

**PRESS RELEASE**

29 August 2023 17:00:00 CEST

## **NOTICE OF extraordinary GENERAL MEETING IN Senzime ab (PUBL)**

The shareholders in Senzime AB (publ) corp. reg. no 556565-5734 (the "Company") are hereby convened to an extraordinary general meeting on Wednesday September 20, 2023 at 15.00 at Senzime ABs premises on Ulls väg 41 in Uppsala.

**Notice etc.**

Shareholders who wish to participate in the general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Tuesday September 12, 2023 (the record date), and
- notify his or her intention to attend the general meeting to the Company no later than Thursday September 14, 2023, by mail to Ulls väg 41, 756 51 Uppsala stating "general meeting" or by e-mail to [info@senzime.com](mailto:info@senzime.com).

Such notification shall include the shareholder's name, personal identification number or corporate registration number, address and telephone number, number of shares, details on advisors (no more than two), if any, and, where applicable, details of representatives or proxies.

**Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee through a bank or other trustee must, in addition to notify his or her intention to attend the general meeting, register their shares in their own name so that the shareholder is included in the share register kept by Euroclear Sweden on September 12, 2023. Such registration may be temporary (so-called voting rights registration) and shall be requested by shareholders in such time and in accordance with the routines that the nominee determines. Voting rights registrations that have been completed by the nominee no later than September 14, 2023 will be considered in the preparation of the share register.

**Proxy**

Shareholders represented by proxy must submit a dated power of attorney. If the power of attorney is executed by a legal person, a certified copy of the certificate of registration or equivalent must be attached. The power of attorney may not be valid for a period exceeding five years from its issuance. The original power of attorney and certificate of registration should be submitted to the Company by mail at the address mentioned above in due time prior to the general meeting. Alternatively, the original power of attorney and certificate of registration may be brought and presented at the general meeting. The Company provides a power of attorney form at request and on the Company's website, [www.senzime.com](http://www.senzime.com).

## Number of shares and votes

As of the date of this notice, there are a total of 98,985,114 shares and votes in the Company.

## Proposed agenda

1. Opening of the general meeting and election of chairman of the general meeting
2. Preparation and approval of the voting list
3. Election of one or two persons to verify the minutes
4. Approval of the agenda
5. Determination as to whether the meeting has been duly convened
6. Resolution on the approval of the board of directors' resolution on a directed share issue
7. Resolution on introducing incentive program 2023/2027
8. Closing of the general meeting

## Proposals to resolutions

### *Item 1 – Election of chairman of the general meeting*

The nomination committee proposes that Mattias Prage, lawyer at Advokatfirman Lindahl KB, is elected as chairman of the general meeting or, in his absence, the person otherwise appointed by the board of directors.

### *Item 6 – Resolution on the approval of the board of directors' resolution on a directed share issue*

#### Background

On August 24, 2023 Senzime announced a fundraising where a directed share issue was carried out to a number of investors. Prior to the resolution on the directed share issue, Adam Dahlberg was contacted regarding participation in the fundraising and the company's financial advisor has recommended that Adam Dahlberg is allotted shares. Since Adam Dahlberg is a member of the board of directors in Senzime, a resolution on a directed share issue to him must be approved by the general meeting. Therefore, the board submits its resolution on the directed share issue to Adam Dahlberg for approval by the general meeting, in accordance with the proposal below.

#### The board of directors' proposal on resolution

The board of directors proposes that the general meeting approves the board's resolution on August 24, 2023, on a directed issue of not more than 1,137,500 new shares, entailing an increase in the share capital of maximum SEK 142,187.50. The resolution shall further be governed by the following terms and conditions.

1. The right to subscribe for new shares shall, with deviation from the shareholders pre-emption rights, belong only to Adam Dahlberg.
2. The reasons for deviating from the shareholders' preferential rights are that the board of directors has assessed that it would not be doable to in a time- and cost-effective manner successfully carry out rights issue on terms favorable to the Company, at the same time as the Company is in need of capital. The board of directors considers it favorable for the Company and the shareholders to take advantage of the opportunity to inject new capital from strong and reputable investors on attractive terms and in a time and cost-effective manner. The board of directors' overall assessment is that the reasons for carrying out the new share issue with

deviation from the shareholders' preferential rights outweigh the principal rule that new share issues shall be carried out with preferential rights for existing shareholders, and that a new issue with deviation from the shareholders' preferential rights is therefore in the interest of Senzime and all its shareholders.

