,537 shares at a subscription price of SEK 18.59 per share. The subscription price per share represents the volume weighted average price (VWAP) for the period of the last twenty trading days up to and including 31 May 2022. Payment for the shares in the Consideration Share Issue is made through set-off of claims against the Company in connection with the subscription.

The reason for the deviation from the shareholders pre-emption rights is that in order to finalise the acquisition of Respiratory Motion pursuant to the agreements entered into, the Company is required to issue shares to the sellers of Respiratory Motion.

The Consideration Share Issue entails a dilution of approximately 3 percent of the number of shares and votes in the Company (calculated as the number of newly issued shares divided by the total number of shares in the Company after the Consideration Share Issue). Through the Consideration Share Issue, the number of shares and votes in the Company will increase by 2,127,537 from 67,756,448 to 69,883,985. The share capital will increase by SEK 265,942.125 from SEK 8,469,556 to SEK 8,735,498.125.

Those sellers of Respiratory Motion that on this date have not satisfied the conditions precedent for receiving the Initial Consideration have up until one year from the closing of the Transaction to fulfil the conditions. Each such seller that fulfills the conditions within said period will receive its part of the Initial Consideration, to be set-off against its part of the Consideration Shares, on the same terms as the Consideration Share Issue. The sellers who have not fulfilled the conditions at the end of the period will no longer be entitled to their part of the Initial Consideration. A maximum of 8,477,937 shares can be issued in Sensime in order to finance the Initial Consideration, including the shares in this Consideration Share Issue.

In connection with the Consideration Share Issue, the subscribers' have undertaken not to, subject to customary exceptions, divest any shares in the Company for a lock-up period of one year from the date of receipt of the shares, except for (i) Dr Jenny Freeman and (ii) the sellers' representatives, whose lock-up periods begins on the date of receipt of the shares and ends (i) for Dr Jenny Freeman, on the date falling ten months thereafter and (ii) for the sellers' representatives, the earlier of the date they receive a warranty claim under the Transaction and the date falling in six months of today's date.

Respiratory Motion will be consolidated into the financial reporting of Sensime as of 1 July 2022.

Publication of prospectus

Sensime will prepare a prospectus for the shares in the Directed Consideration Share Issue. The shares in the Directed Consideration Share Issue will therefore be admitted to trading on Nasdaq Stockholm as soon as a prospectus has been approved by the Swedish Financial Supervisory Authority, which is expected to occur in July 2022.

Advisors

Carnegie is acting as financial advisor in relation to the Transaction. Eversheds Sutherland (Stockholm and Chicago) is acting as legal advisor to Sensime in connection with the Transaction. Advokatfirman Lindahl is acting as legal advisor to Sensime in connection with the Consideration Share Issue.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Sensime in any jurisdiction, neither from Sensime nor from anyone else.

Any investment decision in connection with the Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied or distributed, directly or indirectly, in whole or in part, to Australia, Canada, Japan or the United States of America or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Senzime has not authorized any offer to the public of shares or rights in any member state of the EEA. In any EEA Member State and in the United Kingdom, this communication is only addressed to and is only directed at qualified investors in that Member State or in the United Kingdom within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Senzime have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Consideration Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Sensime.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Sensime and determining appropriate distribution channels.

Forward-looking statements

To the extent this press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Undue reliance should not be placed on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

For further information, please contact:

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About Sensime

Senzime is a Swedish medical device company that develops and markets CE- and FDA-cleared monitoring systems for patients undergoing anesthesia. Sensime's employees worldwide are committed to the vision of a world without anesthesia related complications. Six out of ten patients that wake up after surgery are not fully muscle recovered and therefore at risk having critical respiratory complications. The TetraGraph system helps anesthesia providers improve patient care and reduce healthcare costs by digitally and continuously measure the degree of neuromuscular blockade under and after surgery. Sensime operates in the world's leading markets targeting a market opportunity valued in excess of SEK 15 billion per year. The company's shares are listed on Nasdaq Stockholms main market (ticker SEZI). www.senzime.com

Attachments

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