



**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Sensyne Health plc**

("Sensyne" or the "Company")

**Successful Completion of Financing  
and  
Notice of General Meeting**

- Successful completion of financing; monies to be received on 28 January 2022
- MagnifEye licence amended to become non-exclusive

**Oxford, U.K. –26 January 2022:** Sensyne Health plc (LSE:SENS), the UK clinical AI company, announces it has successfully completed the financing announced on 14 January 2022.

The financing comprises up to £11.35 million (comprising a first tranche of £6.35 million and an additional tranche of £5 million by mutual consent) and will fund the business through the ongoing Formal Sale Process. Lord Drayson has confirmed his commitment to the Company's mission and its unique ethical business model for the use of anonymised patient data in medical research in partnership with the NHS and health systems world-wide. He has proposed and the Company has agreed that he will reduce his base salary to £1 per annum while the Loan Notes are outstanding and he has committed to vote for any bid for the Company that results from the Formal Sale Process that is consistent with the Company's mission and maximises value for shareholders or is recommended by the independent Directors.

**Prof Sir Bruce Keogh, Chairman, commented:**

*"I am grateful to shareholders for their support in providing this financing, which puts the Company in a position to complete the Formal Sale Process."*

Unless otherwise indicated, capitalised terms in this announcement have the meaning given to them in the definitions section included in Appendix I. A Circular, including the Notice of General Meeting, is expected to be sent to Shareholders and published on the Company's website ([www.sensynehealth.com](http://www.sensynehealth.com)) on or around 26 January 2022.

**Introduction**

On 26 January 2022 the Company entered into the Financing with a number of its institutional shareholders and Peel Hunt to raise £6.35 million (and up to a further £5.0 million by mutual consent) through the issue of Loan Notes and Warrants. The proceeds of the First Tranche are expected to be credited to the Company by 28 January 2022 and will contribute to general working capital to enable the Company to continue to proceed through the ongoing Formal Sale Process.

Shareholder approval is being sought for the passing of the Resolutions at the General Meeting to authorise the Directors to issue the Conditional Warrants pursuant to the Financing and to disapply

statutory pre-emption rights in respect thereof. In addition, Shareholder approval is being sought to renew the general authority for the Directors to allot shares and to disapply statutory pre-emption rights.

The Company has received irrevocable undertakings to vote in favour of the Disapplication Resolution representing approximately 51.96 per cent. of the existing share capital of the Company. Details on the importance of voting in favour of the Disapplication Resolution may be found below.

### **Background to and reasons for the Financing**

As of 24 January 2022, the Company's unaudited cash position was £2.5 million. The unaudited adjusted operating loss for the six months ending 31 October 2021 was £14.7 million and the unaudited revenue figure for the same period was £1.0 million. The Company has been seeking funding from a number of different sources and due to the pressing need for additional working capital, the Company announced on 14 January 2022 that it had signed a non-binding term sheet with a number of its institutional shareholders and Peel Hunt to provide £6.35 million of capital (with an additional £5 million which may be provided by mutual consent) to finance the Company over the coming months as it proceeds through to the outcome of the ongoing FSP.

The Financing was entered into on 26 January 2022 and the Company expects to receive the monies from the First Tranche by 28 January 2022. Without the monies from the Financing, the Company would not have sufficient cash to complete the FSP nor continue to trade beyond early February 2022. The full proceeds of the Financing are expected to secure the Company's short term financing requirements and fund the business through the ongoing FSP. Further details of the Financing may be found below.

On 25 January 2022 the Company and Excalibur Healthcare Services ("Excalibur") agreed to amend the terms of the Licence and Development Agreement signed 9 February 2021. Pursuant to the amended terms, Excalibur's licence to use MagnifEye becomes non-exclusive with immediate effect. The Company will continue to receive a royalty on sales made by Excalibur, but guaranteed minimum royalties are removed. The Company will now seek additional commercial partners for MagnifEye, which comprises a suite of eight algorithms that can be used to automate and improve the accuracy of reading lateral flow diagnostic tests, with applicability beyond COVID-19 to a wide range of industrial applications, both clinical and non-clinical. Excalibur can also market and partner its own tests with MagnifEye to existing and new customers for all applications.

On 14 January 2022 the Company announced that it had accumulated a substantial debtor. The Company has ceased to pursue monies due under contract and expects to make a substantial provision in its accounts which will not impact the cash runway of the Company.

