ebr

Replacement Prospectus

Initial Public Offering

Financial Advisor
and Joint Lead Manager

BELL POTTER

Joint Lead Managers

morgans | WILSONS

Important Information

General

EBR Systems, Inc. (**EBR; Company**) is a company incorporated in the State of Delaware in the U.S. and registered in Australia as a foreign company (ARBN 654 147 127). Applicants purchasing CHESS Depositary Interests (**CDIs**) in the Company under the Offer will receive a holding statement for CDIs in the Company. Please refer to Sections 8.8 and 12.7 for further information about CDIs.

Defined terms and abbreviations (including technical terms and abbreviations) used in this Prospectus have the meanings given in the Glossary in Section 13.

Offer

The Offer contained in this Prospectus is an invitation to acquire CDIs (representing Shares) in the Company. This Prospectus is issued by EBR for the purposes of Chapter 6D of the Corporations Act.

Expiry day

No CDIs will be allotted or issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

Prospectus

This is a replacement Prospectus dated 28 October 2021 (**Prospectus**) and a copy of this Prospectus was lodged with ASIC on that date. This Prospectus replaces the prospectus dated 15 October 2021 (**Original Prospectus**) that was lodged with ASIC on that day (**Original Prospectus Date**).

This Prospectus differs from the Original Prospectus in the following key areas:

- the 'Opening Date' and the 'Closing Date' in the 'Key information and important dates' Section have been revised, and corresponding changes have been made to these dates throughout the Prospectus;
- A cross reference to Section 12.9 has been added to the 'Regulation of EBR' paragraph of the 'Important Information' Section which sets out comparative differences between the U.S. and Australian law;
- A sentence noting that the Company is a pre-revenue company and that no assurance can be given that the Company will be profitable in the future has been added to the Letter from the Chair;
- The 'Use of Proceeds' table in Sections 1.9 and 8.4 has been expanded to include 'costs of the Offer and U.S. Private Placement' as a standalone item;
- Figure 3.10 in Section 3.8 has been updated to include a cross-reference to Section 3.10.2;
- The risk in Section 4.2.5 has been updated to note that the MDR will also be required for the U.K.;
- The risk in Section 4.2.22 of the Original Prospectus has been moved forward to Section 4.2.6 and additional cross references to this risk have been included where the Prospectus refers to the total addressable markets of EBR;
- a new Section 9.5.4 which notes the potential impact of the registration rights under the Amended and Restated Investor Rights Agreement has been included;
- Part A (U.S. Issued Patents) of the Intellectual Property Report in Section 10 has been corrected to note that patent 132529-8012-US05 expires on 25 March 2029 (not 2019); and
- definitions of 'Acoustic Energy' and 'Ultrasonic Energy' have been added to the Technical glossary at Section 13.1;

The lodgement of a replacement prospectus has also required certain references to 'this Prospectus' and 'the date of this Prospectus' to be amended to refer to the 'Original Prospectus' and 'Original Prospectus Date' respectively, and to reflect the fact that the Company has now applied to the ASX for admission to the Official List and for quotation of its CDIs on the ASX.

Neither ASIC, the ASX nor any of their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

A paper copy of this Prospectus is available to Australian residents, free of charge, by calling the Offer Information Line on 1300 161 429 (within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm (AEDT) during the Offer Period. This Prospectus is also available in electronic form to Australian residents at www.EBRoffer.com.au. The Offer constituted by this Prospectus in electronic form is only available to persons in Australia. It is not available to persons in other jurisdictions (including the U.S.). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you are unsure about the completeness of this Prospectus received electronically, or a print-out of it, you should contact the Company.

Applications for CDIs under this Prospectus may only be made on the Application Form attached to or accompanying this Prospectus in its hard copy form, or its soft copy form which must be downloaded in its entirety from www.EBRoffer.com.au. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 8.7 for further information about Applications.

Application for admission and quotation on the ASX

The Company has applied to be admitted to the Official List of the ASX and for quotation of the CDIs on the ASX. The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the CDIs, the Offer or the Company.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of this Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds under the Offer. The examination may result in the identification of certain deficiencies in this Prospectus,

in which case Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received under this Prospectus during the Exposure Period will not be processed until after the expiry of the Exposure Period.

Note to U.S. residents

The CDIs offered under this Prospectus have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. In addition, any hedging or similar transactions in the CDIs may not be conducted unless in compliance with the U.S. Securities Act.

This Prospectus may be distributed, and the CDIs will only be offered and sold, in the United States (i) by the Company to "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act) and (ii) by a registered U.S. broker-dealer affiliate of a Bell Potter to institutional "accredited investors" (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the U.S. Securities Act) and only if this Prospectus is accompanied by a U.S. Offering Circular.

Resale restrictions under U.S. law

The Offer is being made available to investors outside the United States in reliance on the exemption from registration afforded by Regulation S under the U.S. Securities Act for offers and sales which are made outside the United States to non-U.S. Persons.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the Offer will be 'restricted securities' under Rule 144 of the U.S. Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the U.S. or to a U.S. Person for a period of at least 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption is available. Please refer to Section 12.13 for further information.

The Company has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions. This designation is intended to automatically prevent any CDIs from being sold on the ASX to U.S. Persons. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a U.S. Person. Refer to Section 12.13 for further information on the restrictions which will be placed on the Company's CDIs.

Representations and warranties of non-U.S. Person status

All non-U.S. persons subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding status as non-U.S. Persons and agreements regarding restrictions on resale and hedging under Regulation S in their Application for CDIs under the Offer. Please refer to Section 12.13 of this Prospectus for further information.

Other foreign jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs, in any jurisdiction other than Australia.

The Offer is not being extended to any investor outside of Australia, other than to Institutional Investors as part of the Institutional Offer in certain jurisdictions. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. See section 8.13 for international offer restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable laws. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that the Applicant has not breached such laws.

Financial information and amounts

The Historical Financial Information included in this Prospectus has been prepared and presented in accordance with accounting principles generally accepted in the United States of America (**USGAAP**) and is expressed in U.S. dollars, except where otherwise stated. The financial amounts referred to in this Prospectus are expressed in U.S. dollars unless stated otherwise.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Forward looking statements

This Prospectus may contain forward looking statements (statements as to the future) which are typically identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'anticipates', 'intends' and other similar words.

You should consider that as such statements relate to future matters, they are subject to inherent risks, uncertainties and assumptions that could cause actual results or events to differ materially from those foreshadowed in the forward looking statement. Neither the Company, the Directors, nor any other person named, with their consent, in this Prospectus can assure you that any forward looking statement or projected result will be achieved.

Reliance

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire securities in the Company under the Offer. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors of the Company, or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Privacy

By completing an Application Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information

in accordance with these terms. If you do not wish to provide this information, the Company may not be able to process your Application. The Company and the Registry will collect, hold and use your personal information in order to assess and process your Application, and if successful, administer shareholdings in the Company.

The Company and the Registry may disclose your personal information, for purposes related to your investment, to their agents and service providers, including:

- the Joint Lead Managers in order to assess your Application;
- the Registry for ongoing administration of the Company's registers;
- the printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail; and
- legal and accounting firms, auditors and other advisers for the purpose of administering and advising on the CDIs for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company, or the Registry, details of which are set out elsewhere in this Prospectus.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

Reference to time

All references to time in this Prospectus refer to Australian Eastern Daylight Time, unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Investment decision

The information in this Prospectus is not financial product advice or a recommendation to acquire securities in the Company and has been prepared without taking into account the objectives, financial situation or needs of individuals. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the CDIs. There are risks associated with an investment in the Company and the CDIs offered under this Prospectus should be regarded as a speculative investment. You should consider the risk factors set out in Section 4 of this Prospectus in light of your personal circumstances (including financial and tax issues). There may also be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Regulation of EBR

As EBR is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and all applicable U.S. securities laws. Please refer to Section 12.9 for information regarding the comparative differences between the U.S. and Australian law. Investors may consider these differences to be material to their investment decision.

Currency conversions

Where an amount is expressed in this Prospectus in Australian dollars and U.S. dollars, the conversion is based on the Indicative Exchange Rate (being A$1.00 = US$0.74). The amount when expressed in Australian dollars or U.S. dollars may change as a result of fluctuations in the exchange rate between those currencies.

Fully-diluted figures

Except where the context otherwise requires, where a figure in this Prospectus is expressed to be, or to be based on, the "fully-diluted" number of Shares in the Company, it takes into account Shares, and the issued Options, Warrants and Convertible Notes on an as-converted basis (with the Restructuring assumed to occur on the scheduled Allotment Date).

Pre- and post- allotment figures

In this Prospectus, there are numerous references to the capital structure of the Company or figures which are based on the capital structure of the Company, at a particular point in time. Section 8.5.1 describes the capital structure of the Company in detail, including the events that will affect the capital structure on or about the time of allotment under the Offer and a concurrent U.S. Private Placement.

In other Sections of this Prospectus, except as otherwise stated:

- where a figure is expressed to be, or to be based on, the number of Shares or other securities on issue immediately prior to allotment under the Offer, the figure is calculated on the bases that the Restructuring described in Section 12.6 is treated as having occurred (and occurred on the scheduled Allotment Date), and no Options or Warrants are exercised or lapse before allotment; and
- where a figure is expressed to be, or to be based on, the number of Shares or other securities immediately following allotment (or on Listing), the figure also takes into account the CDIs and Shares to be issued under the Offer and the U.S. Private Placement.

Contents

Key information and important dates

Key dates

Lodgement of Original Prospectus with ASIC	15 October 2021
Opening Date of Offer	1 November 2021
Closing Date of Offer	9 November 2021
Settlement Date of Offer	18 November 2021
Allotment Date of CDIs	19 November 2021
Expected dispatch of holding statements	22 November 2021
CDIs expected to commence trading on a normal settlement basis on the ASX	24 November 2021

Dates may change

The above dates are subject to change and are indicative only. The Company reserves the right to change the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.

Any variations to the dates and times of the Offer will require the consent of the Joint Lead Managers (not to be unreasonably withheld).

Key Offer statistics

Ratio of CDIs per Share	1:1
Number of existing Shares on issue[1]	166,021,542
Number of New CDIs available under the Offer and U.S. Private Placement[2]	101,851,851
Offer Price for each New CDI	A$1.08
Gross proceeds from the Offer (approx.)	A$108.1m
Gross proceeds from the U.S. Private Placement (approx.)	A$1.9m
Gross proceeds from the Offer and U.S. Private Placement (total)	A$110.0m
Total number of CDIs on issue at completion of Offer and U.S. Private Placement[3]	267,873,393
Indicative market capitalisation at completion of the Offer and U.S. Private Placement (on an undiluted basis)[4]	A$289.3m
Options on issue at completion of the Offer and U.S. Private Placement (over unissued Shares)	31,084,733
Warrants on issue at completion of the Offer and U.S. Private Placement (over unissued Shares)	19,811,028

Notes

1. The figure for existing Shares is calculated on the basis described under the heading "Pre- and post- allotment figures" in the Important information Section at the beginning of this Prospectus.
2. Of this figure, 100,064,351 CDIs are available under the Offer and 1,787,500 CDIs will be issued under the U.S. Private Placement.
3. Assumes all Shares are held as CDIs.
4. The indicative market capitalisation is determined by multiplying the applicable number of CDIs on issue (assuming all of the Shares are held in the form of CDIs) by the Offer Price per CDI. The CDIs may not trade at the Offer Price after listing on the ASX (**Listing**). If the CDIs trade below the Offer Price after Listing, the market capitalisation will be lower.

How to invest

Completing and lodging an Application Form is the only way to apply for New CDIs. Instructions on how to apply for New CDIs are set out in Section 8.7 and on the back of the Application Form.

Questions

If you have any questions about the Application Form, please contact the Registry, Computershare, on 1300 161 429 (if calling within Australia) or +61 3 9415 4055 (if calling from outside of Australia) from 8.30am to 5.00pm (AEDT) Monday to Friday.

If you have any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

Letter from the Chair

Dear Investor,

On behalf of the Directors of EBR Systems, Inc. (**EBR**), I am pleased to invite you to consider becoming a securityholder of EBR.

EBR is a medical device company that has developed the world's smallest inside-the-heart wireless and leadless cardiac pacing device, WiSE®. Leads are the primary cause of device failure with implanted cardiac pacing devices.

Heart failure is a significant public health problem with an estimated prevalence in 2020 of 6.9 million people in the U.S., and around 64 million people worldwide. The Company believes that WiSE® is the only way to provide heart failure patients with leadless cardiac resynchronisation therapy (**CRT**). CRT is the clinically proven and accepted standard of care for treating patients suffering moderate to severe heart failure due to dyssynchrony. WiSE® enables CRT to be delivered to patients who are unable to receive CRT from a traditional lead-based system or are at high risk from an upgrade procedure. Without effective CRT these patients have a very poor clinical prognosis, poor quality of life and reduced life expectancy.

WiSE® is able to deliver CRT without leads by using Ultrasonic Energy from a subcutaneous source to power the receiver electrode inside the heart. The absence of a battery allows the receiver electrode to be approximately 5-6% of the size of the other leadless pacemakers, slightly larger than a grain of rice.

The Company is currently conducting its SOLVE pivotal clinical trial that is expected to complete patient recruitment in H1 2022. This trial is expected to provide headline data in H2 2022 to support an application in H1 2023 for FDA approval of WiSE®. EBR's compelling human clinical data, CE Mark and FDA Breakthrough Device Designation status underpins our confidence in the Company's clinical and commercial pathway. Endpoints in the SOLVE pivotal trial have been achieved in three previous studies conducted by EBR.

The Company is anticipating WiSE® could receive FDA approval and launch commercially in the U.S. in H2 2023. EBR has an initial addressable market opportunity of approximately US$2.1 billion with initial adoption to be driven by sites participating in the SOLVE clinical trial for currently untreatable and high-risk patients. In the future, EBR intends to broaden its target markets by expanding the use of WiSE® into other patient groups and clinical applications. EBR estimates that the total addressable market can grow to approximately US$7.1 billion (refer also to Section 4.2.6).

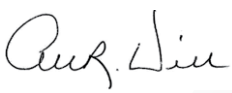
EBR is led by a highly experienced management team and Board with significant years of active involvement in the medical device industry and a track record of success in developing, commercialising and rapidly scaling innovative medical device technologies. In addition to the Board and management, EBR has a high-quality register of existing institutional securityholders including among others Brandon Capital Partners, M. H. Carnegie & Co., AustralianSuper, HESTA, Hostplus, Statewide and Split Rock Partners who have funded the development of WiSE®. Many of these investors are continuing their support of the Company in the IPO.

Under this Prospectus and the associated U.S. Private Placement, EBR is offering a total of 101.9 million CDIs at A$1.08 per CDI to raise gross proceeds of A$110 million. Funds raised will be used to complete the Company's SOLVE clinical trial, pursue FDA approval and to support the commercialisation of the WiSE® in the U.S. and other markets.

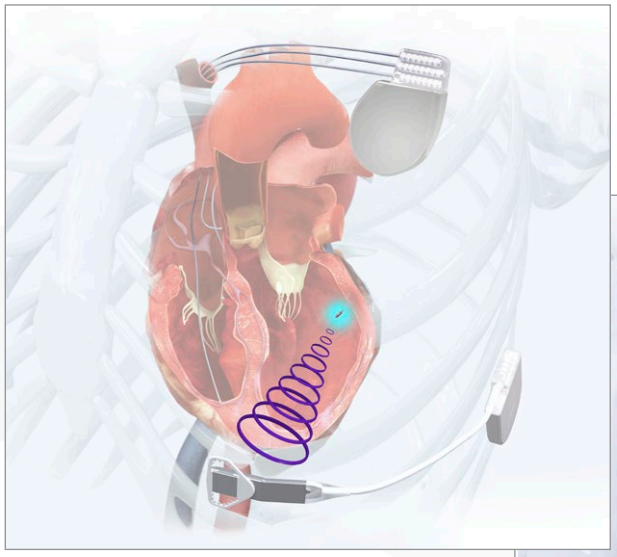
This Prospectus contains detailed information about the Offer, the industry in which EBR operates, EBR's clinical and commercial strategy, the intellectual property owned by EBR and the key risks associated with an investment in EBR. The risk factors that could affect EBR's business including its financial position and performance include risks in relation to regulatory approvals, product acceptance, share market conditions and risks in investing in shares generally. In addition, the Company is a pre-revenue company and no assurance can be given that the Company will be profitable or cash-flow positive in the future. These and other risks are described in further detail in Section 4 of this Prospectus. I strongly encourage you to read this Prospectus carefully in its entirety and conduct your diligence before making your investment decision.

On behalf of my fellow Directors, I look forward to welcoming you as a securityholder in EBR.

Yours sincerely,

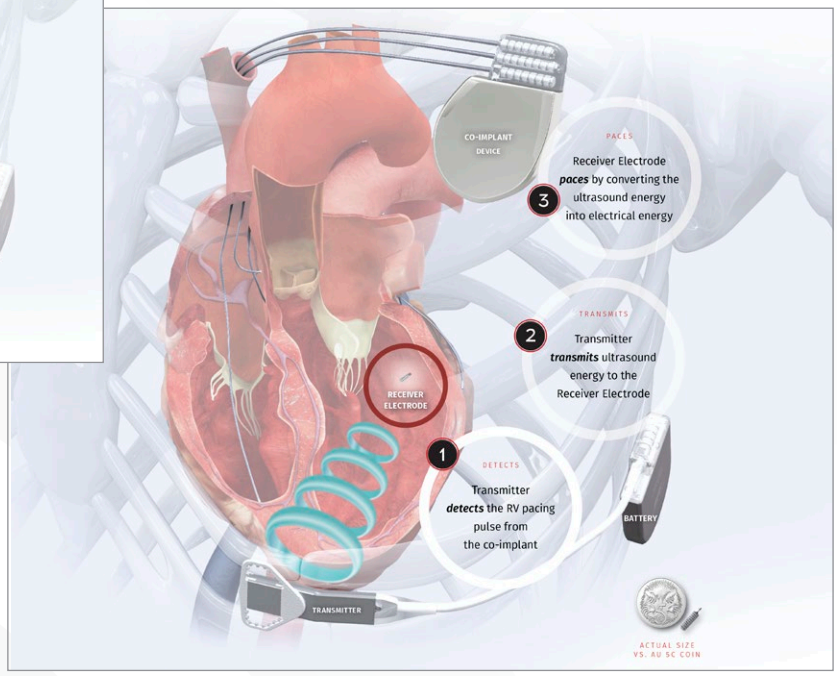


Mr Allan Will
Executive Chair
EBR Systems, Inc.



