



Summary of Interim Report
January – September, 2016

556565-5734

“We continue to build a new global leader in the field of patient monitoring”

Financial information third quarter, 2016

- Net sales amounts to KSEK 900 (33)
- Income after financial items amounts to KSEK -1,964 (-1,968).
- Earnings per share before dilution amounts to SEK -0.06 (-0.12) and after dilution to SEK -0.06 (-0.12).
- Cash and cash equivalents per September 30, 2016 equal SEK 15.8 million (17.3).
- Number of shares per September 30, 2016 amounts to 36,172,643 (32,153,460).

Financial information January – September, 2016

- Net sales amounts to KSEK 1,443 (111).
- Income after financial items amounts to KSEK -5,840 (-5,769).
- Earnings per share before dilution amounts to SEK -0.24 (-0.40) and after dilution to SEK -0.24 (-0.40).

Definitions. *Earnings per share: Net income for the period divided by the average numbers of shares during the period. In parentheses describes comparative period last year. Unless otherwise stated, all information refers to the Group.*

Significant events during the third quarter

- July 2016. New share issue with preferential rights for existing shareholders that was performed during May – June is now registered with the Company's Registration Office. The proceeds in the issue totals SEK 15.3 million before transaction costs.
- August 2016. Örebro University has been awarded SEK 11 million and will together with Sensime, Sandvik, Techtum and Nanoxis explore why the immune system reacts differently in different people after an operation, during an infection or because of polluted air.

Significant events after the end of the period

- October 2016. New Swedish registry study – a national collaboration between Sensime, Swedish Medtech, Skåne University Hospital in Lund and University of Gothenburg and the national quality registry for esophageal and gastric cancer. A clinical trial investigating the OnZurf Probe for continuous, organ specific monitoring of lactate trends in postoperative esophageal cancer patients is ongoing in Lund. The clinical trial is being expanded in order to examine how the new OnZurf Probe solution may mitigate the healthcare costs associated with this disease.
- November 2016. Sensime is initiating a series of clinical studies to be performed at Mayo Clinic, USA. The studies are intended to evaluate Sensime's patient neuromonitoring system called TetraGraph, used during anesthesia. Data about the monitor's ease of clinical use, form factor, design, and ease of set-up will be collected. The clinical validation studies at Mayo Clinic are intended to compare its usability to that of the now-discontinued former market leading monitoring system. Results are scheduled for presentation as early as December 2016.
- November 2016. Sensime launches a clinical study at NorthShore University HealthSystem, Chicago, USA, a Teaching Affiliate of the University of Chicago Pritzker School of Medicine. Professor Glenn Murphy will head this clinical investigation of the leading neuromuscular monitoring system, the TetraGraph. This study is designed to investigate the clinical utility of the TetraGraph System in a total of 150 patients, and will compare its ease of use, reliability and precision to the former leading product that has been discontinued from the market.
- November 2016. Sensime launches a clinical study at the University of Debrecen, Hungary. This study will evaluate Sensime's patient neuromonitoring system TetraGraph. This study is designed to investigate the clinical utility of the system in a total of 40 patients, and will compare its ease of use, reliability and precision to the former leading product, the TOF-Watch, that has been discontinued from the market. Results are scheduled for presentation as early as the first quarter of 2017.

Statement of the CEO

“We continue to build a new global leader in the field of patient monitoring”

Senzime develops unique medical devices that make it possible to monitor patients' biochemical and physiological processes before, during and after an operation. The solutions are designed to ensure maximum patient benefit, reduce complications associated with surgery and reduce health care costs.

During the second quarter of 2016, Senzime AB acquired Acacia BV, a medical device company that has developed a novel and reliable method of monitoring the depth of neuromuscular block and determine the adequacy of neuromuscular recovery during general anesthesia. The method of monitoring is designed to reduce perioperative complications in surgical patients. The merger between Senzime and Acacia creates a company with a broader market offering of patient monitoring systems of biological and physiological processes in perioperative surgical patients. The new company significantly increases Senzime's market potential and opportunities, and benefits from Acacia's existing international clinical network.