### **Details of the Financing**

#### **Loan Notes**

On 26 January 2022, the Company entered into the Note Purchase Agreement pursuant to which the Note Purchasers have agreed to purchase Loan Notes with principal amount of up to £11,350,000. The Note Purchase Agreement provides for the Note Purchasers to purchase the Loan Notes in two tranches:

- (a) an initial tranche of £6,350,000 principal amount of Loan Notes, subject to the satisfaction of certain conditions precedent by the Company, following execution of the Note Purchase Agreement (the First Tranche); and
- (b) an additional tranche of up to £5,000,000 principal amount of Loan Notes, subject to the consent of both the Company and the Note Purchasers and satisfaction of certain conditions precedent by the Company (the Second Tranche).

The Loan Notes are redeemable at 1.25 times their par value and have a maturity date which is 364 days following the date of utilisation of the First Tranche. The Loan Notes are required to be redeemed in full on the earliest to occur of (i) the maturity date and (ii) the sale of all or substantially all of the issued share capital, or change of control, of the Company.

The proceeds of the issue of the Loan Notes may only be used for costs associated with maintaining the Company's operations through the ongoing FSP. Peel Hunt has applied the majority of its fee towards the Financing and, consequently, is a Note Purchaser.

The Company has issued a utilisation request in respect of the First Tranche and, subject to satisfaction of the conditions precedent, expects to receive cash proceeds of £5,950,000 by 28 January 2022.

#### **Lock-Up**

The Note Purchasers (excluding Peel Hunt) have agreed not to (and have agreed to procure that their respective affiliates will not) dispose of any interest in Ordinary Shares owned by them or persons connected to them until such time as such undertaking is released in accordance with the Note Purchase Agreement.

#### **Board Observer Right**

Under the terms of the Note Purchase Agreement, Sand Grove has the right to appoint an observer to the Board while the Loan Notes remain outstanding although it has not given notice to exercise this right.

#### **Warrants**

Under the terms of the Note Purchase Agreement, the Company has also agreed to issue to the Note Purchasers Warrants to subscribe for up to 29,169,448 Ordinary Shares representing approximately 17.7 per cent. of the Company's issued share capital as follows:

- (a) Warrants to subscribe for 8,239,950 Ordinary Shares, representing approximately 5.0 per cent. of the Company's issued share capital, on issue of the First Tranche of the Loan Notes (the Unconditional Warrants);
- (b) Warrants to subscribe for 12,689,541 Ordinary Shares, representing approximately 7.7 per cent. of the Company's issued share capital, to be issued in connection with the First Tranche, conditional upon the Shareholders approving the disapplication of statutory pre-emption rights for the issue of such Warrants; and

- (c) Warrants to subscribe for 8,239,957 Ordinary Shares, representing 5.0 per cent. of the Company's issued share capital, to be issued if and when the Second Tranche of Loan Notes is issued, conditional upon the Shareholders approving the disapplication of statutory pre-emption rights for the issue of such Warrants (together with the Warrants referred to in sub-paragraph (b) above, the Conditional Warrants).

Each Warrant is exercisable at the Warrant Price of 10 pence (equal to the nominal value of the Company's Ordinary Shares) at any time from the date of issue of the Warrant until 15 January 2025. The Warrants are subject to the terms of the Warrant Instrument, further details of which shall be set out in the Circular.

The Unconditional Warrants will be issued utilising the authorities and powers approved by Shareholders at the Company's 2021 AGM and are therefore not conditional on further approval by Shareholders. The present authority of the directors to allot equity securities free of statutory pre-emption rights is insufficient for the issue of the Conditional Warrants therefore approval of the Shareholders for the disapplication of statutory pre-emption rights in respect the issue of the Conditional Warrants is required by way of special resolution requiring approval of 75% or more of Shareholders voting.

Under the terms of the Note Purchase Agreement, the following Warrants will be issued to the Note Purchasers in respect of the issue of the First Tranche of the Loan Notes:

Note Purchaser	Unconditional Warrants	Conditional Warrants
Gatmore	1,297,629	1,998,352
Lansdowne	2,335,733	3,597,035
Sand Grove	4,087,537	6,294,813
Peel Hunt	519,051	799,341

### **Security**

The Loan Notes represent senior ranking obligations of the Company and are secured on a first priority basis and guaranteed by other members of the Group. The security consists of first ranking fixed and floating security over substantially all of each member of the Group's assets.

### **General Meeting & Irrevocable undertakings**

The Circular, including the Notice of General Meeting, is expected to be sent to Shareholders and published on the Company's website ([www.sensynehealth.com](http://www.sensynehealth.com)) on or around 26 January 2022.

