



NEWS RELEASE

Hologic to Acquire Acesa Health, Innovator in Minimally Invasive Solutions for Treatment of Fibroids

8/25/2020

-- Transaction Strengthens Hologic's GYN Surgical Portfolio with Highly Complementary, Clinically Differentiated New Treatment --

MARLBOROUGH, Mass.--(BUSINESS WIRE)-- Hologic, Inc. (Nasdaq: HOLX), a global leader in women's health, announced today that it has acquired Acesa Health Inc., a privately-held innovator in minimally invasive treatment for fibroids, for approximately \$80 million in cash plus contingent payments based on future revenue growth.

"Acquiring Acesa Health strengthens our leadership position in the GYN surgical space and broadens our fibroid treatment portfolio with a highly complementary new product," said Essex Mitchell, Hologic's newly appointed Division President, GYN Surgical Solutions. "Together with the Acesa team, we can leverage our core women's health expertise, commercial infrastructure and physician relationships to accelerate our growth strategy and offer superior technology that translates into better clinical outcomes for women."

Acesa Health markets the Acesa ProVu system, a fully integrated laparoscopic system that combines radiofrequency ablation with advanced intra-abdominal ultrasound visualization and guidance mapping, enabling physicians to effectively and safely treat women with symptomatic, benign uterine fibroids. Clinical studies have shown that the Acesa ProVu system is a safe and minimally invasive alternative to hysterectomy and myomectomy. The system is indicated for treatment of benign uterine fibroids and is designed to detect more fibroids as compared to current imaging modalities. Radiofrequency treatment of fibroids is supported by clinical data demonstrating less blood loss and faster recovery times as compared to standard treatments currently available.¹

“The Acesa Health team is exceedingly passionate about providing women with more options to address their symptomatic uterine fibroids,” said Kim Rodriguez, Acesa Health’s President, Chief Executive Officer and Co-Founder. “Now, under Hologic’s leadership and with their commercial presence, the Acesa ProVu system can more rapidly become the standard of care and greatly benefit more women.”

Uterine fibroids – also referred to as uterine leiomyomas or myomas – are common, benign tumors that grow in or on the uterus. They can cause heavy menstrual bleeding, pain, frequent urination, and other symptoms that lead to missed work time and limit normal daily activities. The incidence of uterine fibroids among women is between 50% and 60%, increasing to approximately 70% by age 50. African American women are two to three times more likely to be affected by fibroids, particularly at an earlier age, compared to Caucasian or Asian women,² and fibroids are a significant cause of morbidity in this population.^{3,4,5}

Fibroids vary in size, number and location, and these factors determine how physicians select the optimal treatment approach for their patients. The Acesa ProVu system, which is used laparoscopically with ultrasound visualization within the abdomen to treat fibroids within the uterine wall and on the uterine surface, will complement Hologic’s market-leading MyoSure® products, which can be used for hysteroscopic removal of fibroids found in the uterine cavity.

“Acesa Health provides best-in-class technology that improves patient outcomes and is an excellent fit with our GYN Surgical business,” said Steve MacMillan, Hologic’s Chairman, President and Chief Executive Officer. “This exciting tuck-in acquisition is consistent with our capital deployment goals, will be accretive to our revenue growth rate, and provides an attractive return on invested capital.”

Hologic estimates that Acesa Health will generate approximately \$13 million of revenue in fiscal 2021. The acquisition is expected to be slightly dilutive to Hologic’s non-GAAP earnings per share in fiscal 2021, break-even in 2022, and accretive thereafter.

About Hologic, Inc.

Hologic, Inc. is an innovative medical technology company primarily focused on improving women's health and well-being through early detection and treatment. For more information on Hologic, visit www.hologic.com.

Hologic, Acesa ProVu, MyoSure, and The Science of Sure are trademarks and/or registered trademarks of Hologic, Inc. and/or its subsidiaries in the United States and/or other countries.

About Acesa Health Inc.

Acessa Health is a women's health innovator dedicated to advancing minimally invasive, uterine-sparing solutions for women with symptomatic fibroids. The company introduced the use of radiofrequency ablation under laparoscopic ultrasound guidance for the treatment of uterine fibroids. Accessa is continuing to develop technologies that give women more options. The company is based in Austin, Texas, and employs approximately 35 people. For more information, visit **[AcessaProcedure.com](https://www.accessaprocedure.com)**

Non-GAAP Financial Measures

This press release discusses non-GAAP diluted EPS, which is a non-GAAP financial measure. The Company's definition of non-GAAP diluted EPS may differ from similarly titled measures used by others. The Company defines its non-GAAP EPS presented in this press release to primarily exclude the amortization of intangible assets, acquisition- and integration-related charges, and income taxes related to such adjustment.