We are building a global leader in patient monitoring, an area which continues to gain ground in pace with increased demands for patient safety and lower health care costs. As part of this strategy, in the third quarter we continued our product development, clinical verification, sharpen our patent portfolio and strengthen the organization to build the new Senzime. We have a unique and competitive portfolio of products in patient monitoring that faces the market launch 2017.

During the quarter we, Sandvik, Techtum and Nanoxis also began a collaboration with Örebro University that aims to improve patient safety and reduce healthcare costs. Senzime will supply the resources, instruments, consumables and microdialysis probes needed to investigate the immune system receptors called inflammasomes and the role they play in a host of inflammatory disorders. Understanding these protein complexes may provide early detection of changes in the maintenance of homeostatic biological functions in patients at risk, and facilitate the clearance of pathogens and damaged cells.

We also launched a Swedish registry study in collaboration with Swedish Medtech, Skåne University Hospital in Lund, Gothenburg University and the National Registry of esophageal and gastric cancer. In Lund, a clinical study using OnZurf Probe is already ongoing. The OnZurf Probe is our product for continuous, organ-specific postoperative measurement of lactate in patients with cancer of the esophagus, a disorder that affects approximately 500,000 patients worldwide annually. This study has now been expanded further in cooperation with additional partners to also evaluate health economic issues. Results from this study are expected to be reported in the second quarter of 2017.

After the reporting period, we began study partnerships with two of the world's foremost hospitals: The Mayo Clinic and North Shore University Hospital, both in the United States. The studies planned are intended to evaluate the TetraGraph. The study results are expected in December 2016, and they will provide the needed data as a first step towards future market introduction in the US. Additionally, a validation study has been initiated in cooperation with Debrecen University in Hungary, one of Europe's leading universities in the area of neuromuscular monitoring; these results are expected early in 2017.

Finally, and as I said earlier, we remain confident that we have highly attractive products and that we are targeting the right market at the right time. Discussions with potential license partners continues, we are approaching market launch of our products; we look forward to an eventful end to 2016 and an exciting and promising start of 2017.

Uppsala in November 2016

Lena Söderström, CEO of Senzime AB (publ)

Consolidated Income Statement		Q 3	Q 3	Jan-sep	Jan-sep	Full year
KSEK	Note	2016	2015	2016	2015	2015
Sales revenue		900	33	1,443	111	153
Cost of goods sold		-117	-520	-379	-1,616	-1,730
<i>of which goods</i>		2	-97	-29	-220	-228
<i>of which salaries</i>		-15	-78	-58	-261	-323
<i>of which external services</i>		-20	-17	-40	-150	-150
<i>of which depreciation</i>		-84	-328	-252	-985	-1,029
Gross income		783	-487	1,064	-1,505	-1,577
Selling and administrative expenses	1	-2,800	-1,488	-6,874	-4,491	-6,532
Other operating income		32	2	44	224	523
Other operating expenses		22	-9	-73	-10	-11
Operating income		-1,963	-1,982	-5,839	-5,782	-7,597
Financial income			15		15	17
Financial expenses		-1	-1	-1	-2	-2
Total financial items		-1	14	-1	13	15
Income after financial items		-1,964	-1,968	-5,840	-5,769	-7,582
Income tax						2
Net income		-1,964	-1,968	-5,840	-5,769	-7,580
Average number of shares before dilution		32,153,460	16,076,730	23,936,465	14,405,493	14,823,302
Average number of shares after dilution		32,249,076	16,178,111	24,032,731	14,464,508	14,921,053
Earnings per share before dilution, SEK		-0.06	-0.12	-0.24	-0.40	-0.51
Earnings per share after dilution, SEK		-0.06	-0.12	-0.24	-0.40	-0.51