The Directors utilised in full the general disapplication of statutory pre-emption rights approved by Shareholders at the Company's 2021 AGM to issue the Unconditional Warrants. It is therefore necessary for Shareholders to approve the specific disapplication of statutory pre-emption rights to empower the Directors to issue the Conditional Warrants by way of passing a special resolution. In addition, the Board is proposing a separate ordinary resolution to renew the now exhausted general disapplication authority.

The Company has received irrevocable undertakings to vote in favour of the Disapplication Resolution in respect of 85,635,741 Ordinary Shares representing approximately 51.96 per cent. of the existing share capital of the Company.

If Shareholders do not approve the Disapplication Resolution, the Conditional Warrants cannot be issued. This will constitute an event of default under the Note Purchase Agreement potentially triggering a redemption of the Loan Notes. In such circumstances, without immediate access to alternative sources of cash, the Company would not be able to continue trading and would very likely become insolvent and be placed into administration. The Disapplication Resolution is a special resolution requiring a vote in favour from 75% or more of Shareholders voting.

### **Takeover Panel Waiver**

As the Company is currently in an offer period for the purposes of the Takeover Code as a result of the ongoing Formal Sale Process, under Rule 21.1(a) of the Takeover Code the Company must not, without the approval of the Shareholders in general meeting, take any action which may result in any offer or bona fide possible offer being frustrated or in shareholders being denied the opportunity to decide on its merits. In particular, it may not take certain actions, including issue any shares or any securities carrying rights of conversion into or subscription for shares, or enter into any contracts otherwise than in the ordinary course of business.

The Takeover Panel will normally agree to disapply the requirement for shareholder approval in a general meeting if, inter alia, shareholders of the Company holding shares carrying more than 50 per cent. of the voting rights of the Company state in writing that they approve the proposed action and would vote in favour of any resolution to that effect proposed at a general meeting.

As the Financing falls within the scope of the restrictions of Rule 21.1(a) of the Takeover Code, the Company has obtained confirmation in writing from Shareholders holding 51.96 per cent. of the voting rights of the Company approving the Financing for these purposes and accordingly the Takeover Panel has agreed to disapply the requirement for shareholder approval in general meeting.

**-ENDS-**

### **Notes for editors:**

**About Sensyne Health:** <https://www.sensynehealth.com/>

Sensyne Health plc (LSE: SENS) is a clinical artificial intelligence company operating a unique business model - a for-profit plc making a positive social impact, sharing the financial returns it makes with health systems. The company applies clinical AI in the healthcare and life science industries. In healthcare, Sensyne delivers remote patient monitoring and real-time decision-making systems for healthcare organisations and their patients. In life sciences, Sensyne analyses large complex anonymized data sets to help life sciences companies accelerate the development of new medicines.

Sensyne Health is listed on the AIM Market of the London Stock Exchange (SENS.L).

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**IMPORTANT INFORMATION**

This announcement (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the United States or to US persons unless the securities are registered under the Securities Act, or pursuant to an exemption from, or



in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws and regulations of any state or jurisdiction of the United States. The securities referred to herein were offered and sold to non-US persons outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act. There was no public offer of securities in the United States.

None of the Loan Notes, Warrants, this announcement or any other document connected with the Financing have been or will be approved or disapproved by the US Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed comment upon or endorsed the merits of the offering of the Loan Notes and/or the Warrants or the accuracy or adequacy of this announcement or any other document connected with the Financing. Any representation to the contrary is a criminal offence.

Neither the Loan Notes, Warrants or other documents connected with the Financing have been nor will be registered under the securities laws and regulations of any jurisdiction, in particular, Australia, Canada, Japan or the Republic of South Africa, and may not be offered, sold, resold, or delivered, directly or indirectly, within Australia, Canada, Japan or the Republic of South Africa, or in any jurisdiction where it is unlawful to do so, except pursuant to an applicable exemption.

Peel Hunt LLP (“Peel Hunt”), which is authorised and regulated in the UK by the Financial Conduct Authority, is acting for the Company in connection with the Financing and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to clients of Peel Hunt or for advising any other person in respect of the Financing or any transaction, matter or arrangement referred to in this document. Peel Hunt’s responsibilities as the Company’s nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of the Financing.

