

22 November 2021

Australian Securities Exchange (ASX) Announcement

- **Proposed sale of MicroDevices business to Abiomed for US\$7.5m**
- **Proposed settlement date 3 January 2022**
- **US\$1.9m equipment lease liability to be paid out**
- **Annual General Meeting to be held 23 December 2021**
- **Sensera to consider new business opportunities**

Sensera Limited (ASX:SE1) is announcing the proposed sale of the MicroDevices business to Abiomed, Inc (NASDAQ:ABMD), a leading medical devices company and Sensera's major customer (the Transaction). Upon Transaction completion Sensera will no longer have an operating business.

The Transaction requires shareholder approval pursuant to Listing Rule 11.2 which covers the disposal of an entity's main undertaking.

The Transaction involves the sale of all the assets and business of Sensera Inc. a wholly owned subsidiary based in Woburn, Massachusetts, USA. Sensera will be responsible for any liabilities of the business, the principal liability being the lease of the equipment which has been confirmed to be US\$1.9m, and will be paid off at the closure of the transaction.

A summary of the key Transaction terms is set out at the end of this release.

Ralph Schmitt, Executive Director of Sensera commented, "Following the sale of nanotron in June 2020 we embarked on a strategy for the MicroDevices business to grow revenues and reduce overall costs to achieve break even within the next few quarters. At the time the company had sound opportunities with existing customers and were attracting new opportunities albeit at a lower rate due to the uncertainty from Covid 19. On 8 October the company advised the market that one of our customers, NanoDX were going to pursue an entirely new type of design that did not include MEMs, thus terminating any further activity with Sensera on this product. We also experienced further downside on current customer demand and challenges in meeting Abiomed's orders due to product spec issues and component shortages as a result of the global supply chain constraints. These events continued to stress cash flow even though shipments to Abiomed started to improve later in October. It became obvious that due to the recent customer losses, that breakeven would not be met in the short term. In addition, in a tight US labour market we have also experienced competition from other firms for some of our employees.

We undertook a A\$2.5m capital raising in early August against a business plan that showed the company breaking even in Q4FY22. However with the issues mentioned above we would have been required to raise additional funds with no certainty that we would win new customers and then

ramp in a suitable time frame. After careful consideration the Board agreed that it should look at alternatives and indicated this decision in our Quarterly activities report dated 18 October 2021. Our process had us evaluate multiple options but it became clear the highest value was with an existing customer. Based on the situation, we believe we were able to secure the best possible outcome for shareholders and allow us to move forward”.

Board and management changes

Executive Director Ralph Schmitt and Chief Operating Officer Tim Stucchi are expected to continue in their current roles until Transaction completion. Thereafter Mr Stucchi is expected to become an Abiomed Inc employee, whereas Mr Schmitt is expected to step down from executive and director duties. There are no other proposed changes to the Sensera Board or senior management arising as part of the Transaction.

Next steps

Sensera will seek shareholder approval of the Transaction at its forthcoming Annual General Meeting to be held at 10:30 am Thursday 23 December 2021.

If shareholders approve the Transaction, Sensera will have 6 months from the date of signing the Transaction Agreement (18 November 2021) to find an alternative business or to consider other options.

Under Listing Rule 12.3, ASX will, in the absence of any other reason to suspend the quotation of the Sensera’s securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business.

If Sensera is not able to make an announcement of its intention to acquire a new business within six months of completing the disposal of its main undertaking, ASX will generally exercise its discretion under Listing Rule 12.3 to suspend the quotation of its securities at the end of that six-month period. The suspension will continue until the Sensera makes an announcement acceptable to ASX about its future activities. If the Company does propose to enter into a new transaction, it will consult with ASX.

The Sensera Board will make further announcements around these matters in due course.

A summary of the key transaction terms

The key terms of the Asset Purchase Agreement and Transaction are as follows:

- (a) (Sale and purchase) Sensera Inc. agrees to sell and Abiomed agrees to purchase Sensera, Inc’s tangible and intangible assets, including equipment, contract rights and selected accounts receivable balances, used in the Business.
- (b) (Shareholder approval) Completion of the Transaction is subject to Sensera obtaining approval of its Shareholders for resolution 7 at the Meeting.
- (c) (Consideration) The consideration payable for the assets and Business is US\$7.5m;
- (d) (Conditions to completion) Completion of the Transaction is conditional on:
 - (i) certain key employees agreeing to employment agreements with Abiomed from completion and no less than 90% of Sensera, Inc’s employees agreeing to transfer their employment to Abiomed from completion;
 - (ii) Sensera, Inc obtaining necessary consents;
 - (iii) Abiomed entering into a new lease for Sensera’s Inc’s manufacturing facility on terms and

for a time period acceptable to Abiomed;

- (iii) Sensera, Inc obtaining a corporate tax lien waiver from the Massachusetts Department of Revenue and any other tax clearance certificate required to protect Abiomed from liability for Sensera, Inc's tax obligations;
- (iv) Sensera, Inc repaying (at completion) all amounts owed to Farnam, Inc. (and the release of any associated security interests) in connection with the assets being sold to Abiomed. This amount is expected to be approximately US\$1.9m;

Failure to complete these conditions by 31 January 2022 will give rise to a termination event under the Asset Purchase Agreement.

- (e) (Parent company indemnification) Sensera has agreed to indemnify Abiomed for breach of certain obligations of Sensera, Inc. under the Asset Purchase Agreement, including for breaches of the warranties and representations; and
- (f) (Representations, warranties and indemnities) Sensera, Inc. has given Abiomed certain representations and warranties regarding the assets being sold and the Business usual for a transaction of this type, including in relation to ownership of intellectual property, compliance with law, environmental matters, employment matters and key contracts relating to the Business. Claims for a breach of warranty or representation can be made at any time up to 24 months after the completion of the Transaction. Other than in respect of certain fundamental warranties, or claims based on fraud or wilful misrepresentation, the aggregate damages that may be claimed for breach of the representations and warranties is limited to US\$1.0m.

This announcement was authorised for release by the Board of Directors.

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About Sensera Limited (ASX: SE1):

Sensera Limited is an Internet of Things (IoT) sensor solution provider. The Company designs and manufactures MicroElectroMechanical Systems (MEMS) and sensors for applications that improve the way things are done.

Shares in Sensera Limited (ASX: SE1) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.sensera.com.

Any forward-looking statements in this announcement are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management.