Consolidated Balance sheet

KSEK	Note	30 sep 2016	30 sep 2015	31 dec 2015
ASSETS				
Non-current assets				
Intangible assets	2	142,896	31,534	32,242
Machinery and equipment		50	6	30
Total non-current assets		142,946	31,540	32,272
Current assets				
Inventories		428	475	492
Accounts receivables		98	27	7
Other current assets		398	171	253
Prepaid expenses and accrued income		282	268	300
Cash and cash equivalents		15,767	17,345	14,479
Total current assets		16,973	18,286	15,531
TOTAL ASSETS		159,919	49,826	47,803
EQUITY AND LIABILITIES				
Equity		135,585	47,622	45,810
Provisions		21,133	512	510
Current liabilities				
Borrowings			37	37
Accounts payable		2,044	627	573
Other liabilities		453	437	238
Accrued expenses and prepaid income		704	591	635
Total current liabilities		3,201	1,692	1,483
TOTAL EQUITY AND LIABILITIES		159,919	49,826	47,803
Pledged assets				
For own liabilities and provisions				
Financial guarantees		3,038	3,038	3,038
Total pledged assets		3,038	3,038	3,038
Contingent liabilities		None	None	None

**Consolidated Statement of
Changes in Equity**

KSEK	Unregistered share		Statutory reserve	Development fund	Share premium		Retained earnings	Total equity
	Equity	issue			reserve	reserve		
Opening balance at January 1, 2015	27,556	12,866	3,839		24,866	-25,046	44,081	
New share issue	12,636	-12,866			11,393		11,163	
Issue expenses					-1,853		-1,853	
Net income						-5,769	-5,769	
Total equity at September 30, 2015	40,192	-	3,839	-	34,406	-	30,815	47,622
Opening balance at January 1, 2016	40,192		3,839		34,406	-32,626	45,811	
Change of Development fund				2,939	-2,939		-	
Reduction equity	-38,182					38,182	-	
Issue for non-cash consideration (Acquisition Acacia)	2,009				79,982		81,991	
New share issue	502				14,771		15,273	
Issue expenses					-2,335		2,335	
Net income						-5,840	-5,840	
Omräkningsdifferens						685	685	
Total equity at September 30, 2016	4,521	0	3,839	2,939	123,885	401	135,585	

Consolidated Statement of Cash Flows

KSEK	Note	Q 3	Q 3	Jan-sep	Jan-sep	Full year
		2016	2015	2016	2015	2015
Operating cash flow						
Income after financial items		-1,964	-1,968	-5,840	-5,769	-7,582
Adjustment for depreciations		170	412	508	1,125	1,252
Other adjustments for items not included in cash flow		-222		-40		
Cash flow after operating activities before changes in working capital		-2,016	-1,556	-5,372	-4,644	-6,330
Cash flow from changes in working capital						
Changes in inventories and work in progress		20	11	64	-114	-131
Changes in current receivables	3	2,345	278	956	811	718
Changes in current liabilities		-3,086	111	-1,961	-461	-671
Cash flow from operating activities		-2,737	-1,156	-6,313	-4,408	-6,414
Investing activities						
Acquisition of intangible fixed assets		-2,405	-952	-4,479	-3,482	-4,316
Acquisition of tangible fixed assets				-28		-26
Acquisition of subsidiaries net of cash and cash equivalents	2			-793		
Cash flow from investing activities		-2,405	-952	-5,300	-3,482	-4,342
Financing activities						
New issue	3	12,938		12,938	22,177	22,177
New loan and loan amortisation			-37	-37	-84	-84
Cash flow from financing activities		12,938	-37	12,901	22,093	22,093
Changes in cash and cash equivalents						
		7,796	-2,145	1,288	14,203	11,337
Cash and cash equivalents at the start of the period						
		7,971	19,490	14,479	3,142	3,142
Cash and cash equivalents at the end of the period						
		15,767	17,345	15,767	17,345	14,479