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#### Forward Looking Statements

This announcement contains “forward-looking statements” which include all statements (other than statements of historical facts) including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, and any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

## APPENDIX I

### DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“2021 AGM”</b>	the annual general meeting of the Company held on 29 October 2021
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Circular”</b>	the circular of the Company giving (amongst other things) details of the Financing and incorporating the Notice of General Meeting
<b>“Company” or “Sensyne”</b>	Sensyne Health plc, a public limited company incorporated in England and Wales under registered number 11425451
<b>“Conditional Warrants”</b>	Warrants in respect of up to 20,929,498 Ordinary Shares, the issue of which is conditional on the passing of certain of the Resolutions
<b>“Disapplication Resolution”</b>	the special resolution to disapply statutory pre-emption rights in respect of the issue of the Conditional Warrants
<b>“Financing”</b>	the secured financing of the Company through the issue of the Loan Notes pursuant to the terms of the Financing Documents

<b>“Financing Documents”</b>	the Note Purchase Agreement, any Loan Note, any fee letter, any additional notes notice, any accession deed, any resignation letter, any transaction security document, the purchase request and any other document designated as a “Finance Document” by the Noteholders Representative and the Company
<b>“First Tranche”</b>	Loan Notes with a principal amount of £6,350,000 to be issued to the Note Purchasers on or about 28 January 2022
<b>“Formal Sale Process” or “FSP”</b>	the formal sale process in relation to the Company for the purposes of the Takeover Code, as announced by the Company on 2 November 2021
<b>“Gatemoore”</b>	Gatemoore Capital Management LLP
<b>“General Meeting”</b>	the general meeting of the Shareholders of the Company to be held at Hampton by Hilton Oxford, Grenoble Road, Oxford OX4 4XP at 2.00 p.m. on 11 February 2022, convened by the Notice of General Meeting of which is set out at the end of the Circular
<b>“Group”</b>	the Company, its subsidiaries and subsidiary undertakings
<b>“Lansdowne”</b>	Lansdowne Partners (UK) LLP
<b>“Liberum”</b>	Liberum Capital Limited (registered in England and Wales with registered number 5912554) whose registered office is at Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9LY, the Company's joint broker
<b>“Loan Notes”</b>	loan notes in the aggregate principal amount of up to £11,350,000 issued or to be issued by the Company pursuant to the Note Purchase Agreement
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Note Purchasers”</b>	Gatemoore, Sand Grove, Lansdowne and Peel Hunt (the “ <b>Original Purchasers</b> ”) and Lord Paul Drayson (the “ <b>Additional Note Purchaser</b> ”)
<b>“Noteholders”</b>	the holders of the Loan Notes for the time being
<b>“Noteholders Representative”</b>	Lucid Agency Services Limited acting as representative of the Noteholders
<b>“Note Purchase Agreement”</b>	the agreement dated 26 January 2022 between the Company, Gatemoore, Lansdowne, Peel Hunt and Sand Grove (as Note Purchasers), the Noteholders Representative and the Security Agent pursuant to which the Note Purchasers agreed to purchase the First Tranche and, subject to the consent of the Company, the Second Tranche
<b>“Notice of General Meeting”</b>	the notice of General Meeting to be included in the Circular
<b>“Ordinary Shares”</b>	ordinary shares of 10 pence each in the capital of the Company
<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers

<b>“Peel Hunt”</b>	Peel Hunt LLP, a limited liability partnership incorporated and registered in England with No. OC357088 whose registered office is 7 <sup>th</sup> Floor, 100 Liverpool Street, London EC2M 2AT, the Company’s nominated adviser and joint broker
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting to be set out in the Notice of General Meeting
<b>“Sand Grove”</b>	Sand Grove Capital Management LLP
<b>“Second Tranche”</b>	Loan Notes with a principal amount of £5,000,000 to be issued to the Note Purchasers pursuant to the terms of the Note Purchase Agreement, subject to the consent of the Company and the Note Purchasers
<b>“Shareholders”</b> and each individually a <b>“Shareholder”</b>	the holders of Ordinary Shares for the time being
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“Unconditional Warrants”</b>	Warrants in respect of 8,239,950 Ordinary Shares to be issued to the Note Purchasers on the initial Purchase Date (meaning the date on which the Loan Notes are sold and purchased)
<b>“Warrant Price”</b>	ten pence (10p) per Warrant, being the nominal value of an Ordinary Share
<b>“Warrants”</b>	warrants to subscribe for up to 29,169,448 Ordinary Shares which are exercisable at the Warrant Price and otherwise in accordance with the terms of the Warrant Instrument
<b>“Warrant Instrument”</b>	the warrant instrument entered into by the Company by way of deed poll on 26 January 2022 for the purpose of constituting the Warrants

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom and all references to “US\$” or “\$” are to the lawful currency of the United States.  
All references to time in this document are to London Time.