EBR's Leadless Cardiac Pacing System – WiSE®

How WiSE® Provides Leadless Cardiac Pacing



Section 1.

Investment Overview

1.1. Background

Topic	Summary
What is EBR?	EBR is a United States-based company dedicated to the superior treatment of cardiac rhythm disease by providing more physiologically effective stimulation through leadless endocardial pacing. The Company's patented Wireless Stimulation Endocardially (WiSE®) technology was developed to eliminate the need for cardiac pacing leads, historically the major source of complications and reliability issues in cardiac rhythm management (**CRM**). Elimination of leads enables major advances in safety and efficacy for patients. EBR was founded in 2003 to develop a wireless method of stimulating the heart and has since developed what the Board considers is a superior solution for treating heart failure without the use of leads or wires into the heart. These leads are used to conduct electricity from an Implantable Pulse Generator to electrodes that deliver therapeutic electric pulses to heart tissue. While leads are a critical part of most CRM systems, they have long been recognised as a primary shortcoming of these systems and are a leading cause of device failure. ***For more information refer to Sections 3.1 and 3.2***
What industry does EBR operate in?	EBR operates in the medical technology sector, primarily focusing on implantable, wireless cardiac pacing devices. ***For more information refer to Section 2.1***
Why is the Offer being conducted?	Funds raised under the Offer (and the U.S. Private Placement) will be used to complete the Company's pivotal clinical trial and to support the commercialisation of WiSE® in the U.S. and select outside U.S. (**OUS**) markets. ***For more information refer to Section 8.4***

1.2. Overview of EBR's product and business model

Topic	Summary
What is EBR's product offering?	EBR's only product is its patented wireless pacemaker – WiSE®. WiSE® is a CRM device developed by EBR to provide electrical stimulation to the heart without the need for leads. Leads are the primary cause of device failure with implanted CRM devices. The product takes a different approach from current wireless pacemakers in the market. Rather than having an onboard power source, the electrode used with WiSE® is remotely powered using Ultrasonic Energy. This allows the receiver electrode, which is implanted in the heart muscle tissue to provide therapeutic electrical stimulation, to be approximately 5-6% of the size of the other wireless pacemakers, slightly larger than a grain of rice. Because of this, WiSE® can be used in the left side of the heart where, in conjunction with another pacemaker implanted in the right side, it can provide CRT. Another advantage of WiSE® is the ability to place the electrode virtually anywhere on the inside of a patient's left ventricle. This provides the flexibility to optimise its location and thereby potentially better replicate natural conduction. ***For more information refer to Section 3.3***
What is EBR's business and revenue model?	EBR currently has CE Mark approval for its WiSE® wireless pacemaker product and is in the final stage of clinical trials to gain regulatory approvals within the U.S. EBR intends to commercially launch WiSE® once it has successfully completed the PMA regulatory review process and received FDA approval which is currently anticipated in H2 2023. ***For more information refer to Section 3.8***
What is the target market for EBR?	The initial target patient group for WiSE® is patients who are unable to receive CRT with the existing lead-based systems, and for patients who are considered at risk for a CRT upgrade from a previously implanted pacemaker (**PPM**) or implantable cardioverter defibrillator (**ICD**). EBR estimates this has an addressable market opportunity of approximately US$2.1 billion in the Company's initial target markets of the U.S., Germany, France, the U.K., Australia, Benelux and Scandinavia. ***For more information refer to Sections 2.6 and 4.2.6***
What are the sales channels?	EBR's initial commercial launch will focus on driving adoption of WiSE® at key, high-volume, luminary sites within the U.S. followed by select, high-volume sites in the OUS markets that EBR is targeting. ***For more information refer to Section 3.8***
Who are EBR's competitors?	The CRT market is highly consolidated with a small number of players dominating the market. In 2018, Medtronic (Ireland), Abbott (U.S.), and Boston Scientific Corporation (U.S.) were the key players in the CRT market and accounted for 92.4% of the market. Other prominent players include Biotronik (Germany), MicroPort Scientific Corp (China), and Medico S.p.A (Italy). ***For more information refer to Section 2.7***

Topic	Summary
What is EBR's growth strategy?	EBR has a three-stage commercial strategy comprising a pre-commercial stage, initial commercial stage and an expansion stage. In addition to the three-stage commercial strategy, EBR expects growth opportunities for the Company to come from: o Greater adoption of leadless systems; o Upgrading patients with leadless pacemakers; and o Additional clinical applications. WiSE® is EBR's only product and the Company has no immediate plans to add further products to its pipeline. ***For more information refer to Sections 3.8 and 3.9***

1.3. Key investment highlights

Topic	Summary
WiSE® is a unique leadless solution for CRT and heart failure	EBR's WiSE® is the only leadless solution for heart failure in the market. The product is designed to overcome the limitations of traditional CRT pacing by providing leadless, left ventricular, endocardial pacing in patients with issues related to standard epicardial CS pacing leads. Additionally, the product provides greater flexibility in pacing site selection, enabling customised therapy for individual needs. Conventional CRT is constrained by leads which are used to deliver energy to the heart and can be difficult to place. Complications associated with leads can result in additional surgeries or the inability to deliver therapy. ***For more information refer to Section 3.3***
Total addressable market can grow from US$2.1 billion at launch to a potential US$7.1bn	EBR considers its initial target patient group for WiSE® to be patients who are unable to receive CRT with the existing lead-based systems, and for patients who are considered at risk for a CRT upgrade from a previously implanted PPM or ICD. EBR estimates this has an addressable market opportunity of approximately US$2.1 billion in the Company's initial target markets of the U.S., Germany, France, the U.K., Australia, Benelux and Scandinavia. In the future, EBR may increase the addressable market it is targeting by broadening its OUS market outside its initial target country markets. EBR may also expand the use of WiSE® into other patient groups and applications by undertaking additional clinical studies and securing the required regulatory approvals. EBR estimates the total addressable market can grow to approximately US$7.1 billion. ***For more information refer to Sections 2.6.2, 3.9 and 4.2.6***

Topic	Summary
Compelling human clinical data, FDA Breakthrough Device Designation and CE Mark status underpins the Company's confidence in the commercialisation of the product	The WiSE®-CRT trial was the first clinical trial of the system and achieved biventricular (**BiV**) pacing in 92% of patients at six months. Following a few improvements and modifications to the system, the 35 patient SELECT-LV trial was conducted in Europe and provided data for the successful CE Mark application for WiSE® in 2015. In this trial, BiV pacing was achieved in 97% of patients one month after implant, and 85% of patients had an improvement in their heart failure at six months. The exceptional results from the clinical study supported its CE Mark approval, allowing the product to be used and sold in countries within the E.U. and the U.K. EBR is currently completing the final part of its SOLVE-CRT clinical trial to include in its application for regulatory approval in the U.S. Additionally, WiSE® has been awarded a Breakthrough Device Designation (**BDD**) which provides greater access to the FDA and access to initial payment coverage. The progress made to date in relation to WiSE® serves to underpin the Company's confidence in the commercialisation of the product. ***For more information refer to Sections 3.4 and 3.5***
High quality and experienced board and management	EBR is led by a highly experienced management team and Board with significant years of active involvement in the medical device market and a track record of success in developing and delivering innovative products to physicians and their patients. ***For more information refer to Sections 7.1 and 7.2***
Strongly supportive institutional securityholders	EBR's existing institutional securityholders are supportive of the Company. These include Brandon Capital Partners, AustralianSuper, M. H. Carnegie & Co., HESTA, Hostplus, Statewide and Split Rock Partners.

1.4. Financial information

What is EBR's key financial information?

US$'000	FY2019 Pro forma	FY2020 Pro forma	HY2021 Pro forma	HY2020 Pro forma
Total operating expenses	(26,472)	(20,335)	(10,093)	(13,489)
Other income	2,716	627	1,501	403
EBITDA	(23,756)	(19,708)	(8,592)	(13,085)
EBIT	(23,967)	(19,954)	(8,736)	(13,210)
Net loss after tax	(23,515)	(19,914)	(8,982)	(12,882)

US$'000	Reviewed 30 June 2021	Impact of the Offer and U.S. Private Placement	Pro Forma
Total assets	11,252	84,938	96,190
Total liabilities	(23,158)	15,720	(7,438)
Net assets	(11,906)	100,658	88,752
Stock holders equity	(11,906)	100,658	88,752
Stock holders' equity and total liabilities	11,252	84,938	96,190

US$'000	FY2019 Audited	FY2020 Audited	HY2021 Reviewed	HY2020 Reviewed
Net operating cash flows	(21,058)	(17,547)	(9,274)	(12,133)
Net investing cash flows	(242)	(265)	(551)	(236)
Net financing cash flows	11,277	16,405	12,513	17,605
Net cash flows	(10,023)	(1,407)	2,688	5,236

The information presented above contains Non-United States Generally Accepted Accounting Principles (**USGAAP**) financial measures, and is intended as a summary only and should be read in conjunction with the more detailed discussion on the Historical Consolidated Financial Information disclosed in Section 5 as well as the risk factors set out in Section 4.

Investors should read Section 5 for the full details of EBR's Pro forma and Statutory Historical Consolidated Financial Information, including the pro forma adjustments and reconciliations in Sections 5.7 and Section 5.12.

1.5. Summary of key risks

There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The following table is a summary of the specific key risks that the Company is exposed to. Further details about these and other general risks associated with an investment in the Company are set out in Section 4. An investment in an early-stage medical device company such as EBR is speculative and you should consult your professional advisers before deciding whether to apply for CDIs.

Topic	Summary
Regulatory approvals	EBR has obtained European CE Mark approval for WiSE® and has been granted Breakthrough Device Designation (**BDD**) by the FDA. However, FDA approval of WiSE® is subject to enrolling sufficient patients in, and the successful completion and execution of, the Company's pivotal trial, SOLVE-CRT, which is intended to assess the safety and efficacy of WiSE®. Until FDA approval is received, EBR does not have regulatory approval to market WiSE® in the United States and it will be unable to generate revenue in the United States. EBR's business model and growth strategy is dependent on obtaining FDA approval as well as approvals from regulatory bodies in other key jurisdictions, including the Australian market. If FDA approval is not received within the expected timeframe, or not received at all, EBR will be unable to implement its business model. Furthermore, even if EBR receives FDA approval, it is not assured of receiving future regulatory approvals for other indications or in other jurisdictions and cannot predict with certainty the timelines for such approvals, or other requirements that may be imposed by regulatory authorities. ***For more information refer to Section 4.2.1***
Product safety	The Company's WiSE® technology is a relatively new solution for treating heart failure with CRT, so the Company has performed clinical trials only with limited patient populations. The long-term effects of using WiSE® in a large number of patients have not been studied and the results of short-term clinical use do not necessarily predict long-term clinical benefits or reveal long-term adverse effects. The results of preclinical studies and clinical trials conducted to date and ongoing or future studies and trials of EBR's current, planned or future technology may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. ***For more information refer to Section 4.2.2***
Reimburse-ment	In the U.S., there is no uniform policy of coverage and reimbursement for medical device products and services among third-party payers, so coverage and reimbursement can differ significantly from payer to payer, and each coverage decision and level of reimbursement is independent. As a result, third-party reimbursement may not be available or adequate for the Company's products, and there is no guarantee that the Company will be able to achieve adequate reimbursement for using EBR's products. Internationally, reimbursement systems in foreign markets vary significantly by country and by region within some countries, and reimbursement approvals must be obtained on a country-by-country basis. If sufficient levels of coverage and reimbursement are not available for WiSE®, in either the United States or internationally, particularly in key European jurisdictions targeted by the Company, the demand for the Company's products and its revenues will be adversely affected. ***For more information refer to Section 4.2.3***

Topic	Summary
Delays in regulatory approval	Any barriers or delays to EBR obtaining future regulatory approvals would limit the size of the market opportunity for WiSE®. EBR's business model depends on hospitals and clinics in markets where it obtains the required regulatory approvals adopting WiSE® for the treatment of heart failure with CRT. If EBR's technology for CRT procedures is not increasingly adopted or favoured by hospitals and clinics, along with physicians, EBR's ability to achieve its growth strategy and generate revenue will be significantly impaired. ***For more information refer to Section 4.2.4***
Changes to the E.U. Medical Device Regulation	In 2017, the new E.U. Medical Device Regulation (**MDR**) came into force, which replaced the E.U.'s Medical Device Directive (**MDD**). Certificates issued under the MDD prior to May 2020 may remain valid for up to an additional four years while the manufacturer applies for certification under the MDR. Should the Company not receive certification during this transition period, it will not be able to market WiSE® in the E.U. until it has been certified under the MDR, and its ability to apply the CE Mark and commercialise its products in the E.U. will be interrupted. ***For more information refer to Section 4.2.5***
Market size for EBR's products have not been established with precision	The Company's estimates of the annual total addressable markets for WiSE® are based on internal and third-party estimates, including, without limitation, the number of patients with heart failure requiring CRT and the assumed prices at which EBR can sell products for markets that have not been established. While EBR considers the assumptions and the data underlying its estimates to be reasonable, these assumptions and estimates may not be correct which may impair EBR's sales growth and have an adverse impact on its business. ***For more information refer to Section 4.2.6***
Key suppliers	EBR's products include components that are manufactured and supplied by third parties. The products are then assembled, validated and tested by these third parties or at the Company's headquarters in California. A disruption at a key supplier could cause a substantial delay in the availability of EBR's products, leading to a potential loss of sales. ***For more information refer to Section 4.2.7***
New technology and competition	EBR expects to generate the vast majority of its revenue going-forward from the sale of WiSE®. The medical device industry is competitive, subject to rapid change and significantly affected by new product introductions. If competitors develop new products (which could include devices or drugs) or technologies that offer better combinations of price and performance than the Company can offer for the treatment of certain types of heart failure, EBR's products or future products may become obsolete or not competitive, which would have a significant negative effect on the Company's business and financial position. ***For more information refer to Section 4.2.8***
Investment in research and development	Developing medical devices and related technologies is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. EBR believes that it must continue to dedicate resources to its innovation efforts to develop product offerings in order to maintain its competitive position and expand the total addressable market opportunity. EBR may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all. ***For more information refer to Sections 4.2.9 and 4.2.6***

Topic	Summary
Key personnel	EBR's long-term growth and performance is dependent on attracting and retaining highly skilled staff. Despite having structured incentive programs, there is a risk that EBR will be unable to attract and retain the necessary staff to pursue its business model. ***For more information refer to Section 4.2.10***
Transition to commercial -isation	EBR is currently at the pre-commercialisation phase. The Company intends to move into the initial commercial phase after it receives FDA approval of WiSE®, which is currently expected in H2 2023. In assessing EBR's business prospects, you should consider the various risks encountered by companies early in their commercialisation, particularly companies that develop and sell medical devices. These risks include EBR's ability to: o transition into a commercialisation-stage company, and implement and execute its business strategy; o increase awareness of its brand and market acceptance of its products; o obtain future regulatory registrations and market approvals; o manage expanding operations; and o respond effectively to competitive pressures and developments. ***For more information refer to Section 4.2.11***
Limited sales and marketing resources	The Company currently has limited sales and marketing resources. In order to successfully launch WiSE® commercially, it will need to, among other things, expand its sales team. There is a risk that the Company will be unable to develop sufficient sales and marketing capabilities to effectively commercialise its products. ***For more information refer to Section 4.2.12***
Relationships with physicians	The research, development, marketing and sale of EBR's products and potential new and improved products depend upon EBR maintaining working relationships with physicians. EBR relies on these professionals to provide it with considerable knowledge and experience regarding the development, marketing and sale of EBR's products. If EBR cannot maintain its strong working relationships with these professionals and continue to receive their advice and input, the development and marketing of its products could suffer, which could have a material adverse effect on its business, financial condition and results of operations. ***For more information refer to Section 4.2.13***

Topic	Summary
Physician training and use of device	The success of EBR's products depends in part on hospitals' and physicians' adherence to appropriate patient selection and proper techniques provided in training sessions conducted by the Company. If physicians use the Company's products in a manner that is inconsistent with their labelled indications, with components that are not compatible with EBR's products or without adhering to or completing the requisite training sessions, their patient outcomes may not be consistent with the outcomes achieved by other physicians or in EBR's clinical trials. This result may negatively impact the perception of patient benefit and safety and limit adoption of EBR's products, which would have a material adverse effect on EBR's business, financial condition and results of operations. ***For more information refer to Section 4.2.14***
Hospital budget constraints	The Company's ability to generate revenue will largely depend on how effectively it can market and sell its WiSE® technology to the healthcare industry. Hospitals and healthcare organisations are constantly facing significant budget constraints. The competition for limited capital budgets is intense and the budget allocation process and approvals for spending on medical devices is complex and time consuming. The increasing leverage of organised buying groups with the intention of driving down pricing may reduce market prices for its products, thereby reducing its revenue and margins. ***For more information refer to Section 4.2.15***
Pricing and product margins	Manufacturers of medical devices have a history of price competition, and the Company can give no assurance that it will be able to achieve satisfactory prices for its products or maintain prices at the initial levels it achieves. If the Company is forced to lower the price it charges for WiSE®, its revenue and gross margins will decrease, which will adversely affect its ability to invest in and grow the business. If the Company is unable to maintain its prices, or if its costs increase and it is unable to offset such increase with an increase in its prices, the Company's margins could erode. ***For more information refer to Section 4.2.17***
Sufficiency of funding and dilution	If EBR raises additional funds by issuing equity securities, the interests held in the Company by Shareholders and CDI Holders may be diluted. Debt financing, if available, may involve covenants restricting EBR's operations or its ability to incur additional debt. EBR cannot guarantee the future availability of funds or that the funds will be available on terms that are favourable to it. If EBR requires additional funding and is unable to raise these funds, it could adversely impact EBR's business. ***For more information refer to Section 4.2.18***
Manufacturing capabilities	The Company expects that its current manufacturing capabilities will be sufficient to support its projected growth profile only through to the end of 2024. If the Company gains significant market share over and above its current short-term expectations and, in any case, from 2024 onwards, it will need to expand its manufacturing capacity, including additional facilities, and invest in systems and processes to support the development of the business. The failure of the Company to address projected growth in a timely, robust and efficient manner may negatively impact the Company's financial performance. ***For more information refer to Section 4.2.19***

