

Saluda Medical Secures AU\$53 Million in Series D Financing

Latest Funding Will Support Pivotal Randomized Controlled Study and Global Commercialization of Evoke™, the First Intelligent, Closed-Loop Spinal Cord Stimulation System

Artarmon, NSW, Australia and Bloomington, MN, USA —May 29, 2017 Saluda Medical Pty Limited, a medical device company developing a platform of closed-loop neuromodulation technologies based on neural response to stimulation, announced today that it has secured AU\$53M (USD\$40M) in an all-equity financing round led by new investor, Action Potential Venture Capital (APVC), a GSK fund that invests in companies developing bioelectronic medicines. Existing investors, including Medtronic PLC, also participated in the round.

Saluda Medical is developing the first intelligent Evoke Spinal Cord Stimulator (SCS) System. It is designed to use the patient's own neural fingerprint to monitor and adapt the dose of electrical stimulation automatically and tailor the therapy to meet each individual patient's needs in real-time. Long-term clinical data from the first chronic implant study of closed-loop SCS conducted in Australia was presented at the International Neuromodulation Society (INS) 13th Annual World Congress in Edinburgh by Dr. Marc Russo, Director-at-Large, Neuromodulation Society of Australia and New Zealand. At 6 months, subjects with axial back pain experienced an average sustained improvement of 80% relief. In addition, the 32-patient cohort showed clinically meaningful improvements in function, disability, and sleep. The data from the Australia clinical study was presented in the morning plenary session on May 29th as part of a larger program on evoked compound action potentials (ECAP) in neuromodulation that included lectures from Dr. Robert M. Levy, Editor-in-Chief of the Journal Neuromodulation, Dr. Timothy Deer, President of the INS, and Professor Jan Vesper, President of the German Neuromodulation Society.

“Saluda Medical is advancing and expanding the field of bioelectronic medicines. Saluda has developed the first therapeutic device that is designed to both constantly read and modulate signals on the spinal cord to treat chronic pain,” said Juan-Pablo Mas, partner at Action Potential Venture Capital. “We are encouraged by the international clinical results to date, and believe Saluda's technology can potentially provide various clinical benefits to patients. We are very pleased to have Saluda among our portfolio of innovative bioelectronic companies.”

This latest round of funding will support the current U.S. pivotal randomized, double-blinded clinical trial now enrolling patients at 11 sites across the country. This financing will also allow Saluda Medical to commercialize the Evoke SCS therapy in Europe and Australia.

“Action Potential Venture Capital shares our vision and enthusiasm for bringing innovative neuromodulation devices to market, and we welcome them at this critical time for Saluda Medical as we make progress toward our regulatory and commercial milestones,” said Saluda’s Chief Executive Officer John Parker. “With support from our engaged investors, we remain committed to developing new approaches to bring relief to patients suffering from chronic pain and other disorders that may be treated with our technology.”

About Evoke™ Spinal Cord Stimulator (SCS) System and Evoke Pivotal Randomized Controlled Clinical Study

Evoke™ is an intelligent, closed-loop SCS System that is designed to continuously measure the electrical response to stimulation on the spinal cord in the form of the Evoke Compound Action Potential (ECAP) and adjust the stimulation dose automatically and in real-time to the patient’s preferred stimulation level. In contrast, current SCS devices provide an output of stimulation that is fixed without regard to the response of the neural tissue and rely on the patient to manually adjust stimulation dose to treat chronic pain.

The Evoke Clinical Study is a prospective, multicenter, randomized, double-blinded study being conducted by pain specialists at up to 20 U.S. clinical sites. The study will evaluate the safety and effectiveness of the Evoke™ Spinal Cord Stimulation (SCS) System with feedback, for the treatment of chronic pain of the lower back and legs. More information is available at www.EvokeStudy.com.

* The Evoke Spinal Cord Stimulation System is an investigational device and is limited by US Federal law to investigational use only.

About Action Potential Venture Capital (APVC)

Action Potential Venture Capital Limited is a strategic venture capital fund of GSK created to invest in companies that are pioneering bioelectronic medicines and their enabling technologies. Launched in 2013, the US based team invests globally and has made seven investments to date. Learn more about APVC at www.actionpotentialvc.com.

About Saluda Medical

Saluda Medical is a global medical device company developing a platform of closed-loop neuromodulation technologies, based on the neural response to stimulation, that has the potential to transform the lives of people suffering from chronic back pain and other debilitating conditions. The company’s first device is the Evoke™ Spinal Cord Stimulation (SCS) System, a first of its kind intelligent, closed-loop SCS that is currently being evaluated in a randomized, double-blinded clinical trial. The company is pursuing CE mark approval in Europe and TGA approval in Australia, and is currently conducting a pivotal clinical trial in the U.S. to seek FDA approval.

Saluda Medical is a privately held company with headquarters in Artarmon, New South Wales, Australia and offices in Bloomington, MN, USA and Harrogate, UK. To learn more, visit <http://www.saludamedical.com>.

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