Parent Company Income Statement

KSEK	Note	Q 3 2016	Q 3 2015	Jan-sep 2016	Jan-sep 2015	Full year 2015
Sales revenue		78	33	186	111	138
Cost of goods sold		-117	-503	-362	-1,599	-1,713
<i>of which goods</i>		2	-80	-12	-203	-211
<i>of which salaries</i>		-15	-78	-58	-262	-323
<i>of which external services</i>		-20	-17	-40	-149	-150
<i>of which depreciation</i>		-84	-328	-252	-985	-1,029
Gross income		-39	-470	-176	-1,488	-1,575
Selling and administrative expenses		-2,569	-1,334	-6,380	-4,245	-5,839
Other operating income		32	2	44	4	4
Other operating expenses		-9	-9	-28	-10	-11
Operating income		-2,585	-1,811	-6,540	-5,739	-7,421
Financial income			15		15	17
Financial expenses		-1	-1	-1	-2	-2
Total financial items		-1	14	-1	13	15
Income after financial items		-2,586	-1,797	-6,541	-5,726	-7,406
Income tax						
Net income		-2,586	-1,797	-6,541	-5,726	-7,406

Parent Company Balance sheet

KSEK	Note	30 sep 2016	30 sep 2015	31 dec 2015
ASSETS				
Non-current assets				
Intangible assets		33,496	30,019	30,810
Machinery and equipment		50	6	30
Financial assets	2	86,928	1,754	1,754
Total non-current assets		120,474	31,779	32,594
Current assets				
Inventories		428	475	492
Accounts receivables		98	27	7
Other current assets		339	164	211
Prepaid expenses and accrued income		282	268	300
Cash and cash equivalents		15,587	17,128	14,345
Total current assets		16,734	18,062	15,355
TOTAL ASSETS		137,208	49,841	47,949
EQUITY AND LIABILITIES				
Equity		134,373	47,665	45,985
Provisions		500	500	500
Current liabilities				
Borrowings			37	37
Accounts payable		1,265	627	568
Other liabilities		454	422	225
Accrued expenses and prepaid income		616	590	634
Total current liabilities		2,335	1,676	1,464
TOTAL EQUITY AND LIABILITIES		137,208	49,841	47,949
Pledged assets				
For own liabilities and provisions				
Financial guarantees		3,038	3,038	3,038
Total pledged assets		3,038	3,038	3,038
Contingent liabilities		None	None	None

Parent Company Statement of
Changes in Equity

KSEK	Unregistered share			Development fund	Share premium		Retained earnings	Total equity
	Equity	issue	Statutory reserve		reserve			
Opening balance at January 1, 2015	27,556	12,866	3,839		24,866	-25,046	44,081	
New share issue	12,636	-12,866			11,393		11,163	
Issue expenses					-1,853	-	1,853	
Net income						-5,726	-5,726	
Total equity at September 30, 2015	40,192	-	3,839	-	34,406	-30,772	47,665	
Opening balance at January 1, 2016	40,192		3,839		34,406	-32,452	45,985	
Change of Development fund				2,939	-2,939		-	
Reduction equity	-38,182					38,182	-	
Issue for non-cash consideration (Acquisition Acacia)	2,009				79,982		81,991	
New share issue	502				14,771		15,273	
Issue expenses					-2,335		-2,335	
Net income						-6,541	-6,541	
Total equity at September 30, 2016	4,521	0	3,839	2,939	123,885	-811	134,373	