Topic	Summary
Stringent quality standards of manufacturing facilities	The manufacturing facilities for EBR's products must meet stringent quality standards. To maintain CE Mark approval, the Company's Notified Body will regularly audit the Company and its suppliers. In 2018, EBR received a warning notice from BSI (the Notified Body) for non-conformance with manufacturing standards, which was subsequently rectified. Any failure to comply with the applicable regulatory requirements in the future can result in, among other things, temporary manufacturing shutdowns, product recalls, product shortages, bans on imports and exports and a damaged brand name. ***For more information refer to Section 4.2.20***
Intellectual property	The protection of the intellectual property relied upon by EBR is critical to its business and commercial success. EBR's patent portfolio currently comprises 53 granted U.S. patents and 44 granted foreign patents. In addition, EBR has 15 pending patent applications worldwide. Though a patent may be issued, there can be no assurance that the patent is valid and enforceable. Further, there can be no assurance that any of the Company's pending patent applications will result in the issuance of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the application as originally filed. There is a risk that the Company's competitors may be able to compete with EBR by designing around the claims of EBR's patents, or by otherwise using products and techniques that are outside the scope of EBR's patents. ***For more information refer to Section 4.2.21***
Third party intellectual property rights	EBR does not believe that its activities infringe any third party's intellectual property rights. However, in the future the Company may be subjected to infringement claims or litigation arising out of patents and pending applications of third parties. The Company has not budgeted for potential legal costs of intellectual property claims and significant legal costs would have a negative effect on the Company's financial position. ***For more information refer to Section 4.2.22***
Security breaches, loss of data and other disruptions	In the ordinary course of the Company's business, it may become exposed to, or collect and store sensitive data, including procedure-based information and legally protected health information, insurance information and other potentially personally identifiable information. Security breaches, loss of data and other disruptions could compromise sensitive information related to EBR's business or its customers' patients, which could adversely affect EBR's business and EBR's reputation. ***For more information refer to Section 4.2.23***
FCPA and similar worldwide anti-bribery laws	The FCPA and similar worldwide anti-bribery laws prohibit companies and their intermediaries from corruptly providing any benefits to government officials for the purpose of obtaining or retaining business. Due to the significant role government entities play in the administration and regulation of many foreign healthcare markets, the Company may be exposed to heightened FCPA and similar risks arising from its efforts to promote and sell its products and to seek regulatory approval of and reimbursement for its products in such countries. Violations of these laws, or allegations of such violations, could significantly disrupt the Company's business and have a material adverse effect on its business, brand, financial condition and results of operations. ***For more information refer to Section 4.2.24***

Topic	Summary
U.S. federal and state healthcare fraud and abuse laws and other healthcare laws and regulations	EBR may be subject, directly or indirectly, to U.S. federal and state healthcare fraud and abuse laws and other healthcare laws and regulations, which could adversely affect the Company's business operations. Efforts to ensure that EBR's business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Any action against EBR for violation of these laws, even if EBR successfully defends such actions, could cause EBR to incur significant legal expenses and divert EBR's management's attention from the operation of the Company's business. ***For more information refer to Section 4.3.2***
Changes to healthcare policy	Many countries have instituted healthcare policy changes in an attempt to bring increasing spending on healthcare under control. EBR cannot predict whether future healthcare initiatives will be implemented in or outside of the U.S., or the effect any future legislation or regulation will have on the Company. The expansion in any government's regulation of the healthcare industry may result in decreased profits to EBR and reduced medical procedure volumes, all of which may adversely affect the Company's business and financial position. ***For more information refer to Section 4.3.3***
Product liability	The medical device industry is subject to substantial litigation, and EBR will face an inherent risk of exposure to product liability claims in the event that the use of EBR's products results or is alleged to have resulted in adverse effects to a patient. A product liability or other claim with respect to uninsured liabilities or in excess of the Company's insurance coverage would materially impact EBR's business, financial condition and operating results. ***For more information refer to Section 4.3.4***
Foreign operations	EBR will, subject to regulatory approvals, seek to sell its products in the E.U., the U.S. and Australia. The sale of its products outside of the U.S. exposes it to national trade laws, regulatory rules, as well as customs regulations. In some jurisdictions there can be high compliance costs associated with these laws, rules and regulations, and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action. ***For more information refer to Section 4.3.5***
COVID-19	EBR's business depends on healthcare spending, which has been, and may continue to be, impacted by the outbreak of COVID-19. The extent of any ongoing impact of COVID-19 on EBR's business will depend on future developments, including the duration and future spread of COVID-19 within the U.S., the E.U. and Australia, the effectiveness of vaccines, and the related impact on general economic conditions, business confidence and healthcare spending, all of which are highly uncertain. ***For more information refer to Section 4.3.6***

1.6. Directors and key employees

Topic	Summary
Who are the Directors of EBR?	**Allan Will (Executive Chair)** Mr Will served as the CEO of the Company from 2011 until 2019 and has served in the role of Executive Chair since 2019. Mr Will is a seasoned executive with extensive experience founding, funding, operating, and selling medical device companies. **John McCutcheon (President, Chief Executive Officer (CEO) and Director)** Mr McCutcheon has served as President and CEO of EBR since 2019 and is responsible for the overall management and strategic direction of EBR. Mr McCutcheon has over 35 years' experience in sales, marketing, and management of medical device companies. **Christopher Nave, PhD (Non-executive Director)** Dr Nave is a founder and Managing Director of Brandon Capital Partners and the CEO of the Medical Research Commercialisation Fund. Dr Nave previously served as the Director of Commercialisation at the Baker Heart Research Institute. **Trevor Moody (Non-executive Director)** Mr Moody has broad operational (originally a pacemaker engineer) and financial experience and currently serves as Medical Device Partner at M.H. Carnegie & Co., where he has overseen a number of investments in medical device companies. **Bronwyn Evans, PhD (Non-executive Director)** Dr Evans AM is the CEO of Engineers Australia, the Chair of Building4.0 CRC, and a Director at GME Pty Ltd. Previously, she was CEO of Standards Australia, Senior Vice President of Quality, Clinical & Regulatory at Cochlear Limited, and has held multiple other executive roles in the healthcare industry. **David Steinhaus, MD (Non-executive Director)** Dr Steinhaus retired in 2019 as Vice President and General Manager of the Heart Failure Business for the Cardiac Rhythm and Heart Failure Division at Medtronic plc (NYSE:MDT). He is currently the Executive Chairman of the board of Enopace Biomedical Ltd., a company which produces therapeutic neuromodulation devices for the treatment of heart failure. **Karen Drexler (Non-executive Director)** Ms Drexler has extensive operational and entrepreneurial experience and is currently a Director of Resmed, Inc. (NYSE, ASX:RMD), Outset Medical Inc. (NASDAQ: OM) as well as three private companies. ***For more information refer to Section 7.1***

Topic	Summary
Who are the Key Managers?	**John McCutcheon (President, CEO and Director)** Refer to Mr McCutcheon's biography above. **Frank Hettmann (Chief Financial Officer (CFO))** Mr Hettmann joined EBR as CFO in May 2021. Mr Hettmann has over 25 years of experience in senior and executive positions in finance, operations and administration within medical device and technology companies. **Parker Willis, PhD (Chief Technology Officer (CTO))** Dr Willis has served as CTO at EBR since September 2011 and previously served as Vice President of Research since 2006. Dr Willis is an electrical engineer and has worked in medical devices for over 25 years, all in technical leadership capacities for the development of novel technologies for cardiac electrophysiology. **Spencer Kubo, MD (Chief Medical Officer (CMO))** Dr Kubo has served as CMO at EBR since November 2018. Dr Kubo has extensive experience developing innovative cardiovascular devices including neuromodulation, mitral regurgitation and cardiac support. **Andrew Shute (Senior Vice President of Global Field Operations)** Mr Shute joined EBR in July 2015. Mr Shute has over 20 years of medical device experience and has led the successful commercialisation of new technologies and products working in the corporate, start-up and distributor settings. **Madhuri Bhat (Senior Vice President of Regulatory Affairs, Quality Assurance and Clinical)** Ms Bhat joined EBR in February 2019. Ms Bhat has over 20 years of experience in public affairs, public policy, clinical, quality assurance, and regulatory roles in medical devices. She has led several successful pivotal clinical trials, registries and secured regulatory approvals and clearances in the U.S. and internationally for Class II & III cardiovascular systems. **John Sam (Vice President of Engineering and Operations)** Mr Sam joined EBR in February 2018. Mr Sam has over 15 years of medical device experience and has managed, supported and transferred many different technologies and products from concept to commercialisation. ***For more information refer to Section 7.2***

1.7. Key people, interests and benefits

Topic	Summary
What are the Directors' security holdings?	The Directors are expected to hold a direct or indirect interest in the following securities on completion of the Offer and U.S. Private Placement:

	Securities	Holding % (fully diluted)
Allan Will	6,427,224 CDIs 2,535,185 Options 250,012 Warrants	2.9%
John McCutcheon	8,511,057 Options	2.7%
Christopher Nave	100,100 Options	0.0%
Trevor Moody	100,100 Options 854,018 Warrants	0.3%
Bronwyn Evans	100,100 Options	0.0%
David Steinhaus	100,100 Options	0.0%
Karen Drexler	100,100 Options	0.0%

Notes:

1. See footnotes to table in Section 7.4.8 regarding the basis on which these figures are calculated.

For more information refer to Section 7.4

What significant interests or benefits are payable to the Directors and other key persons connected to EBR or the Offer?

Key person	Interest or benefit
Executive Chair	Cash fee and non-cash benefits, including stock options
CEO & President	Remuneration and non-cash benefits, including stock awards
Non-executive Directors	Cash fee and stock options
Key Managers (excluding the CEO)	Remuneration and non-cash benefits, including stock awards
Joint Lead Managers	Fees for service
Other advisers	Fees for service

For more information refer to Section 7.4

Topic	Summary
Who are the significant Existing Holders of EBR and what will their interests be after completion of the Offer?	The direct and indirect holdings of significant Existing Holders immediately prior to, and following allotment, under the Offer and U.S. Private Placement will be as set out in the table below. Figures are expressed as a percentage of all Shares (undiluted basis) or all Securities on issue (fully diluted basis).

	Pre-allotment		Post-allotment	
	Undiluted	**Fully diluted**	**Undiluted**	**Fully diluted**
Brandon Capital Partners & Brandon Clients, consisting of:	32.7%	28.4%	20.3%	19.1%
o HESTA	11.1%	10.1%	6.9%	6.8%
o Hostplus	11.3%	9.7%	7.0%	6.5%
o AustralianSuper	5.3%	4.3%	3.3%	2.9%
o Statewide Super	3.7%	3.4%	2.3%	2.3%
o Other	1.3%	1.0%	0.8%	0.7%
M.H. Carnegie & Co. and its funds	19.3%	17.3%	12.0%	11.7%
Split Rock Partners	15.7%	13.4%	9.7%	9.0%
Ascension Ventures	7.7%	6.4%	4.8%	4.3%
Allan Will	3.9%	4.2%	2.4%	2.9%
John McCutcheon	0.0%	3.8%	0.0%	2.7%

Notes:

1. See footnotes to the table in Section 8.5.2 regarding the basis on which these figures are calculated.

For more information refer to Section 8.5

1.8. Summary of the Offer

Topic	Summary
Who is the issuer of the Prospectus?	EBR Systems, Inc., a Delaware corporation. ***For more information refer to Section 3.1***
What is the Offer?	The Offer is the offer provided under this Prospectus for investors to participate in the initial public offering of CHESS Depositary Interests (**CDIs**) representing 101,851,851 shares of common stock in EBR (**Shares**) at an Offer Price of A$1.08 per CDI. Each CDI represents an interest in one Share. ***For more information refer to Section 8.1***
What is the U.S. Private Placement?	Concurrently with the Offer, EBR is conducting a private placement of CDIs to certain accredited investors in the U.S. (**U.S. Private Placement**). The U.S. Private Placement will be at US$0.80 per CDI. EBR will issue 1,787,500 CDIs under the U.S. Private Placement, in exchange for gross proceeds of approximately US$1.4 million or approximately A$1.9 million. ***For more information refer to Section 8.3***
How is the Offer structured?	The Offer will consist of: o The Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for CDIs; and o The Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker. ***For more information refer to Section 8.2***
What are CDIs?	The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. EBR is incorporated in the state of Delaware in the U.S., which does not recognise the CHESS system of holding securities. Accordingly, to enable companies such as EBR to have their securities cleared and settled electronically through CHESS, depositary interests called CHESS Depositary Interests or CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company such as EBR and are traded in a manner similar to shares of Australian companies listed on the ASX. Each Share will be equivalent to one CDI. Due to certain U.S. securities laws, you will not be able to sell CDIs into the U.S. or to U.S. Persons for a period of at least 12 months from the Allotment Date, unless the resale of the CDI is registered under the U.S. Securities Act or an exemption is available. The Company has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions. ***For more information refer to Section 8.8***

Topic	Summary
What will be the capital structure of EBR on quotation of its CDIs on the ASX?	Following allotment under the Offer and U.S. Private Placement, and upon quotation on the ASX, EBR is expected to have the following securities on issue: **Number** / **Fully diluted %** Shares/CDIs — 267,873,393 — 84.0% Options — 31,084,733 — 9.8% Warrants — 19,811,028 — 6.2% **Total** — **318,769,154** — **100.0%** Notes: 1. See footnotes to the table in Section 8.5.1 regarding the basis on which these figures are calculated. 2. Figures for Shares are equivalent to the same number of CDIs. Of the Options listed above, 28,596,786 Options have exercise prices ranging from US$0.10 to US$0.16 per Share and expire between August 2022 to August 2031. Following completion of the Offer, the Company also intends to issue an additional 2,487,947 Options to staff and Directors, with exercise prices equal to the U.S. dollar equivalent of the Offer Price. The Warrants have exercise prices ranging from US$0.14 to US$11.50 per Share and expire between November 2022 and October 2031. ***For more information refer to Sections 8.5, 12.4 and 12.5***
Will the Company be adequately funded after completion of the Offer?	The Board is satisfied that upon completion of the Offer, the Company is expected to have sufficient working capital to carry out its stated objectives to at least mid-2024. ***For more information refer to Section 8.4***
What rights and liabilities attach to the CDIs being offered?	A description of the CDIs, including the rights and liabilities attaching to them, is set out in Section 8.8. ***For more information refer to Section 8.8***
Will the CDIs be quoted on the ASX?	The Company has applied to the ASX for Official Quotation of all CDIs on the ASX under the ticker 'EBR'. ***For more information refer to Section 8.11***
Is the Offer underwritten?	Yes, the Offer (and the U.S. Private Placement) is fully underwritten by the Joint Lead Managers, subject to the terms of the Underwriting Agreement (see Section 9.6 for a summary of the Underwriting Agreement). ***For more information refer to Section 9.6***
What is the allocation policy applicable to the Offer?	The allocation of CDIs under the Institutional Offer is determined by the Joint Lead Managers with the agreement of the Company. For Broker Firm Offer participants, the relevant broker will decide how it allocates the CDIs among its retail clients. ***For more information refer to Section 8.6***

Topic	Summary
What is the minimum Application under the Offer?	Applications must be for a minimum of 1,852 CDIs (approximately A$2,000). ***For more information refer to Section 8.5.3***
When will I know if my Application has been successful?	A holding statement or an allotment confirmation notice confirming your allocation under the Offer will be sent to you if your Application is successful. It is expected that initial holding statements will be dispatched by post on or about 22 November 2021. ***For more information refer to Section 8.11***
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of CDIs under the Offer. ***For more information refer to Section 8.5.3***
What are the tax implications of investing in the CDIs?	The tax consequences of any investment in CDIs will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest. ***For more information refer to Section 11***
What is the Company's dividend policy?	No dividends are expected to be paid in the near term following the Company's listing on the ASX. The Directors will review this policy as appropriate and the payment of any dividends by the Company is at the discretion of the Board. ***For more information refer to Section 12.10***
How do I apply for the CDIs?	Applicants under the Broker Firm Offer should follow the instructions provided by their broker. The Joint Lead Managers have separately advised Institutional Investors of the Application procedure under the Institutional Offer. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable. ***For more information refer to Section 8.7***
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of CDIs to Successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer. ***For more information refer to Section 8.5.3***
Where can I find more information?	Questions relating to Applications for CDIs can be directed to the Registry, Computershare, on 1300 161 429 (if calling within Australia) or +61 3 9415 4055 (if calling from outside of Australia). ***For more information refer to Section 8.15***

1.9. Proposed sources and uses of funds associated with the Offer

The Offer and U.S. Private Placement is being conducted to:

- provide EBR with funding to support its growth strategies, including by investing in:
  - funding the clinical development of its lead WiSE® wireless pacemaker product through its pivotal clinical trial in the U.S.;
  - expanding EBR's sales and marketing resources to support its commercialisation activities;
  - expanding EBR's manufacturing infrastructure and capacity;
  - further research and development to improve and further develop EBR's technologies;
- provide EBR access to listed capital markets to support future growth;
- pay the costs of the Offer and the U.S. Private Placement; and
- fund general working capital requirements.

Further details about the sources of the funds that will be used to carry out these objectives (including the proceeds under the Offer and U.S. Private Placement) and how those funds will be allocated are set out in the tables below and in Section 8.4.