3. Subscription of shares shall be made either by payment or on a subscription list not later than 21 September 2023. The board of directors shall have the right to extend the subscription period.
4. Payment for subscribed shares shall be made not later than 21 September 2023 (same date as the subscription). The board of directors shall have the right to extend the payment period.
5. The new shares are issued at a price of SEK 4.50 per share. At full subscription, the Company will thus receive 5 118 750,00 kronor (before issuing costs). The share premium shall be transferred to the unrestricted premium reserve.
6. The subscription price corresponds to the price used at re-transfer to investors pursuant to the resolution to issue shares in Appendix 3. The board of director's assessment is that the price is at market terms, since it is based on the market price at the time of the board's resolution.
7. The new shares entitle to dividends for the first time on the first record date for dividend that take place after the issue of new shares has been registered with the Swedish Companies Registration Office and been recorded in the share register kept by Euroclear Sweden AB.
8. The Managing Director is entitled to make any minor changes necessary for the registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

#### *Item 7 - Resolution on introducing incentive program 2023/2027*

##### Introduction

The board of directors proposes that the annual general meeting resolves (A) on the introduction of an employee stock option program ("**Program 2023/2027**" or the "**Program**") intended for the Company's or the group's employees and key employees, (B) on a directed issue of warrants to the wholly owned subsidiary of the Company MD Biomedical AB, corp. reg. no. 556837-0273 (the "**Subsidiary**"), to ensure the Company's delivery of shares under the employee stock option program and to cover any cash flow effects due to social security costs as a result of the employee stock option program and (C) on approval of transfer of warrants or shares in the Company from the Subsidiary to the participants in the employee stock option program. Resolutions according to A, B and C above must be made as one decision and are thus conditional to each other.

The board of directors considers that it is important and in all shareholders' interests that the Company's employees, who are deemed to be important for the Company's further development, have a long-term interest in a good growth in value of the shares in the Company. A personal long-term ownership commitment can be expected to contribute to an increased interest in the Company's operations and earnings development, and increase the participants' motivation and relationship with the Company and its shareholders. The board also considers that the employee stock option program creates the conditions for limiting future salary costs, as the program becomes part of the participants' remuneration package and replaces, partially or entirely, any bonus programs.

The maximum dilution effect of the proposed incentive program, assuming that all warrants are exercised for subscription of new shares, will be approximately 1.1 percent of the share capital in the Company. The estimation has been made in relation to the number of outstanding shares and allocated options in the Company at the date of the notice of the extra general meeting (including options issued to cover cash flow effects as a result of any social security contributions). For the relationship to previous incentive programs in the Company, see below.

This proposal was prepared by the board in consultation with external counsel.

The employee stock option program in relation to other remuneration

*In general.* The Company shall offer terms in line with market conditions that enable the Company to recruit and retain competent personnel and other key personnel. The Company therefore needs to be able to offer competitive total compensation to its personnel. Remuneration to the employees shall comprise a fixed salary, variable remuneration in some cases, pensions and other customary benefits (when applicable) and, upon the decision of the general meeting, a possibility to take part in long-term incentive programs. Remuneration is based on the individual's commitment and performance in relation to previously established goals, both individual goals and goals for the entire Company. Individual performance is continuously evaluated. Examples of goals are sales and profit targets, development goals and share price.

*Fixed salary and variable remuneration.* The fixed salary is generally reviewed on an annual basis and shall take into account the individual's level of responsibility and degree. The share of the fixed salary in relation to potential variable compensation shall be determined in relation to the employee's responsibility and authority. The variable remuneration shall in each case be limited to a maximum amount in advance and shall be connected to pre-determined and measurable criteria and designed to promote long-term value creation of the Company.

*Long-term incentive programs.* The board intends to introduce a long-term employee stock program to the employees of the Company in accordance with the proposal below. The incentive program has been set up for the purpose of increasing the interest in the Company's business and contributing to a positive development of the business. The vesting period until a share may be acquired may not be less than 3 years.

*Pension.* Pension benefits shall be offered on market terms in relation to what applies to corresponding employees in the market and shall be based on a defined contribution scheme.

#### A. Program 2023/2027

The board of directors proposes that the annual general meeting resolves on the introduction of Program 2023/2027 on essentially the following terms.

1. The Program shall include not more than 1,000,000 employee stock options.
2. The employee stock options shall be assigned to the program participants free of charge.
3. The program for 2023/2027 shall include employees and other key personnel in the Company or the group. Board members will not participate in the Program. Employee stock options shall be offered and granted to employees and other key personnel of the Company or the group based on the participants' competence, qualifications, performance and significance for the Company. The maximum number of options that a participant can be offered within the Program is 200,000 options.
4. Resolution of allotment of employee stock options shall be made no later than October 2023. Allocation can, however, take place earlier or later after a resolution by the board.
5. Allotted employee stock options shall be vested over a three-year period in accordance with the following:
  - 20% of the allotted employee stock options will be vested on October 1, 2024;
  - 20% of the granted employee stock options will be vested on October 1, 2025; and
  - 60% of the allotted employee stock options will be vested on October 1, 2026.
  - If the board deems it appropriate for commercial reasons, the board may decide to deviate from the schedule above for one or more participants.