Parent Company Statement of Cash Flows

KSEK	Note	Q 3 2016	Q 3 2015	Jan-sep 2016	Jan-sep 2015	Full year 2015
Operating cash flow						
Total financial items		-2,586	-1,797	-6,541	-5,726	-7,406
Adjustment for depreciations		89	329	261	987	1,033
Cash flow after operating activities before changes in working capital		-2,497	-1,468	-6,280	-4,739	-6,373
Cash flow from changes in working capital						
Changes in inventories and work in progress		20	12	64	-114	-131
Changes in current receivables	3	2,172	280	-201	819	760
Changes in current liabilities		-1,122	114	908	-477	-689
Cash flow from operating activities		-1,427	-1,062	-5,509	-4,511	-6,433
Investing activities						
Acquisition of intangible fixed assets		-1,465	-952	-2,939	-2,342	-3,177
Acquisition of tangible fixed assets				-28		-26
Acquisition of financial assets		-1,810		-2,317	-1,254	
Acquisition of subsidiaries	2			-866		-1,254
Cash flow from investing activities		-3,275	-952	-6,150	-3,596	-4,457
Financing activities						
New issue	3	12,938		12,938	22,177	22,177
New loan and loan amortisation			-37	-37	-84	-84
Cash flow from financing activities		12,938	-37	12,901	22,093	22,093
Changes in cash and cash equivalents						
		8,236	-2,051	1,242	13,986	11,203
Cash and cash equivalents at the start of the period		7,351	19,180	14,345	3,142	3,142
Cash and cash equivalents at the end of the period		15,587	17,128	15,587	17,128	14,345

NOTE 1

Selling and administrative expenses	Q 3	Q 3	Jan-sep	Jan-sep	Full year
KSEK	2016	2015	2016	2015	2015
Salaries	856	636	2,451	1,846	2,762
Office expenses	99	90	299	194	286
Consultants	1,438	486	2,890	1,589	2,371
Travelling expenses	118	65	331	169	199
Marketing expenses	120	55	395	385	454
Depreciation	86	83	256	140	224
Other expenses	83	73	252	168	236
Total selling and administrative expenses	2,800	1,488	6,874	4,491	6,532

NOTE 2
Acquisition of subsidiaries
KSEK

On May 17, 2016 Senzime acquired 100% of the stocks in Acacia Designs B.V. The acquisition have been financed by newly issued shares in Senzime through a non-cash issue. The purchase price amounts to 16,076,730 new shares in Senzime at a price of SEK 5.10 per share, thereby SEK 81,991,323. In addition transaction expenses of SEK 866,039.

The table below summarizes the purchase price for Acacia Designs B.V. and the fair value of assets acquired and liabilities taken over.

Purchase price per May 17, 2016

Equity instruments (16,076,730 ordinary shares)	81,991
Paid acquisition expenses	866
Total purchase price paid	82,857

Amounts of identifiable assets acquired and liabilities taken over

Cash and cash equivalents	73
Intangible assets	105,950
Accounts receivables and other current assets	1,173
Accounts payable and other current liabilities	-3,716
Deferred tax	-20,623
Total identifiable net assets	82,857

As the acquisition is financed through a non-cash issue, there is no cash flow effect, other than for paid acquisition costs and cash equivalents in the acquired company.

NOTE 3

Adjustment in cash flow	Q 3	Q 3	Jan-sep	Jan-sep	Full year
KSEK	2016	2015	2016	2015	2015

The subscription period for Senzime AB's new share issue with preferential rights for existing shareholders expired on 15 June 2016. The share issue totals SEK 15.3 million before transaction costs, SEK 2.3 million, which is registered with the Companies Registration Office and paid to the company in July 2016. As of June 30, 2016, the Company booked up the issue as a short-term debt and equity. The Company makes an adjustment in the cash flow, this is compiled below.

Cash flow from changes in working capital

Changes in current receivables				13,794	13,584
Adjustment for new issue claim				-12,866	-12,866
Cash flow from changes in working capital	-	-	-	928	718

Financing activities

New issue				-1,246	9,310
Adjustment for new issue claim				12,866	12,866
Cash flow from financing activities	-	-	-	11,620	22,176