Sources of proceeds	(A$ million)	% of funds raised
Cash proceeds received from issue of CDIs by the Company under the Offer	108.1	98.2%
Cash proceeds received from issue of CDIs by the Company under the U.S. Private Placement	1.9	1.8%
Total	**110.0**	**100%**

Use of proceeds	(A$ million)	% of funds raised
Capital expenditure towards manufacturing	6.2	5.7%
Sales and Marketing	26.8	24.3%
Regulatory and Clinical	20.3	18.4%
Research and Development	24.0	21.9%
Costs of the Offer and U.S. Private Placement	8.1	7.4%
General and Administrative Costs and Working Capital	24.6	22.3%
Total	**110.0**	**100%**

The above table is a statement of current intentions as at the date of this Prospectus. Investors should be aware that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied. In addition, as the proceeds of the Offer will be received in Australian dollars and the expenditure will be in U.S. dollars, the actual amount of the proceeds used for each of the items above will depend on the A$:US$ exchange rate at the time that the funds are converted to U.S. dollars.

Section 2.

Industry Background

2.1. Introduction

EBR is a United States-based company developing and commercialising WiSE®, an implantable, cardiac pacing device able to provide stimulation to endocardial (inside the heart) heart tissue for the correction of heart rhythm conditions without requiring the use of leads.

EBR has initially developed WiSE® for use in conjunction with another implanted pacemaker to provide cardiac resynchronisation therapy (**CRT**) to patients who are unable to receive CRT from a traditional lead-based system or are at high risk of complications from an upgrade procedure. EBR estimates this initial application has an addressable market of US$2.1 billion in the Company's major target markets of the U.S., Germany, France, the U.K., Australia and other select E.U. countries (see also Section 4.2.6). In the future, and subject to supporting clinical data and regulatory approvals, the use of WiSE® may be broadened to include other CRT patient groups or cardiac pacing applications.

EBR is conducting a pivotal clinical study that is expected to complete patient recruitment in H1 2022 and will provide headline data in H2 2022 in support of an application in H1 2023 for FDA approval in the U.S. of WiSE®. The Company is anticipating WiSE® will receive FDA approval in H2 2023 and launch commercially in the U.S. soon after. WiSE® has already received CE Mark approval and the Company plans to commercialise the device in Australia and certain European countries following its initial launch in the U.S.

2.2. Heart Failure

The market for EBR's leadless WiSE® device is for use in patients with moderate to severe heart failure who require CRT. The initial market for WiSE® is for use in patients who are not able to receive, or who are at high risk to receive, CRT using existing lead-based devices because of potential complications from the use of leads due to their anatomy or disease condition, or for use in patients in whom the CRT lead has failed.

2.2.1 Prevalence and Incidence of Heart Failure

Heart failure belongs to a group of diseases called cardiovascular diseases. Heart failure is a complex clinical syndrome that results from functional or structural impairment of the heart that results in the dysfunction of the left ventricle (**LV**).

Heart failure is a significant public health problem with an estimated prevalence in 2020 of 6.9 million people in the U.S., and around 64 million people worldwide. It is expected that 8.5 million people in the United States will suffer heart failure by 2030, and it is the leading cause of hospitalisation in the U.S. in people over age 65. Approximately 30–40% of patients with heart failure have a history of hospitalisation which is linked with worse health and clinical outcomes.

Over 850,000 new cases of heart failure are diagnosed in the U.S. each year. It is estimated that approximately 20% of heart failure patients are classified as having moderate to severe disease. Around 10% of all heart failure patients in the U.S. meet the criteria for CRT, due to the ventricles of the heart contracting at slightly different times (dyssynchronous contractions).

2.2.2 Healthcare Burden of Heart Failure

Heart failure is a major and growing medical and economic problem, with high prevalence and incidence rates worldwide. The economic burden of heart failure on healthcare systems is considerable and is expected to increase as its prevalence grows.

An analysis in 2012 estimated the global cost of heart failure to be US$108 billion per annum, with US$65 billion attributed to direct costs (e.g., treatments, hospitalisations, drugs and devices) and US$43 billion to indirect costs (e.g., transportation, allied healthcare provision and rehabilitation). In the U.S., approximately 1% to 2% of the total U.S. healthcare budget is spent on heart failure. The total U.S. cost of care (direct and indirect costs) for heart failure in 2020 was estimated to be US$43.6 billion. Without improvements in outcomes, the annual total cost of care for heart failure patients in the U.S. is projected to increase to US$69.7 billion by 2030.

2.2.3 Drivers of Heart Failure

The risk of developing heart failure increases with age. There are several factors that increase the risk of developing heart failure including:

- high blood pressure (hypertension);
- coronary heart disease (**CHD**);
- previous heart attack;
- family history; and
- diabetes.

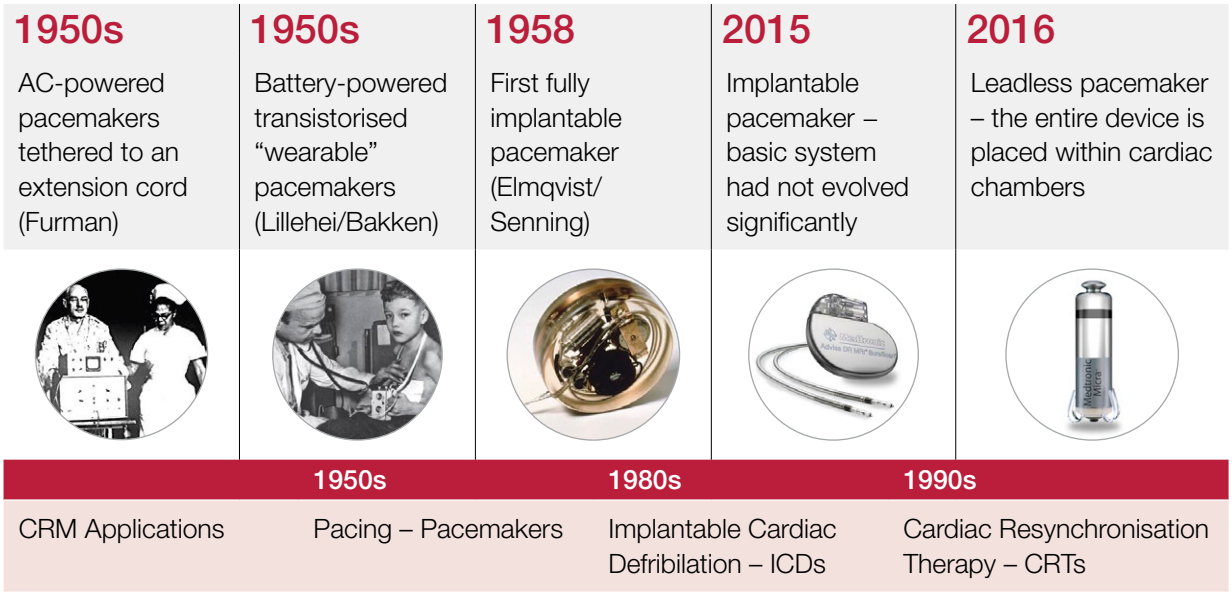
In addition to ageing, the prevalence of heart failure in the population is expected to continue to increase, driven by factors including:

- poor diet and nutrition;
- insufficient activity and exercise;
- increasing levels of obesity; and
- smoking.

2.3. Cardiac Rhythm Management Devices

The first cardiac pacing device was developed in the 1950s and formed the foundation for the medical device company, Medtronic plc. Since then, cardiac pacing devices have continued to play a key role in the clinical management of patients with heart disease.

Figure 2.1 History of cardiac pacing devices



Source: adapted from S.K. Mulpuru et al (2017), J. Am. Coll. Cardiol. 69:189-210.

Cardiac rhythm management (**CRM**) devices are devices that monitor a patient's heart rhythm and normalise different types of irregularities by delivering small, electrical shocks to the heart tissue. The three most common therapeutic CRM devices are:

- **Pacemakers**: which stimulate contractions of the heart if it slows or becomes irregular;
- **Defibrillators**: which deliver an electric shock to reset the heart rhythm when certain types of cardiac arrhythmia occur; and
- **CRT devices**: which synchronise the contraction of the left and right sides of the heart.

Based on reported sales from the relevant company segments for Medtronic, Abbott and Boston Scientific and shares of the CRT market, EBR has estimated the total market for CRM devices in 2020 was US$7.5 billion – US$8.5 billion.

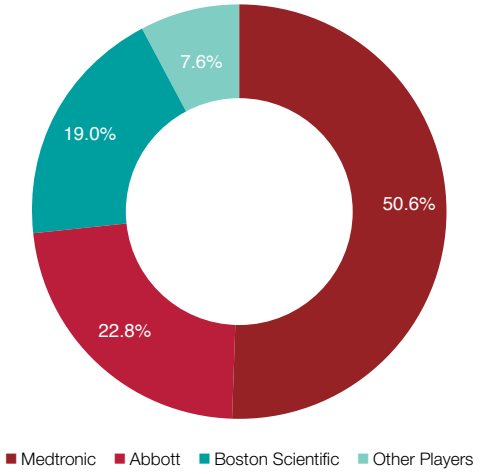
Figure 2.2 Estimated Global Market for CRM devices

Sales FY20[1] (US$)	Company	Company Reporting Segment
$5.1 billion	Medtronic	Cardiac Rhythm & Heart Failure[2]
$1.9 billion	Abbott	Rhythm Management
$1.7 billion	Boston Scientific	Cardiac Rhythm Management

Based on CRT market share estimates and reported segment numbers, CRM devices in 2020 is estimated at US$7.5 billion – US$8.5 billion.

1. Reported financials from annual reports for fiscal 2020.
2. Includes ablation, pumping and monitoring products as well as CRM devices. Split not reported.
3. MarketsAndMarkets: Cardiac Resynchronisation Therapy Market Report.

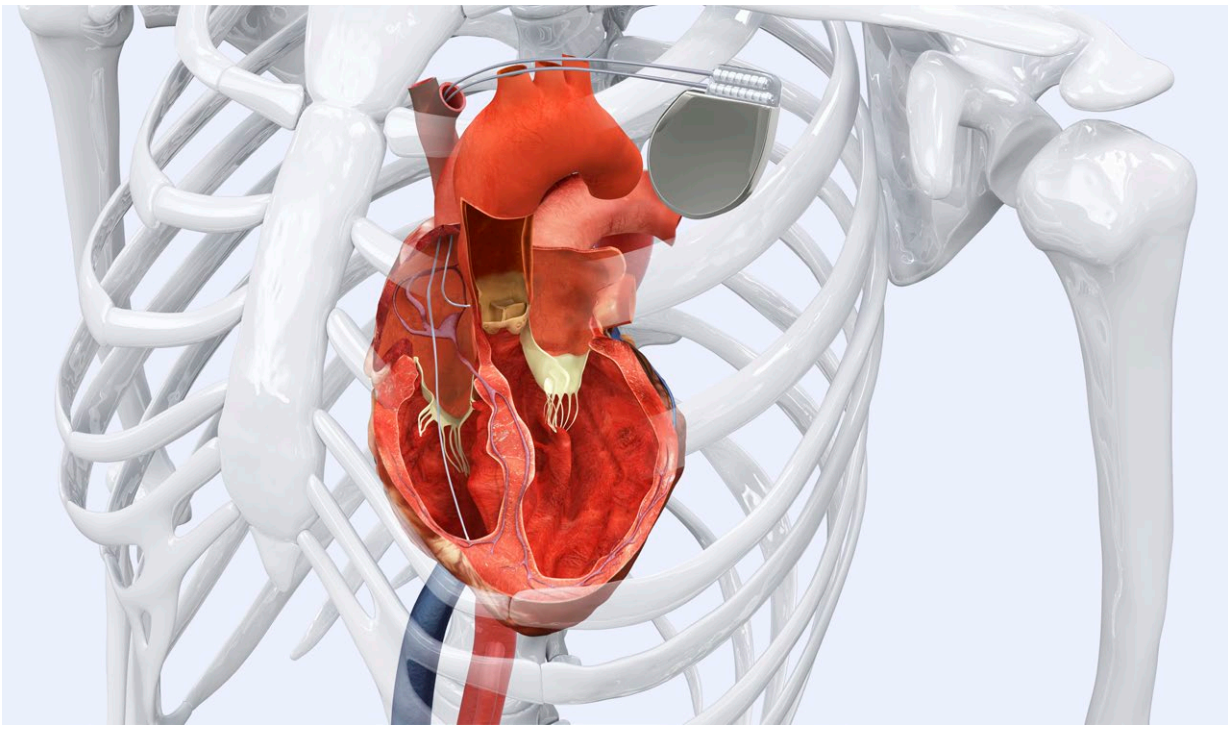
CRT Market share 2015-2018[3]



2.3.1 Pacemakers

Due to disease, tissue damage or medication, the heart rate of some patients may tend to slow. This condition is called bradycardia (slowing of the heart). Permanently implanted pacemakers (**PPMs**) detect if the beating of the heart becomes slow or irregular and corrects it using small, electrical impulses to stimulate contractions.

Figure 2.3 Diagram showing an implanted permanent pacemaker (PPM)



The pattern of pacing required is controlled by an implantable pulse generator (**IPG**) and can be adjusted over time as a patient's needs change. Some patients are entirely dependent on their pacemakers to make their heart beat, while others are paced occasionally and only when required.

(a) Implantation of PPMs

The chambers of the heart where the pacing electrodes are placed may also vary:

- **single lead** (single chamber pacing) – in the right ventricle or right atrium;
- **two leads** (dual chamber pacing) – in the right ventricle and right atrium;
- **leadless pacemaker** – direct implant into the right ventricle to treat bradycardia.

Each year, it is estimated that over 200,000 pacemakers are implanted in U.S. patients with bradycardia. Estimates for the number of individuals around the world who are living with an implanted pacemaker range from 1.25 million to 3 million people.

(b) Leadless Pacemakers

The most recent advance in the evolution of pacemakers has been the advent of leadless cardiac pacing systems. The most frequent complications with pacemakers are usually associated with their leads. To overcome this, leadless pacing systems have recently been developed in which the IPG and stimulating electrode are combined into a single unit that can be fully implanted inside the heart chamber. The three leading CRM device companies (Medtronic plc, Boston Scientific, and Abbott) have each developed such leadless cardiac pacemakers. See Section 2.7 for an overview of the key players and their products in the leadless market for cardiac pacing.

Figure 2.4 Increasing use of leadless pacemakers

Major players have introduced leadless pacing technology:

- Medtronic reported US$400m annual sales run rate for Micra® for the March Quarter 2021
- Micra® grew a further 30%-35% in the June Quarter 2021

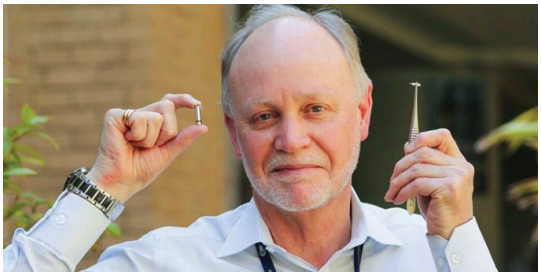
However, the size of leadless pacemakers restricts use to right ventricle (RV) & right atrium (RA) bradycardia pacing:

- Too large to completely endothelialise (0.80-1.0cc)
- Interference with valves if placed basally
- Risk of blood clots and size prohibit LV placement

WiSE® is the <u>only</u> leadless solution for LV Pacing including cardiac resynchronisation therapy (CRT) and only leadless conduction system pacing (CSP):

- 0.05cc in volume (5% to 6% the volume of other leadless pacemakers)

Medtronic Micra® | Abbott Aveir® | Boston Scientific Empower® | EBR WiSE®



Dr. Jeffrey Alison, Monash Hospital, Melbourne
Micra on the left, WiSE® held by tweezers on the right.

Leadless devices are expected to play an increasingly important role in the future pacemaker market. This expectation is supported by the rapid growth in sales of Medtronic's Micra® device since its approval by the FDA in 2016. See Section 2.8.1 for further details.

WiSE® is not currently being clinically investigated for conventional pacing of the heart.

2.3.2 Defibrillators (ICDs)

Implantable cardioverter defibrillators, or ICDs, are implantable devices that deliver an electrical shock to the heart when certain types of abnormal heart rhythm (also called 'cardiac arrhythmias') are detected to prompt the heart to return to its normal rhythm.

Two cardiac arrhythmias that ICDs are used to correct are ventricular tachycardia (speeding up of the heart) and ventricular fibrillation (rapid twitching of the heart muscle). If these arrhythmias are left untreated and allowed to progress, they can result in cardiac arrest, and potentially death. The electrical shock delivered by an ICD is designed to interrupt the progression of these arrhythmias and prompt the heart to return to its normal rhythm.

ICD devices have a very similar design to pacemaker devices and comprises an IPG, a lead responsible for stimulation implanted in the right ventricle, and up to two additional leads for stimulating other chambers of the heart. As well as managing arrhythmias, an ICD may also provide pacing activity for the heart.

ICDs are typically implanted in patients who have survived a cardiac arrest attributable to ventricular tachycardia or ventricular fibrillation and are at high risk of experiencing additional cardiac arrhythmias in the future.

Approximately 150,000 ICDs are implanted in the U.S. each year. Multiple clinical studies have demonstrated that ICDs improve clinical outcomes and significantly reduce mortality in patients with heart failure.

2.4. Cardiac Resynchronisation Therapy

Cardiac Resynchronisation Therapy (**CRT**) refers to the use of implanted pacemakers to synchronise the contractions of the left and right sides of the heart.

In addition to the usual PPM or ICD leads implanted in the right ventricle and/or right atrium, CRT requires an additional lead to stimulate the left ventricle. Due to the risk of thromboembolism (formation of blood clots) this lead is not usually implanted inside the left side of the heart, but instead is implanted in the coronary sinus (**CS**) which is a vein on the outside of the heart.

2.4.1 What is CRT?

Many patients with heart failure have an enlarged left ventricle which can delay its contraction. When this happens, the right and left ventricles contract at slightly different times (dyssynchronous) and effectively work against each other, making the heart less efficient.

CRT refers to the use of electrical stimulation to synchronise the contractions of the right and left ventricles. When CRT is used in this manner, it is referred to as biventricular pacing (***BiV pacing***). This is the first application for which WiSE® has been developed.