1. Vesting requires that the participant is still employed in the Company or a group Company at each vesting date. If a participant ceases to be employed in the Company or group Company, further vesting will not take place. However, the participant is entitled to maintain and subsequently exercise already vested employee stock options after the termination of employment, provided that the employment of the participant has not been terminated through termination or dismissal on the basis that the participant has not fulfilled its obligations in accordance with the employment agreement or in accordance with law and regulations, at which the Company's obligation to deliver shares, and the participant's possibility to exercise his or hers employee stock options, ceases in its entirety. However, if the board deems it appropriate in an individual case, the board may resolve on deviation from this item.
2. *Exercising period.* Participants can exercise granted and earned employee stock options during the period October 1, 2026 to October 1, 2027 (the "**Exercising Period**").
3. *Goal fulfilment.* The employee stock options may be exercised to subscribe for shares in the Company, in accordance with the terms of the employee stock options, whereby certain strategic and operational goals may be established. Any goals will be determined by the CEO or the board in advance and shall be drawn up objectively and related to the business. Examples of goals are sales and profit targets, development goals and share price.
4. *Exercise Price.* Each employee stock option entitles the participant to, during the Exercise Period (after potential goal fulfilment according to item 8 above), acquire one (1) new share in the Company at an exercise price, corresponding to 125 percent of the average volume-weighted share price of the Company's share on Nasdaq Stockholm during the period of ten (10) trading days preceding the shareholders' meeting on September 20, 2023.
5. The right to participate in the Program is subject to the participant entering into an option agreement with the Company in the format indicated by the Company.
6. Issued employee stock options do not constitute securities and may not be transferred, pledged or otherwise disposed by the holder.
7. If a general meeting should resolve on, for example, an increase or decrease of the number of shares in the Company during the term of the employee stock options, recalculation may be performed to maintain the value of the employee stock options. Decisions on recalculation shall be made by the board of directors of the Company.
8. The board or a person designated by the board shall have the right to decide on the minor deviations in the Program that may be needed to fulfil the purpose of the Program. The board or the person appointed by the board shall also have the right to decide on such minor adjustments that, for example for tax reasons, may be required for the purpose of the program to be fulfilled for participants who reside and work for the group outside Sweden.

#### B. Directed issue of warrants to the Subsidiary

To enable the Company's delivery of shares under employee stock option program 2023/2027 and to cover potential social security costs arising from the employee stock option program, the board of directors proposes that the annual general meeting resolves on a directed issue of a maximum of 1,100,000 warrants, out of which maximum of 1,000,000 warrants to cover the Company's delivery of shares un the employee stock option program and a maximum of 100,000 warrants to cover cash flow effects from potential social security costs arising from the Program, according to the following terms.

1. The right to subscribe for the warrants shall, with deviation from the shareholders pre-emption rights, apply to the Subsidiary.

2. The reason for the deviation from the shareholders' pre-emption rights is that the issue forms a part in the introduction of Program 2023/2027 and to cover cash flow effects from potential social security costs arising from the Program.
3. The warrants are issued free of charge. The reason for that is that the warrants are issued to the Subsidiary as a part of establishing the Program.
4. Subscription of warrants shall be made on a subscription list within three weeks from the date of the resolution of the annual general meeting. The board of directors shall have the right to extend the subscription period.
5. Each warrant shall entitle a right to acquire one (1) new share in the Company at a subscription price, corresponding to 125 percent of the average volume-weighted share price of the Company's share on Nasdaq Stockholm during the period of ten (10) trading days preceding the shareholders' meeting on September 20, 2023.
6. Subscription of shares through the exercise of the warrants shall be done in accordance with the terms and conditions for the warrants from October 1, 2026 to October 1, 2027.
7. If all warrants are exercised for subscription of shares, the Company's registered share capital will increase by approximately SEK 137,500 (taking into account the current quota value and assuming that no recalculation takes place in accordance with the warrant terms).
8. A new share that has been issued through a warrant entitles to dividends for the first time on the first record date for dividends that takes place after the subscription of new shares have been registered with the Swedish Companies Registration Office and registered in the share register kept by Euroclear Sweden AB.
9. The board of directors, or a person designated by the board, is authorized to make minor adjustments that are required for the registration and execution of the decision

The complete terms and conditions for the warrants are stated in "*Terms and conditions for warrants 2023/2027, Sensime AB (publ)*". In the terms and conditions, it is stated that the subscription price, as well as the number of new shares to which each warrant entitles the holder to subscribe, may be recalculated in the event of certain situations.