Non-GAAP diluted EPS adjusts for specified items that may be non-cash, or can be highly variable or difficult to predict. In the context of forward-looking statements, the non-GAAP financial measures facilitate period-to-period comparisons by excluding the effects of events that have occurred in the past or may occur in the future and have accounting consequences that can mask underlying operational trends, such as acquisitions, restructurings, debt extinguishment and impairments.

This non-GAAP financial measure should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, management encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety.

Future GAAP EPS may be affected by changes in ongoing assumptions and judgments, and may also be affected by non-recurring, unusual or unanticipated charges, expenses or gains, which are excluded in the calculation of the Company's non-GAAP EPS as described in this press release.

When Hologic provides its expectations for non-GAAP EPS on a forward-looking basis, a reconciliation of the differences between these non-GAAP expectations and the corresponding GAAP measures are not available without unreasonable effort because Hologic has not estimated the fair value of the assets and liabilities expected to be acquired in the transaction. Nor has the Company determined the fair value of acquired intangible assets and related annual amortization expense that would be required in order to provide the corresponding GAAP measure. The variability of the items that have not yet been determined may have a significant, and potentially unpredictable, impact on Hologic's future GAAP results.

Forward-Looking Statements

This news release contains forward-looking information that involves risks and uncertainties, including statements about each company's plans, objectives, expectations and intentions. Such statements include, without limitation: financial or other information based upon or otherwise incorporating judgments or estimates relating to future performance, events or expectations; each company's strategies, positioning, resources, capabilities, and expectations for future performance; and each company's outlook and financial and other guidance. These forward-looking statements are based upon assumptions made as of this date and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated.

Risks and uncertainties that could adversely affect either company's business and prospects, and otherwise cause actual results to differ materially from those anticipated, include without limitation: the possibility that the anticipated benefits from the proposed transaction cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of Acesa Health's operations with those of Hologic will be greater than expected; the ability of Hologic and Acesa to retain and hire key personnel; the coverage and reimbursement decisions of third-party payers and the guidelines, recommendations, and studies published by various organizations relating to the use of products and treatments; the uncertainty of the impact of cost containment efforts and federal healthcare reform legislation on each company's business and results of operations; the ability to successfully manage ongoing organizational and strategic changes, including Hologic's ability to attract, motivate and retain key employees; the impact and anticipated benefits of completed acquisitions and acquisitions Hologic may complete in the future; the ability to consolidate certain of Hologic's manufacturing and other operations on a timely basis and within budget, without disrupting Hologic's business and to achieve anticipated cost synergies related to such actions; the development of new competitive technologies and products; regulatory approvals and clearances for products; production schedules for products; the anticipated development of markets in which products are sold into and the success of products in these markets; the anticipated performance and benefits of products; estimated asset and liability values; anticipated trends relating to Hologic's financial condition or results of operations; and Hologic's capital resources and the adequacy thereof.

The risks included above are not exhaustive. Other factors that could adversely affect each company's business and prospects are described in the filings made by the applicable company with the SEC. Hologic and Acesa Health expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements presented herein to reflect any change in expectations or any change in events, conditions or circumstances on which any such statements are based.

1SG Chudnoff, et al. Outpatient Procedure for the Treatment and Relief of Symptomatic Uterine Myomas. *Obstetrics and Gynecology*, 2013;121(5):1075-82

2Uterine Fibroid Embolization and imaging : Gary P Siskin

3Stewart EA, Cookson CL, Gandolfo RA, Schulze-Rath R. Epidemiology of uterine fibroids: a systematic review. *BJOG*.

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4Moorman PG, Leppert P, Myers ER, Wang F. Comparison of characteristics of fibroids in African American and white women undergoing premenopausal hysterectomy. Fertil Steril. 2013;99(3):768-776.e1.

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5Eltoukhi HM, Modi MN, Weston M, Armstrong AY, Stewart EA. The health disparities of uterine fibroid tumors for African American women: a public health issue. Am J Obstet Gynecol. 2014;210(3):194-199.

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