2.4.2 How does CRT work?

CRT uses electrical stimulation to coordinate the contractions of the right and left ventricles of the heart. This is achieved using an IPG with electrodes placed to stimulate the right and left ventricles. Implanted CRT devices may also provide pacing alone (referred to as **CRT-P**) or pacing and defibrillation (referred to as **CRT-D**), depending on a patient's requirements.

CRT requires electrical stimulation to be delivered to the left ventricle. Unlike the right side of the heart, leads cannot be placed on the inside of the left side due to the risk of clot formation. To avoid this, a stimulating lead for the left side is usually placed in a blood vessel called the CS that runs on the outside surface of the left ventricle. While this traditional placement can provide adequate left ventricular pacing in many patients, procedural limitations can result in suboptimal lead placement. In some patients, placement of a lead in the CS is not an option due to their anatomy or disease condition. Furthermore, pacing from the epicardial surface is not physiologic (i.e. normal) since normally stimulation progresses from the inside of the heart to the outside (i.e., from the endocardium to the epicardium).

When CRT is required in patients who already have an implanted PPM or ICD, WiSE® provides an alternative option for upgrading to CRT. WiSE® may be particularly helpful for patients whose anatomy or disease condition puts them at a high risk from the procedures for placing a lead in the coronary sinus (**CS**). Another advantage of WiSE® is that it provides stimulation of the left ventricle from the inside endocardial surface thereby utilising the native conduction system more normally.

2.4.3 Therapeutic Benefits of CRT

CRT has been demonstrated to improve clinical outcomes in multiple clinical trials. A meta-analysis of nearly 100 studies which included over 9,000 patients reported that CRT provides significant benefits to patients including:

- a 41% reduction in the risk of heart failure events;
- 59% of CRT recipients demonstrating functional improvement at six months;
- a 37% decrease in hospitalisations;
- a 22% reduction in all-causes mortality;
- improved heart function; and
- improved quality of life.

In patients who receive effective CRT, reverse remodelling is also observed. Reverse remodelling refers to structural changes in the heart muscle that reverse the enlargement of the left ventricle that is responsible for the heart failure. Reverse remodelling is considered a positive indication of underlying clinical improvement.

In addition to improving clinical outcomes, several studies have shown that the reduced healthcare costs arising from lower hospitalisation rates and ongoing clinical management requirements can make CRT a cost-effective intervention.

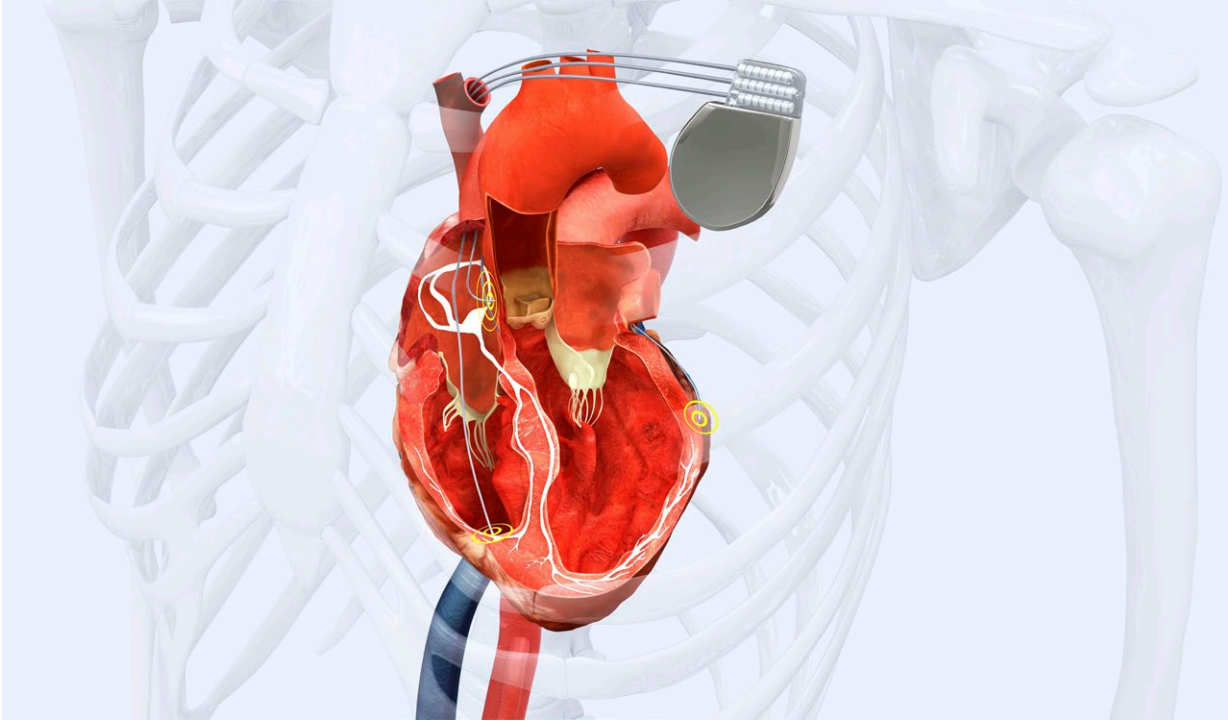
2.4.4 Current Limitations to Providing CRT

(a) Inability to Provide CRT

Most of the limitations that prevent patients from being provided with effective CRT arise from the use of leads. Specifically:

- The successful placement of an effective lead in the CS is not achieved in at least 5% of patients due to the patient's anatomy or disease condition;
- Each year 2%-6% of patients who initially received effective CRT have their leads subsequently fail, move position, or develop other chronic problems.

Figure 2.5 Placement of leads for lead-based CRT systems



Without a functional CS lead to stimulate the left ventricle, these patients are unable to receive effective CRT using existing devices. These patients represent a key target patient population for WiSE®.

(b) High Risk for Conventional Upgrade

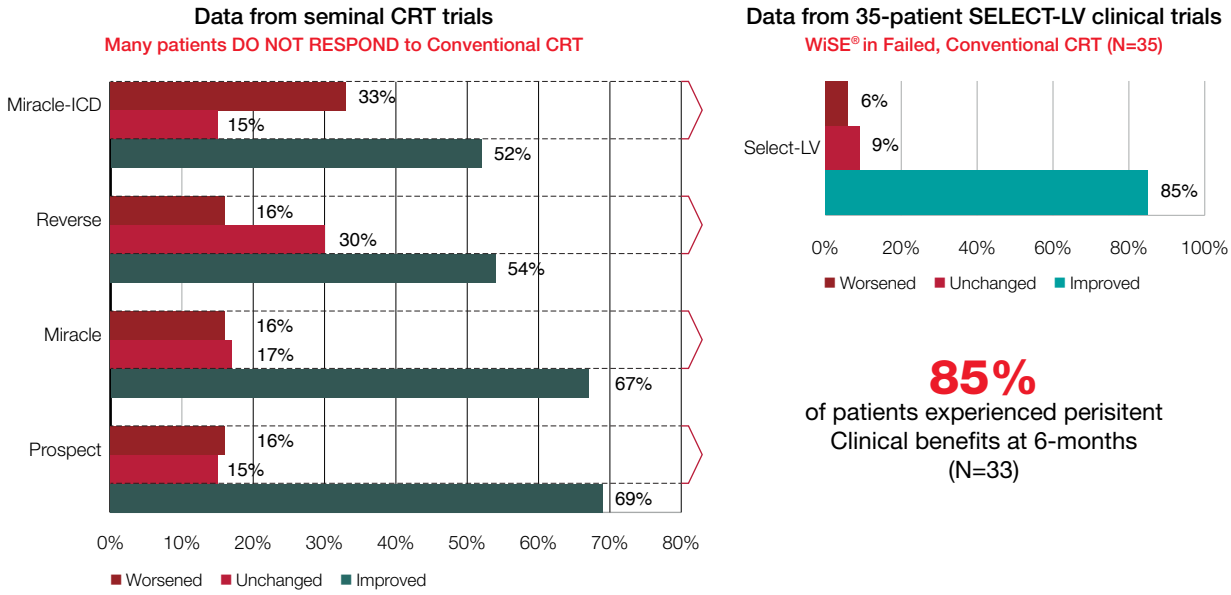
Patients with pacemakers and defibrillators can progress to develop heart failure that requires BiV pacing. It is estimated that up to 60% of patients who require an upgrade from an existing pacemaker are at greater risk of complications from a lead-based CRT device due to potential problems arising from their anatomy or disease condition. These patients provide an opportunity for WiSE® to be marketed as an alternative approach that is able to overcome these limitations.

(c) Failure to Respond

Approximately 30% of patients implanted with a CRT are classified as 'non-responders' (**NR**) to CRT. Non-response to CRT may occur due to multiple factors. However, the technical constraints of traditional, transvenous epicardial CRT mean those factors can be challenging to overcome. A recent study looking at healthcare expenditure associated with NRs, identified there are additional healthcare costs associated with this group.

In EBR's SELECT-LV clinical trial, 85% of patients improved based on cardiac health metrics.

Figure 2.6 Delivering CRT to Non-Responders Using WiSE®



Source: EBR, Reddy et al (2017) J. Amer. Coll. Cardiol. 17:2119-29

While WiSE® has been able to provide clinically effective CRT in some patients previously classified as NR, based on the patient inclusion criteria agreed with the FDA, this patient group will not be included in the Company's PMA submission for FDA approval. See Section 3.5.1 for further details.

(d) Endocardial Stimulation More Physiologic

With conventional CRT devices, the lead to stimulate the left ventricle cannot be placed inside the heart chamber for endocardial pacing due to the risk of clot formation, which can cause a heart attack or stroke. For this reason, this lead is normally placed in the CS where it stimulates the ventricle from outside the chamber. This is called 'epicardial' pacing.

Stimulation from inside the heart chamber, or endocardial pacing, is more like normal conduction (i.e., more physiologic). Endocardial pacing has been shown to improve both left and right ventricular function. While there are a few techniques for delivering left ventricular endocardial pacing using leads, these are highly invasive and usually not considered suitable for routine or long-term use.

Due to its small size (slightly larger than a grain of rice), the WiSE® electrode can be safely implanted inside the left ventricle to deliver endocardial pacing. Furthermore, because the options for its placement are not confined by the heart vasculature, it can be placed in a more optimal position based upon the physiological responsiveness of different sites.

2.4.5 Future Directions in Cardiac Pacing

Significant advances in pacing technology have been made over the last 50 years including: multi-chamber pacing, improved rate responsiveness, device size reduction, internet-based remote monitoring, and marked increases in battery longevity. However, the basic system format of using an IPG connected to one or more leads to stimulate the heart muscle tissue, has remained unchanged over this time.

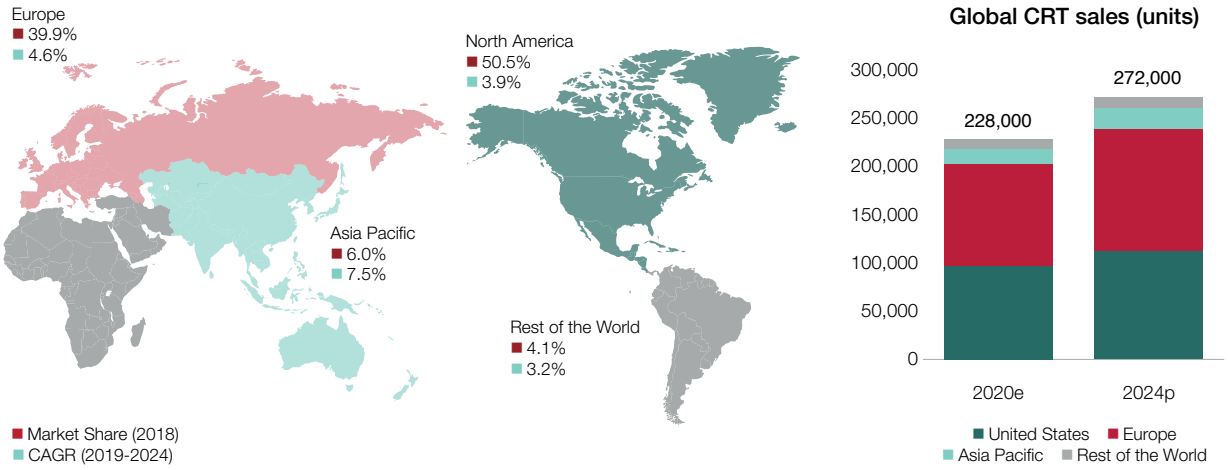
Many pacemaker-related complications arise from this basic design, in particular from the use of leads. This has driven the recent evolution of pacemaker systems which do not require leads.

Apart from WiSE®, the leadless pacemakers which have been developed are all single component systems. In such systems, the entire device is placed within the cardiac chamber. Advantages of this approach over lead-based systems include greater energy efficiency, system simplicity, and ease of implantation. However, these systems also have certain limitations, including the need to retrieve the device in future years due to battery depletion, risk of cardiac perforation and uncertain thrombus and infection risk. Additionally, because of their size and thrombogenicity (tendency to generate and release clots that might cause heart attack or stroke) they cannot be used within the left ventricle.

2.5. Overview of the CRT market

The global CRT market is expected to reach US$5.1 billion by 2024, from an estimated US$4.1 billion in 2019, representing a compound annual growth rate (**CAGR**) of 4.4% during the forecast period.

Figure 2.7 Overview of the Global CRT Market



Source: MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

The growth of the CRT market is mainly driven by the increasing incidence of heart failure and the ageing of the population. Technological advancements and increasing standards of healthcare also contribute to the growth of the market for devices to treat heart failure.

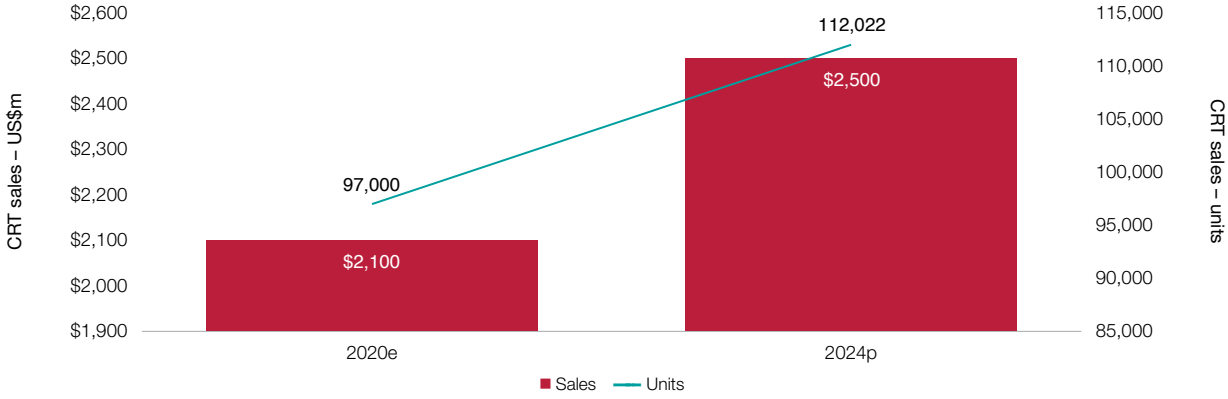
North America is the largest market for CRT and accounts for 50% of global sales. Countries in Europe account for nearly 40% of global sales, of which 50% are from Germany, France and the U.K. (i.e., combined these countries account for 20% of the global market).

The CRT market is dominated by three companies: Medtronic plc (Ireland), Abbott Laboratories (U.S.), and Boston Scientific Corporation (U.S.). These companies accounted for over 90% of the global CRT market in 2018.

2.5.1 CRT Market – North America

North America accounted for 50% of the global CRT market in 2018. The North American market is projected to reach US$2.5 billion by 2024 from US$2.1 billion in 2019, equating to a CAGR of 3.9%.

Figure 2.8 CRT sales in North America

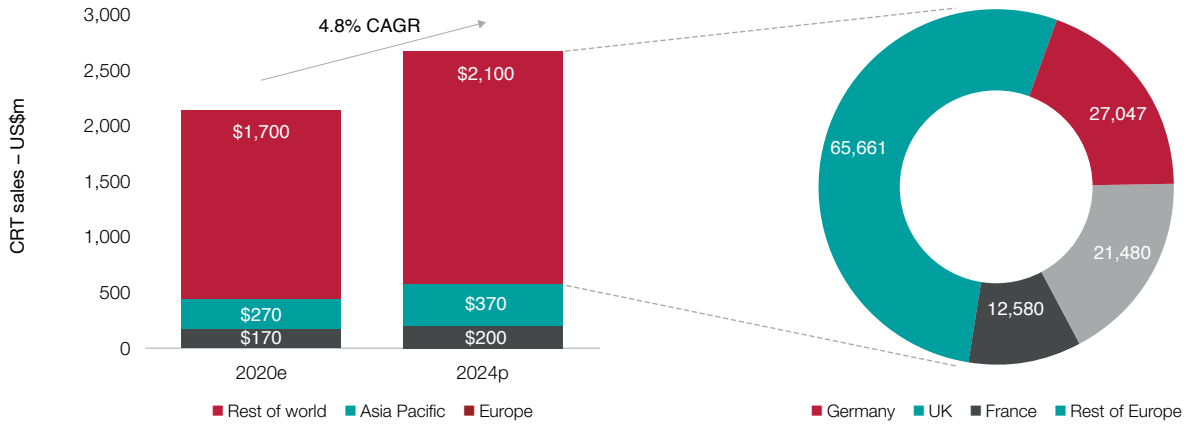


Source: MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

2.5.2 CRT Market – Outside United States (OUS) Market

Outside of the U.S., the CRT market is dominated by European countries. The European market accounts for nearly 40% of global CRT sales and 80% of OUS sales.

Figure 2.9 CRT Sales Outside U.S. Market



Source: MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

EBR is targeting select OUS markets for the initial commercial launch of WiSE® based on:

- volume of CRT procedures;
- concentration of high-volume accounts;
- supportive regulatory and reimbursement frameworks; and
- strong clinician engagement.