#### C. Approval of transfer of warrants or shares in the Company

The board of directors proposes that the annual general meeting resolves to approve (i) that the Subsidiary may transfer a maximum of 1,000,000 warrants or shares in the Company to participants in the Program, or otherwise dispose of the warrants to secure the Company's commitments due to the program in connection with the participants exercising the employee stock options for subscription of new shares, and (ii) that the Subsidiary may dispose of no more than 100,000 warrants to cover potential cash flow effects from social security costs in accordance with the terms of the program.

#### Miscellaneous

##### *Costs relating to Program 2023/2027*

The employee stock option program has been designed in consultation with external legal and financial advisors. The cost of this advice is estimated at not more than SEK 50,000 (excluding VAT).

In addition to the advisory costs, the board of directors considers that the Program will entail costs in the form of social security contributions and administrative costs in connection with subscription of shares through exercise of the warrants and registration with the Swedish Companies Registration Office. These costs cannot currently be calculated with proper reliability, but as the proposal includes the issuance of options to cover cash flow effects as a result of any social security contributions, the Company's costs may be considered planned/managed in a satisfactory manner.

## *Previous incentive programs in the Company; dilution*

The Company currently has four ongoing incentive programs:

- employee stock option program 2020/2023 - 100,000 options (fully allotted), and
- employee stock option program 2020/2024 - 1,100,000 options (of these, 737,000 options have been allotted, and
- employee stock option program 2021/2025 – 456,050 options (of these, 435,000 options have been allotted, and
- employee stock option program 2022/2026 – 900,000 options (fully allotted)

In connection to the option programs above, an additional 930,450 options have been issued to the Subsidiary, which can be used to cover any cash flow effects as a result of social costs due to the option program (options that the Company can use to cover potential cash flow effects as a result of social costs due to all outstanding programs are hereafter referred to as "**Hedge Options**"). Based on the existing number of shares and outstanding warrants at the time of this notice, the potential dilution due to all outstanding programs (including the now proposed Program 2023/2027 and Hedge Options), assuming that all allocated warrants are exercised for new subscription of shares, will not exceed approximately 4,1 percent of the shares and votes (of which, as mentioned above, the now proposed program including Hedge Options accounts for approximately 1.1 percent). The potential dilution due to all outstanding programs (including the now proposed Program 2023/2027 but excluding Hedge Options), assuming that all warrants are exercised for new subscription of shares, will not exceed approximately 3,1 percent of the shares and votes (of which, as mentioned above, the now proposed program excluding Hedge Options accounts for about approximately 1.0 percent). For a more detailed description of the Company's share-related incentive program, please refer to the annual report for the financial year 2022.

## **Majority requirements**

Resolutions in accordance with item 6 above requires, for its validity, a minimum of nine tenths of both the votes cast and the shares represented at the general meeting.

Resolutions in accordance with item 7 above requires, for its validity, a minimum of nine tenths of both the votes cast and the shares represented at the general meeting.

## **Processing of personal data**

For information regarding the processing of your personal data, please refer to <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

## **The shareholders' right to information at the general meeting**

The board of directors and the CEO shall, up request by any shareholder, and where the board of directors deems that such information may be provided without significant harm to the Company, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda or the Company's financial position as well as the Company's relationship to other group companies. Shareholders can submit questions in advance to the Company, to the address Ulls väg 41, Uppsala or through e-mail to Slavoljub.Grujic@senzime.com.

## **Documents**



Documents according to the Swedish Companies Act will be held available at the Company (Ulls väg 41, Uppsala) and at the Company's website, [www.senzime.com](http://www.senzime.com), no later than three weeks before the meeting, i.e., no later than 30 August 2023. The documents will also be sent, without charge, to shareholders who so request and inform the Company of their postal address.

Uppsala in August 2023

**Senzime AB (publ)**

*The board of directors*

**For further information, please contact:**

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## About Senzime

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Senzime is a Swedish medical device company that develops, manufactures, and markets CE- and FDA-cleared patient monitoring systems. Senzime's employees worldwide are committed to the vision of a world without anesthesia- and respiratory-related complications. The company markets an innovative portfolio of solutions, including the TetraGraph® and ExSpiron® 2Xi for real-time monitoring of neuromuscular and respiratory functions, typically under and after surgery. The goal is to help eliminate in-hospital complications, and radically reduce health care costs related to surgical and high acuity procedures.

Senzime targets a market opportunity valued more than SEK 40 billion per year, and operates with sales teams in the world's leading markets. The company's shares are listed on Nasdaq Stockholm Main Market (SEZI). More information is available at [senzime.com](http://senzime.com).

## Attachments

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