The large OUS markets that EBR intends to initially target are Germany, France and the U.K. Based on data from MarketsAndMarkets, approximately 49,000 CRT devices were implanted in patients in these select OUS markets in 2019 and this is projected to increase to approximately 61,000 units by 2024.

EBR also intends to launch WiSE® in Australia and other select E.U. countries (Benelux, and Scandinavia). Based on hospital CRT implantation data compiled by the Company, EBR estimates that these combined markets may represent the implantation of an additional 10,000 CRT units per year.

2.6. Target markets for WiSE®

The initial target patient group for WiSE® is patients who are unable to receive CRT with the existing lead-based systems, and for patients who are considered at risk for a CRT upgrade from a previously implanted PPM or ICD. EBR estimates this has an addressable market opportunity of approximately US$2.1 billion in the Company's initial target markets of the U.S., Germany, France, the U.K., Australia, Benelux and Scandinavia (see also Section 4.2.6).

2.6.1 Initial Target Patient Groups for WiSE®

The three key patient profiles that comprise the initial target patient group for WiSE® are:

- Acute Lead Failures (**LF – acute**);
- Chronic Lead Failures (**LF – chronic**); and
- High risk upgrades (**HRU**).

(a) Lead Failures – acute

In at least 5% of patients, placement of an effective lead in the CS is not achieved due to the patient's anatomy or disease condition. These patients are referred to as "LF – acute" patients. Based on the estimated size of this patient group, EBR believes the addressable market of LF – acute patients is approximately 5% of new CRT implants.

(b) Lead failures – chronic

"LF – chronic" patients have a CRT system that has had the lead to the left heart switched off or the lead has become otherwise ineffective. This may be for many reasons, but often relates to the lead failing or not functioning properly. Reported lead failure rates for CRT range from 2% – 6%. Based on this, EBR believes the annual addressable market for LF-acute patients may be approximately 4% of patients living with an implanted CRT device.

As the median survival time for a patient after being implanted with a CRT device is five years, EBR estimates that the number of patients living with an implanted CRT device may be approximated as five times the estimated annual implantation rate.

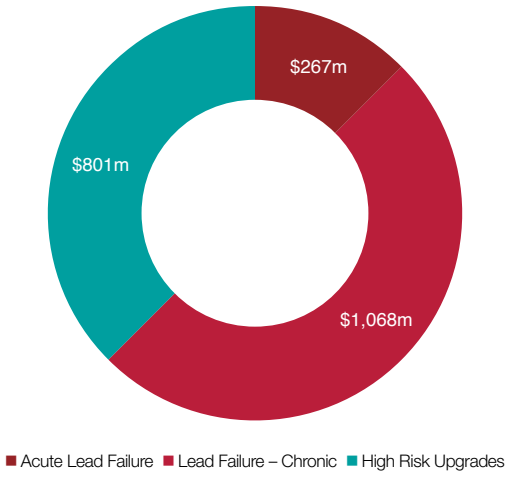
(c) High Risk Upgrades

Patients with pacemakers and defibrillators can develop heart failure that requires BiV pacing. These patients are referred to as HRUs if they have a high risk of complications from upgrading to a lead-based CRT device. Approximately 25% of CRT implants are upgrades from other cardiac pacing devices (PPMs and ICDs). It is estimated that up to 60% of patients who require an upgrade from an existing pacemaker are at greater risk due to potential complications arising from their anatomy or disease condition.

On this basis, EBR estimates approximately 15% of CRT implants are for HRU patients who may benefit from the use of WiSE® rather than a lead-based CRT device.

2.6.2 Initial addressable market for WiSE®

EBR estimates that the value of its initial addressable markets for WiSE® in 2024 will be approximately US$2.1 billion, as described in further detail below (see also Section 4.2.6).



Source: Company estimates, MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

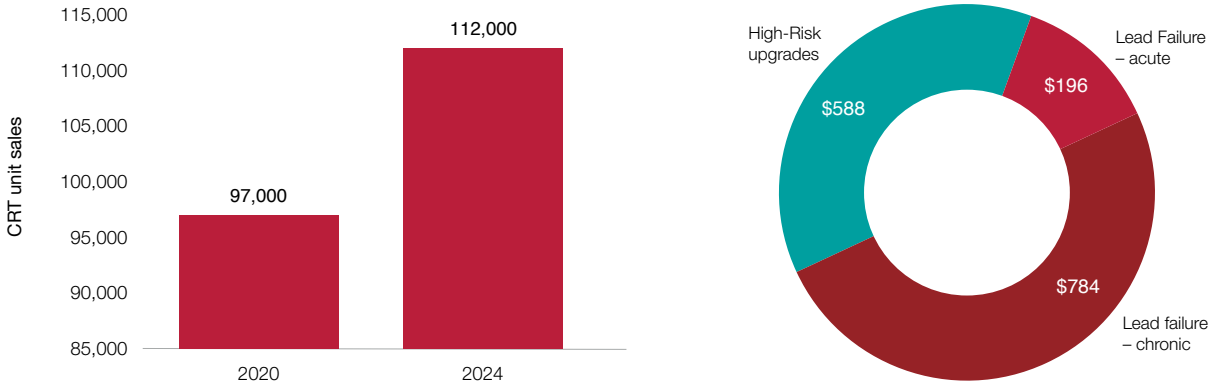
(a) Initial U.S. Target Market for WiSE®

MarketsAndMarkets has projected there will be approximately 112,000 CRT implants in the U.S. by 2024.

EBR will initially target LF-acute, LF-chronic, and HRU patients. The projected CRT implantation rates provide a basis for estimating the number of patients that may be able to receive CRT using WiSE®.

In the U.S., EBR is targeting an Average Selling Price (**ASP**) for WiSE® of approximately US$35,000. Based on this ASP, EBR estimates that the initial U.S. addressable market opportunity for WiSE® is approximately US$1.568 billion and accounts for 73% of EBR's total initial target addressable market.

Figure 2.10 U.S. Addressable Market Opportunity for WiSE®



Source: Company estimates, MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

Based on data compiled by the Company on CRT implantation rates at different hospitals, EBR estimates that approximately 50% of procedures are performed at 250 hospitals in the U.S. Many of these high-volume sites are participating in the SOLVE-CRT trial (discussed in detail at Section 3.4.2).

(b) Initial Outside the U.S. (OUS) Target Market for WiSE®

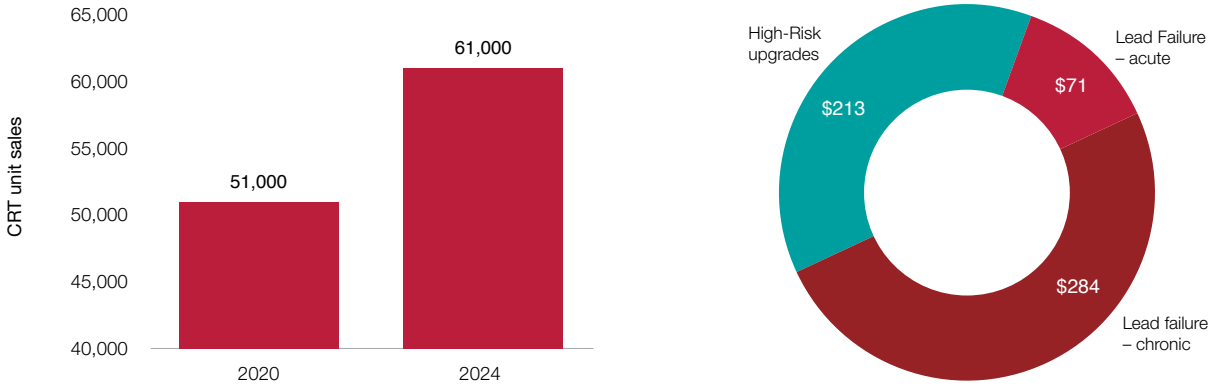
MarketsAndMarkets has projected there will be a total of approximately 61,000 CRT units implanted per annum in Germany, France, and the U.K. by 2024. These are the three largest OUS country markets that EBR intends to target for the initial commercialisation of WiSE®.

In addition to Germany, France and the U.K., EBR intends to target Australia, Benelux (Belgium, The Netherlands, and Luxembourg), and Scandinavia (Denmark, Sweden, Norway and Finland) for the initial commercialisation of WiSE®. Based on hospital CRT implantation rate data compiled by the Company, EBR has estimated that, in combination, these additional markets may account for approximately additional 10,000 CRT implants each year.

(c) Medical devices typically sell for lower prices outside the U.S.

EBR has used an ASP of US$20,000 for WiSE® to estimate the addressable OUS market. On this basis, EBR estimates that the initial OUS addressable market opportunity for WiS$^{E®}$ is approximately US$568 million, which will account for 27% of EBR's estimated initial target addressable market. The actual ASP in each market, and the blended ASP once WiS$^{E®}$ is made commercially available in multiple OUS target markets, may differ from this initial estimate.

Figure 2.11 Addressable market opportunity for WiSE® in key OUS markets



Source: Company estimates, MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

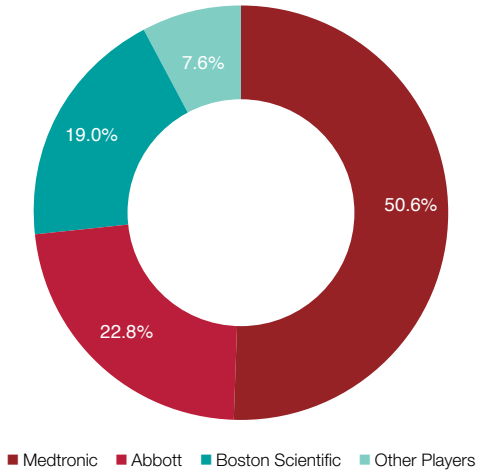
Based on CRT implantation data compiled by the Company regarding the markets of Germany, France and the U.K., around 50% of CRT implantations are conducted by 50-80 hospitals in each of the large OUS countries (i.e., 150-240 sites in total). In the other OUS country markets, around 50% of CRT implantations are conducted by 10-30 hospitals.

In the future, EBR may increase the addressable market it is targeting by broadening its OUS market outside its initial target country markets. EBR may also expand the use of WiSE® into other applications by undertaking additional clinical studies and securing the required regulatory approvals.

2.7. Key market players in CRT

The CRT market is highly consolidated with a small number of players dominating the market. In 2018, Medtronic (Ireland), Abbott (U.S.), and Boston Scientific Corporation (U.S.) were the key players in the CRT market and accounted for 92.4% of the market. Other prominent players include Biotronik (Germany), MicroPort Scientific Corp (China), and Medico S.p.A (Italy).

Figure 2.12 Market share by key player (2015-2018)



Source: Company estimates, MarketAndMarkets: Cardiac Resynchronisation Therapy Market (2019), Global Forecast to 2024.

2.7.1 Medtronic

In 2018, Medtronic held the leading position in the CRT market with a share of 50.6%. The company offers a wide range of products for the treatment of heart failure. The company offers CRT devices under brand names such as Claria MRI CRT-D Surescan®, Amplia MRI CRT-D Surescan®, Compia MRI CRT-D Surescan®, Viva CRT-P®, Consulta CRT-P®, and Syncra CRT-P®, among others.

2.7.2 Abbott

Abbott Laboratories accounted for a market share of 22.8% of the CRT market in 2018. The company is engaged in the research, development, production, and distribution of a diversified range of healthcare products, including drugs, diagnostics, branded generics, vascular, and nutritional products. Abbott offers CRT devices for the treatment of heart failure under the brand names — Quadra Allure MP CRT-P®, Allure RF®, Unify Assura®, and Promote Plus CRT-D®, among others.

2.7.3 Boston Scientific

Boston Scientific Corporation accounted for a market share of 19.0% of the CRT market in 2018. The company offers CRT devices through the CRM subsegment under the brand names— Visionist X4 CRT-P®, Valitude X4 (CRT-P)®, Momentum CRT-D®, Resonate X4 CRT-D®, and Vigilant X4 CRT-D®, among others.

2.8. Emerging leadless market for cardiac pacing

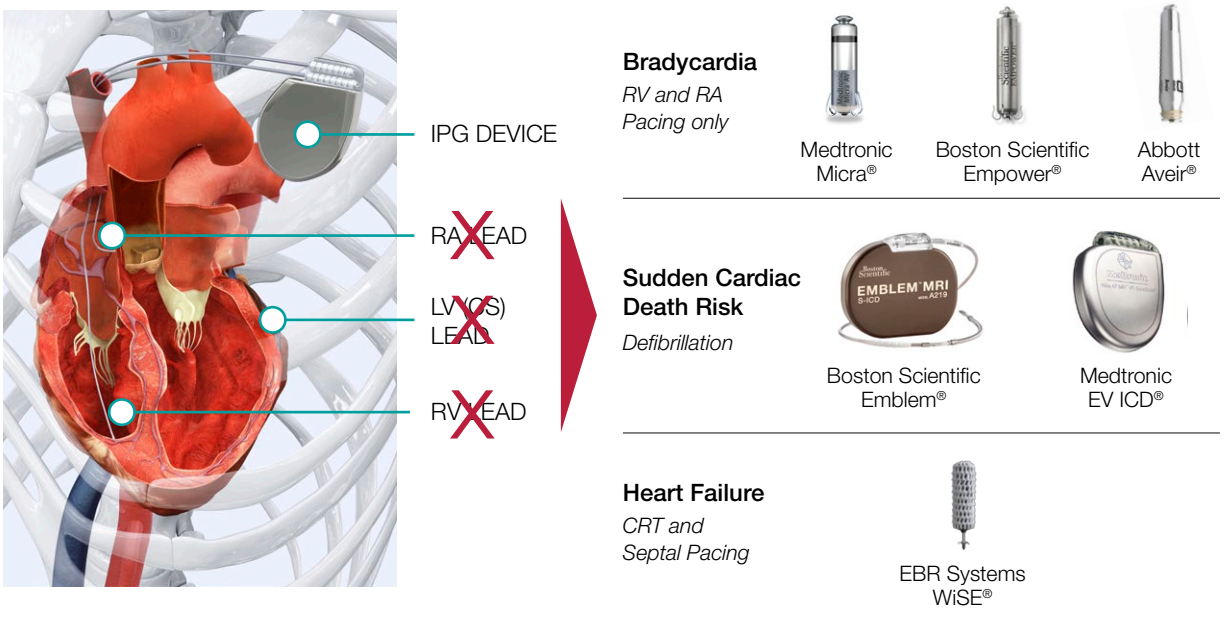
The most recent advance in the evolution of pacemakers has been the advent of leadless cardiac pacing systems. Most of the complications associated with pacemakers have been due to the leads. Leadless pacing systems have the pulse generator and the stimulating electrode in a single unit that can be fully implanted inside the heart chamber.

2.8.1 Overview of Leadless Pacemakers for Cardiac Pacing

The three major CRM device companies (Medtronic plc, Boston Scientific, and Abbott) have each developed leadless cardiac pacemakers that can be implanted in the right ventricle.

Leadless devices are expected to play an increasingly important role in the future pacemaker market. This has been reflected in the rapid growth of sales demonstrated by Medtronic's Micra® device since it received FDA approval in 2016.

Figure 2.13 Leadless Pacemakers for Cardiac Pacing



2.8.2 Medtronic – Micra® Implant

Medtronic's Micra® implant is the only leadless pacemaker that is currently commercially available. In 2020, the FDA approved a second leadless pacemaker for Medtronic, Micra® AV, that is also implanted in the right ventricle but has an additional capability of being able to sense the contraction of the right atrium to create atrioventricular synchrony. Both versions of Micra® can only be implanted in the right ventricle due to their size.

Medtronic announced that the quarterly sales of Micra® in the March 2021 quarter had grown by 74% and were annualised at US$400 million. For the June 2021 quarter, Medtronic reported Micra® sales had increased by over 30% from the preceding quarter.

2.8.3 Abbott – Aveir® Implant

Abbott's Aveir® leadless pacemaker is currently in a 615-patient clinical trial that is scheduled to complete in 2022. This leadless pacemaker is based on the NanoStim™ pacemaker that was acquired in 2013 by St Jude Medical which Abbott later acquired in 2017. NanoStim received conditional approval from the FDA in 2013 but was withdrawn from the market in 2016 due to issues with its battery. As with Micra®, Aveir® can only be implanted in the right ventricle due to its size.

2.8.4 Boston Scientific – Empower® Implant

Boston Scientific's leadless Empower® pacemaker is currently in a 500-patient clinical trial with a primary completion data scheduled for 2023. As with the other leadless pacemakers, Empower® can only be implanted in the right ventricle due to its size.

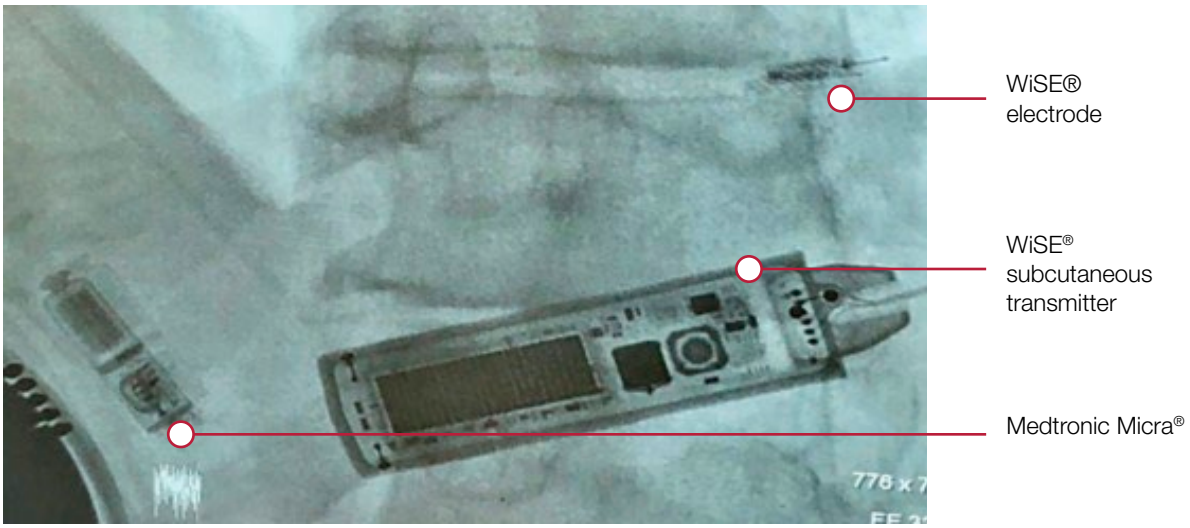
2.8.5 Opportunity for WiSE®

While Medtronic's Micra® is the only leadless pacemaker for right ventricle bradycardia pacing currently on the market, it is anticipated that the eventual entry of Abbott and Boston Scientific could further increase the adoption of leadless pacemakers.

It has been reported that up to 30% of patients with pacemakers develop pacing-induced heart failure within four years. Thus, many of the patients implanted with leadless pacemakers (such as Micra®) may require an upgrade to CRT at a later date.

An 8-patient clinical study has demonstrated that WiSE® is able to work in conjunction with Medtronic's Micra® to provide BiV pacing and an entirely leadless option for upgrading these patients. Only WiSE® can provide these patients an entirely leadless upgrade solution.

Figure 2.14 X-Ray From Patient Receiving Leadless CRT Using Micra® and WiSE®



Section 3.

Company Overview

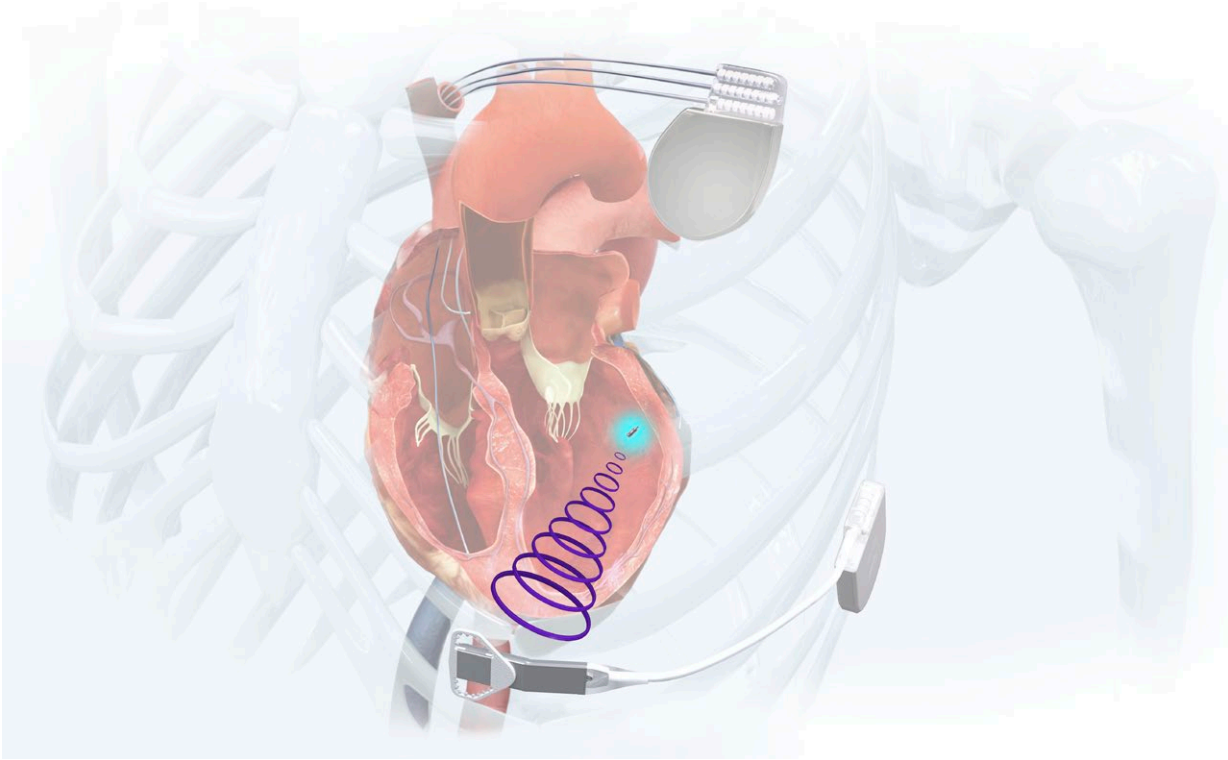
3.1. Introduction

EBR is a United States-based company dedicated to superior treatment of cardiac rhythm disease by providing more physiologically effective stimulation through cardiac pacing. The Company's patented **W**ireless **S**timulation **E**ndocardially (WiSE®) technology was developed to eliminate the need for cardiac pacing leads, historically the major source of complications and reliability issues in cardiac rhythm management. Elimination of leads enables major advances in safety and efficacy for patients.

Three major companies currently dominate the CRM market (Medtronic, Abbott, and Boston Scientific), and each has introduced a leadless device for bradycardia. However, there are no leadless solutions, other than EBR's WiSE®, that can be used for cardiac resynchronisation therapy or CRT.

WiSE® differs from the leadless pacemakers developed by Medtronic, Abbott, and Boston Scientific in that the stimulating WiSE® electrode does not have an internal battery and is small enough to provide site-specific placement on the left ventricular endocardium. WiSE® uses a remote generator to transmit a focused pulse of ultrasound energy to an endocardially-placed electrode which then paces the heart from that location. Because WiSE® uses a remote, transmitted energy source, the stimulating electrode that is implanted in the heart is approximately 5-6% of the size of the other leadless products, slightly larger than a grain of rice. This allows WiSE® to provide the benefits of leadless cardiac stimulation for a broad range of clinical applications, including providing the only leadless option for CRT.

Figure 3.1 EBR's Leadless Cardiac Pacing System – WiSE®



WiSE® is currently in the final stage of a pivotal clinical trial designed to provide the data required to support an application to the FDA for U.S. regulatory approval which EBR plans to file in H1 2023. WiSE® has been granted a Breakthrough Device Designation (**BDD**) by the FDA which provides the Company with greater access to the FDA during the clinical and submission process, a prioritised review process, and up to three years of favourable reimbursement coverage in the U.S. following such approval. EBR intends to commence commercial sales and marketing activities for WiSE® after U.S. regulatory approval has been secured, which is currently targeted for H2 2023.

EBR will initially focus its commercial activities on the use of WiSE® in heart failure patients who are unable to receive CRT using existing lead-based systems, those who have failed treatment with existing lead-based systems, and those who are at greater risk of treatment with existing lead-based systems. The Company estimates this patient population currently represents an initial US$2.1 billion addressable market for WiSE® in the U.S., Germany, France, the U.K., Australia, Benelux and Scandinavia. See Sections 2.6 and 4.2.6 for further details on the estimated addressable market for WiSE®.

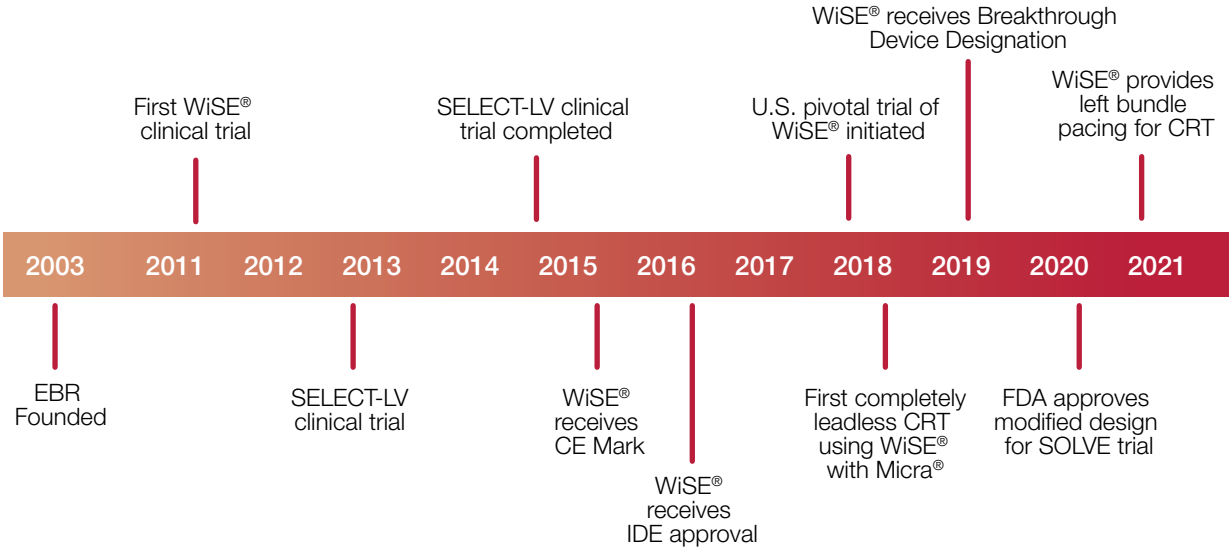
EBR's initial commercial launch of WiSE® will focus on driving the adoption of WiSE® at key, high-volume sites within the U.S. and selected high-volume sites in target OUS markets (Germany, France, the U.K., Australia, Benelux, and Scandinavia).

3.2. Company history

EBR was founded in 2003 to develop a wireless method of stimulating the heart and has since developed what the Board considers is a superior solution for treating heart failure. Conventional CRM systems use leads to conduct electricity from an IPG to electrodes that deliver therapeutic electric pulses to heart tissue. While leads are a critical part of most CRM systems, they have long been recognised as a primary shortcoming of these systems and are a leading cause of device failure.

EBR initially explored approaches for cardiac defibrillation using ultrasound but found that the high intensity ultrasound waves required to achieve direct stimulation of the heart also caused damage to cardiac tissue. However, during this research, the Company identified a unique method of pacing the heart without requiring the use of leads. Thus, in 2004, the Company refocused its approach to develop an implantable receiver/transducer electrode system that converted energy from ultrasound waves into a pulse of electricity that could be used to stimulate or pace heart muscle. The feasibility of this approach for the leadless delivery of electrical pacing pulses to the inside of the heart was successfully demonstrated in animal studies in 2006 and is the underlying basis of EBR's WiSE® technology for the delivery of leadless stimulation to the heart.

Figure 3.2 Timeline of key milestones for EBR



3.3. EBR's wireless pacemaker – WiSE®

3.3.1 Overview of WiSE®

WiSE® is a CRM device developed by EBR to provide electrical stimulation to the heart without the need for leads. Leads are the primary cause of device failure with implanted CRM devices.

To address this limitation, the three largest CRM device companies by market share (Medtronic, Abbott, and Boston Scientific) have recently developed pacemakers which do not require leads (Micra®, Aveir® and Empower®) (See Section 2.8 for further details on these products). All three of these leadless pacemakers are powered by an onboard battery which limits the extent to which these devices can be miniaturised. This restricts the use of these new, leadless pacemakers to the right side of the heart, as they are too large to be implanted into the left side of the heart safely.

Stimulation of the left side of the heart is required to provide device assisted, synchronised contraction of the left and right sides of the heart. This treatment is called CRT and it is commonly required in patients with moderate to severe heart failure (see Section 2.4 for further details on CRT). For many patients, the inability to place effective, stimulating leads on the left side of the heart prevents them from being able to receive CRT.

WiSE® takes a different approach from the current leadless pacemakers. Rather than having an onboard power source, the electrode used with WiSE® is remotely powered using Ultrasonic Energy. This allows the receiver electrode, which is implanted in the heart muscle tissue to provide therapeutic electrical stimulation, to be approximately 5-6% of the size of the other leadless pacemakers, slightly larger than a grain of rice. Because of this, and unlike the other leadless pacemakers, WiSE® can be used in left side of the heart where, in conjunction with another pacemaker implanted in the right side, it can provide CRT.

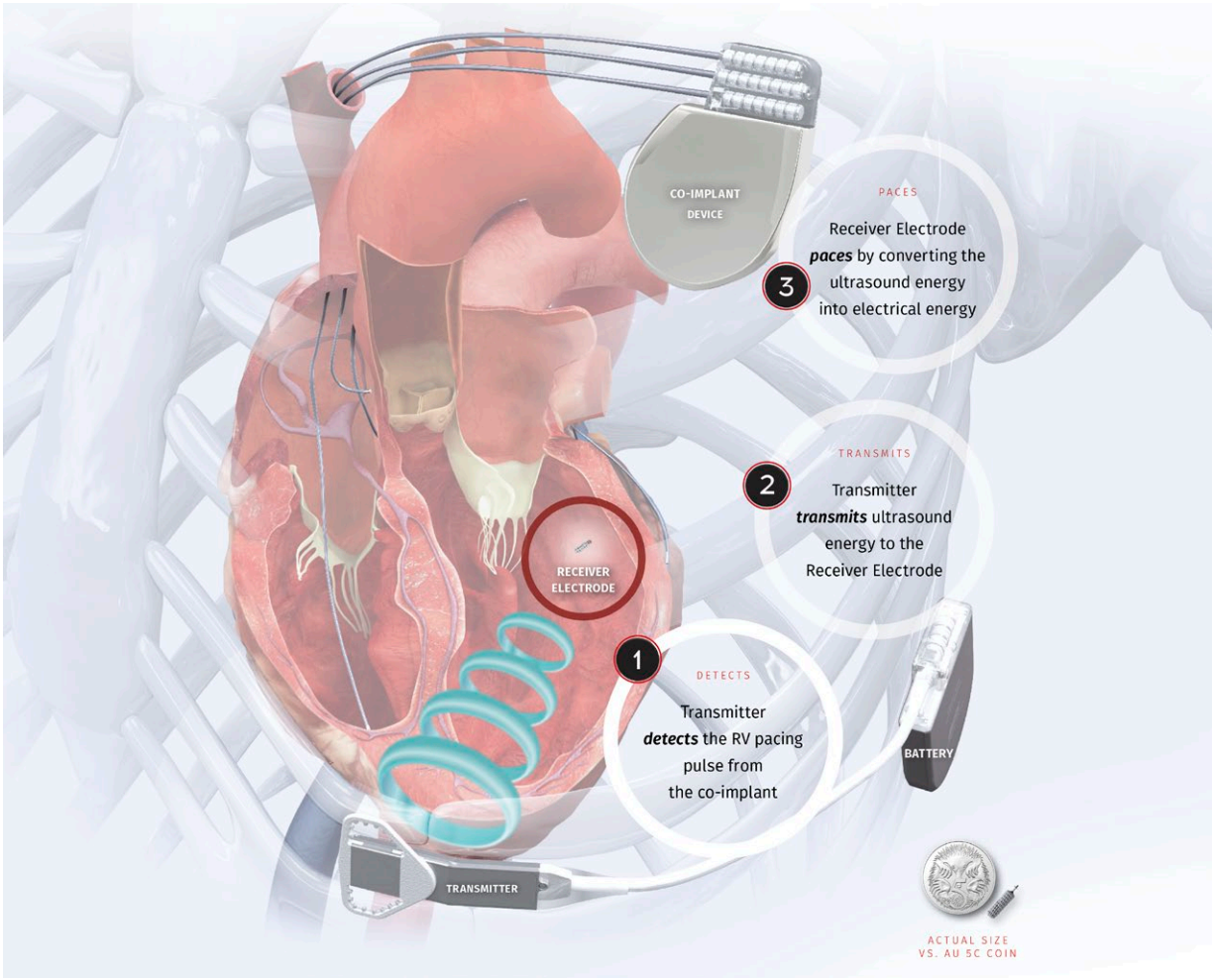
Another advantage of WiSE® is the ability to place the electrode virtually anywhere on the inside of a patient's left ventricle. This provides the flexibility to optimise its location according to the specific needs of each patient and thereby potentially better replicate natural conduction.

3.3.2 How WiSE® Works

WiSE® effectively replaces the lead used in a conventional CRM device to connect the IPG to a stimulating electrode, with ultrasound waves.

WiSE® has several components, including a pulse generator (transmitter), a battery that powers the transmitter, an endocardial implant (electrode), a catheter delivery system (used to place the electrode) and a programmer to wirelessly program the implanted system. The WiSE® transmitter generates a focused a pulse of energy which is directed to the endocardially-placed electrode.

Figure 3.3 How WiSE® Provides Leadless Cardiac Pacing



The entire detect-transmit-pace sequence is completed sufficiently quickly (typically 3-5 milliseconds) to provide near-simultaneous contraction of the right and left ventricles.

3.3.3 Unmet Need for WiSE®

The ability of WiSE® to provide leadless left ventricular pacing can make CRT available to patients who currently are unable to be treated with the existing lead-based CRT devices. Furthermore, in combination with the new leadless pacemakers, it also provides an option for delivering completely leadless CRT.

Despite the clear benefits of CRT for moderate to severe heart failure, many patients are not able to receive this therapy using existing devices. These patients fall into three categories:

- **Lead Failures (LF) – acute**: patients who require CRT but who are unable to have the lead required for CRT implanted in the CS due to their anatomy or disease condition;
- **Lead Failures (LF) – chronic**: patients with an implanted CRT device that has had the CS lead switched off or the lead has become otherwise ineffective due to the lead failing or not functioning properly, or causing unwanted stimulation; and
- **High Risk Upgrade (HRU) patients**: patients with an existing PPM or ICD implant who have developed heart failure that requires CRT and who have a high risk of potential complications from upgrading to a lead-based CRT device.

Patients in these groups require CRT but are unable to receive it or are at greater risk of complication from using existing lead-based devices. Clinical studies have shown that WiSE® is able to overcome many of these limitations and provide CRT to these patients. See Section 3.4 for details on the clinical studies which have been undertaken for WiSE®.

In addition to the above patient groups, in approximately 30% of patients who are implanted with a CRT, clinically meaningful resynchronisation of the heart is not achieved. These patients are often classified as 'non-responders' or NRs. There are many reasons why a patient may be a non-responder to CRT, some of which relate to the CRM device and its implantation, and others that may relate to a patient's specific disease state, anatomy, or physiology.

In clinical studies, WiSE® has been able to successfully provide CRT to patients who were previously classified as NR. While WiSE® may be used for NR patients in Europe, as outlined in Section 3.4.2.4, given the patient inclusion criteria for SOLVE-CRT agreed upon with the U.S. FDA, the SOLVE-CRT trial that is currently underway is not designed to evaluate this use of WiSE® for the planned FDA filing (refer to Section 3.4 for further details).

3.3.4 WiSE® for Upgrading Leadless Pacemakers

The increasing use of leadless pacemakers, such as Medtronic's Micra®, has created an opportunity for WiSE® to provide entirely leadless CRT. The target patient groups for this fall into two categories:

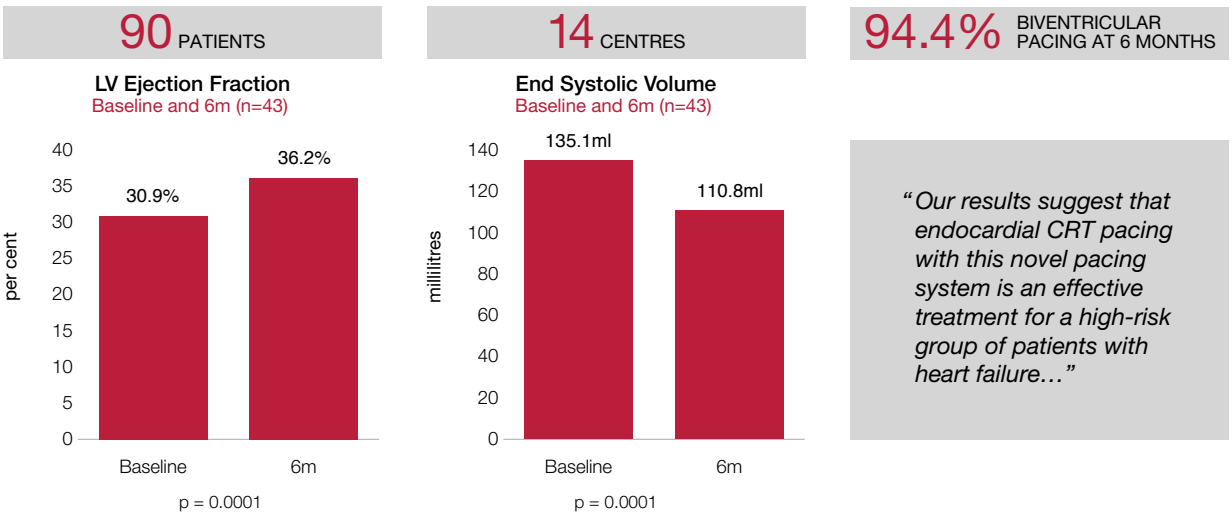
- **De novo leadless CRT patients**: patients newly implanted with one of the leadless pacemakers in the right ventricle and WiSE® in the left ventricle to provide CRT.
- **Leadless upgrade patients**: patients who already have a leadless pacemaker in the right ventricle but have developed heart failure and need to upgrade to CRT. WiSE® will allow these patients to continue to avoid having any leads placed in their heart.

3.4. Clinical studies with WiSE®

EBR has completed two clinical studies with WiSE® that supported its CE Mark approval. The SELECT-LV study used WiSE® to deliver CRT to patients who had not responded to CRT, were acute or chronic lead failures and high-risk upgrades for implanted lead-based systems. At six months, 94% of these previous non-responders achieved cardiac resynchronisation using WiSE®.

In addition, the Company has collected results from a 22-patient investigator-led trial in NRs and from the first 90 patients in the WICS-LV Post Market Surveillance Registry, for whom data was prospectively collected from 14 European Centres. The Company is also currently completing the final part of its SOLVE-CRT clinical trial to include in its application for regulatory approval in the U.S.

Figure 3.4 Real world clinical data from Post Market Surveillance Registry



The Company also completed a 31 patient Roll-in study before initiating its current SOLVE pivotal trial to support its application for regulatory approval in the U.S. Patients in this study demonstrated significant improvements in cardiac function including evidence of cardiac remodelling.

A study conducted in eight patients has also demonstrated that WiSE® is able to work alongside Medtronic's Micra® leadless pacemaker to deliver completely leadless CRT. As an increasing number of patients are being implanted with leadless pacemakers, EBR believes that "entirely" leadless CRT is a potential growth opportunity for the Company in the future.

Table 1: Summary of Key Clinical Studies with WiSE®

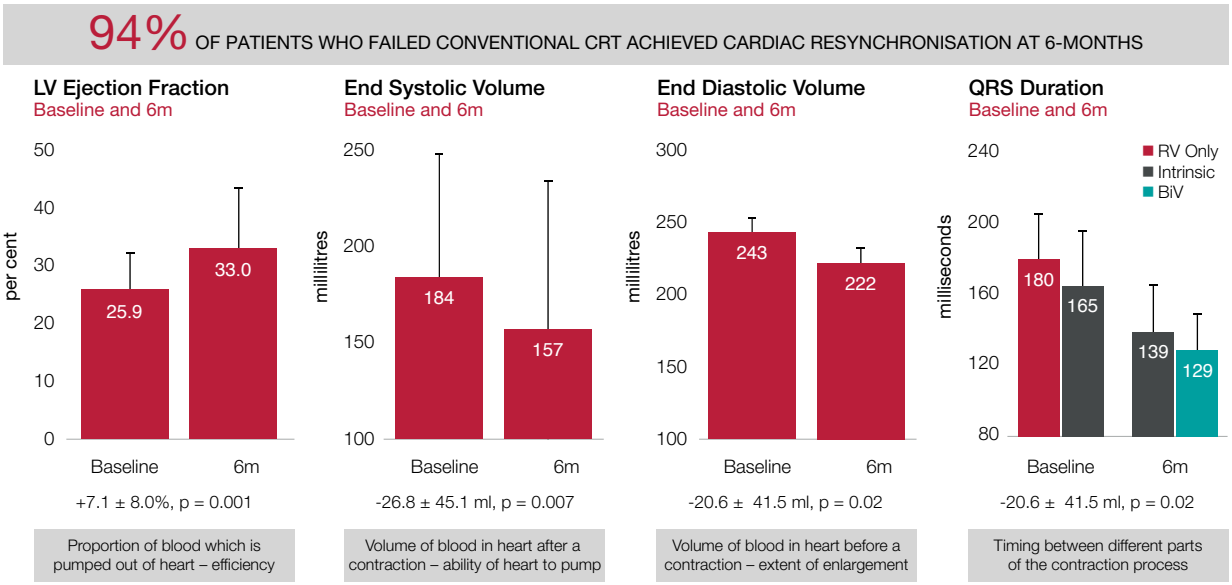
Year Published	Study	Patients	Key Findings and Conclusions
2014	WISE®-CRT	17	Proof-of-concept and feasibility of providing leadless CRT using WiSE®
2017	SELECT-LV	35	WiSE® provided clinical benefit in majority of patients. Results supported CE Mark application
2020	Investigator study	22	WiSE® able to provide treatment option for patients previously classified as NR to CRT
2020	Registry	90	WiSE® can provide CRT in a real-world setting to previously untreated, HRUs and NRs
2020	Investigator study	8	Micra® and WiSE® can operate together to deliver totally leadless CRT to patients
2021	SOLVE-CRT Roll-in Study	31	Run-in open-label study showing high success rate, reduction in heart failure symptoms and reversal of remodelling
NP	SOLVE-CRT Pivotal Study	Randomised Phase 108 Single-arm 75 Interim analysis	Randomised Phase – Completed but remains blinded Single-arm Phase – In progress. Single arm, treatment only trial

Note: NP = not published.

3.4.1 Historical WiSE® Trials

The WiSE®-CRT trial was the first significant clinical trial of the system and achieved BiV pacing in 92% of patients at six months. Following a few improvements and modifications to the system, the 35-patient SELECT-LV trial was conducted in Europe and provided data for the successful CE Mark application for WiSE® in 2015. In this trial, BiV pacing was achieved in was achieved in 94% of patients six months after implant, and 85% of patients had an improvement in their heart failure at six months.

Figure 3.5 SELECT-LV Trial – WiSE® Delivers in Previously Failed Lead-based CRT Patients



In 2016, the FDA granted an Investigational Device Exemption (**IDE**) for WiSE® which allowed EBR to initiate a U.S. study to establish safety and effectiveness to provide the required clinical data to support an application for U.S. regulatory approval.

3.4.2 SOLVE-CRT Trial

The SOLVE-CRT trial has been designed to provide the clinical data required to support a Premarket Approval (**PMA**) application for WiSE® in the U.S.

(a) Overview of Design

The SOLVE-CRT trial comprises a small Roll-in Study followed by a Pivotal Study. Due to the impact of the COVID-19 pandemic, the initial randomised study was halted and the study was redesigned to be completed with a single-arm, treatment-only clinical trial.

1. **Roll-in Study**: single arm, roll-in study, 31 patients: completed and reported;
2. **Pivotal Study**
   - **Randomised Phase**: randomised, double-blind, controlled, 108 patients: completed, data blinded;
   - **Single-arm Phase**: single arm, treatment-only, up to 192 patients, interim analysis for early stopping at 75 patients: in progress.

Figure 3.6 Design of SOLVE-CRT pivotal clinical trial

Purpose: Assess the safety and effectiveness of the WiSE® System

Design: International, multi-center study following initial 31-patient US roll-in study (completed and published)

Population: Acute lead failures, chronic lead failures, high risk upgrades

Single-arm Phase: single arm, open label targeting enrolment complete H1 2022 and headline data H2 2022

Primary Efficacy Endpoint: >9.3% improvement (reduction) in heart function measured by left ventricular end systolic volume

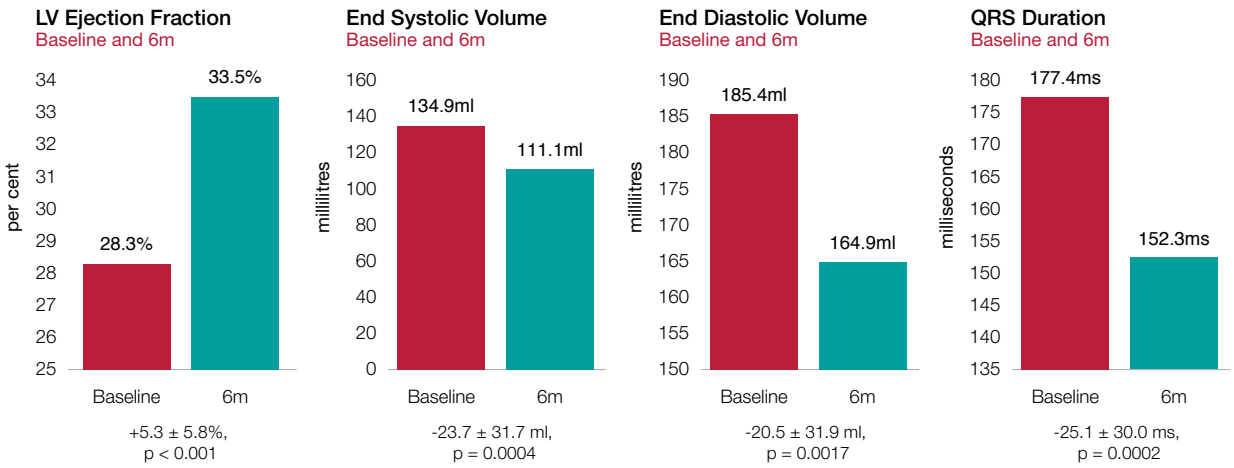
Primary Safety Endpoint: <30% patients with device or procedure-related complications

(b) Roll-in Study – Results

WiSE® was successfully implanted in all 31 patients across 19 sites with no prior implanting experience. 16 patients enrolled were LF-acute, LF-chronic or HRU and 15 were NRs. This resulted in significant improvements in heart function, including evidence of reverse remodelling of the damaged heart tissue. Nearly half the patients (46.7%) in this trial demonstrated ≥1 class improvement in the four-class NYHA heart failure classification six months after WiSE® was implanted. Finally, in the patients matched to the inclusion criteria of the single arm, treatment-only trial currently underway, there was an 18.5% improvement in their Left Ventricular End Systolic Volume, which significantly exceeded the primary efficacy endpoint for the SOLVE-CRT trial (9.3% improvement). Three patients (9.7%) experienced Type-I complications which is well within the safety endpoint for the trial (<30%).

Figure 3.7 Roll-in Study for SOLVE – Significant Improvements In Cardiac Function

Data from 31-patients in the Roll-in study for the pivotal SOLVE clinical trial



(c) Pivotal Study

In early 2020, the Randomised Phase of the Pivotal Study was put on hold and the design modified due to the impact of the COVID-19 pandemic. The final Single-arm Phase of this trial is currently in progress with recruitment for interim analysis scheduled to complete in H1 2022 and headline data expected in H2 2022.

(i) Randomised Phase – Completed

The Pivotal Study for the SOLVE-CRT trial was initially a randomised, double-blind, controlled trial in LF-acute, LF-chronic, NR and HRU patients. All patients were implanted with WiSE®. The device was turned on in patients in the treatment arm but the device was switched off in control group patients for the entire six-month follow-up period following implantation.

The trial was put on hold in early 2020 due to the impact of COVID-19 which created an ethical issue by exposing patients to the risk of COVID-19 during the follow-up visits, particularly those patients in the control group who were not receiving any therapy. In light of this development and following a review of the trial design with the FDA, the randomised phase was concluded and the study was redesigned to be completed with a single-arm, treatment only phase.

(ii) Single-Arm Phase – In Progress

The new, single-arm phase is only recruiting patients who are classified as acute Lead Failures (**LF-acute**), chronic Lead Failures (**LF-chronic**) and High-Risk Upgrades (**HRUs**). The FDA agreed that a demonstration of the ability of WiSE® to provide CRT in these patient groups would not require a control arm and hence it allowed a smaller and simpler study design. This trial does not include NR patients. The FDA indicated that the ongoing inclusion of NR patients would require the trial to be conducted with a randomised clinical study design.

The final, single-arm phase is designed to recruit up to 192 LF-acute, LF-chronic, and HRU patients. A final efficacy analysis will be conducted on completion of the six-month follow-up of the first 75 patients combined with 25 relevant patients from the treatment arm in the Randomised Phase. At this stage the trial must meet its primary efficacy endpoint. To date, the same primary efficacy endpoint has been comfortably exceeded in three previous trials. At this final efficacy analysis, an interim safety analysis will be conducted on the first 75 Single-arm Phase patients pooled with the 108 patients from the Randomised Phase (n=183). The trial will only need to be extended if it has not met the primary safety endpoint of <30% patients experiencing device or procedure-related complications at the interim analysis.

Figure 3.8 SOLVE Performance Goals Achieved In Previous Trials

Previous Clinical Trial – Efficacy	**Lead Failures and High-Risk Upgrades** (patients in subgroup)	**End Systolic Volume** (% chg in subgroup)
SOLVE Roll-in study	15 / 31	-18.5%
Select-LV	18 / 35	-19.9%
Post Market Surveillance Registry	47 / 90	-20.9%
Combined Clinical Trials	80 / 156	-20.2%
SOLVE Trial Performance Goal		**-9.3%**

Safety	**SOLVE Performance Goal**
SOLVE Roll-in (N = 31 all patient relevant for safety evaluation)	90.3% (28/31)
SOLVE Trial Performance Goal	**70.0%**

The FDA has agreed that this modified trial design is appropriate to support U.S. regulatory approval in LF-acute, LF-chronic, and HRU patients. The Company may pursue other indications upon completion of the SOLVE-CRT trial.

3.4.3 Totally Wireless WiSE®

A retrospective study in eight patients demonstrated that WiSE® can also be used to synchronise with a right ventricle that is being paced using a leadless pacemaker. This has shown that entirely leadless CRT pacing is possible. WiSE® is the only device able to provide leadless pacing for the left side of the heart. As more patients are implanted with leadless pacemakers, these patients are likely to become an increasingly important part of the market.

3.4.4 Safety Profile and Endpoints for WiSE®

Like other medical device companies with CRM devices, the Company has reported complications or adverse events, including serious adverse events, during its trials.

The WiSE®-CRT and SELECT-LV trials reported serious adverse event (**SAE**) rates of 35% and 31% respectively. While this is a high number, heart failure is a serious health condition and patients hospitalised for heart failure have one year mortality rates of up to 30%. Additionally, the patients in these trials had failed previous treatments or were not eligible for other therapies.

Adverse event rates have improved since the SELECT-LV trial. In an analysis of 90 patients from the European Post Market Surveillance Registry, 19.9% of patients had some complication in the first six months after implant.

In the Roll-in study of the SOLVE-CRT trial, three patients (9.7%) experienced Type-I complications which is significantly below the primary safety endpoint (≤30%). This was achieved even though the centres participating in this Roll-in study had no prior experience with implanting WiSE®.

3.5. Regulatory approvals

WiSE® currently has CE Mark approval which allows it to be used and sold in countries within the E.U. and the U.K. EBR is currently working towards filing for regulatory approval in the U.S. and Australia.

3.5.1 United States

WiSE® is currently not approved for commercial sale in the U.S. In 2016, EBR secured an Investigational Device Exemption (**IDE**) approval which allows WiSE® to be used in human clinical trials in the United States. WiSE® is currently being evaluated in the SOLVE-CRT clinical trial that has been designed to support a PMA application in the U.S. PMA is the FDA's process for evaluating the safety and effectiveness of Class III medical devices, the category to which WiSE® belongs. Class III medical devices include those that are implanted and sustain or support life.

As WiSE® has been given a Breakthrough Device Designation (**BDD**), any regulatory filings with the FDA, including the Company's proposed PMA application, will be given a prioritised review. See Section 3.6 for further details on the BDD.

Under the revised design for the SOLVE-CRT clinical trial, the Single-arm Phase of the trial will enrol patients classified as LF-acute, LF-chronic, or HRU. The PMA application that EBR will submit to the FDA for WiSE® will cover its use in these patients.

EBR currently expects to complete recruitment for the interim analysis for early stopping of the SOLVE-CRT trial in H1 2022. Assuming the trial meets its endpoints, this should allow the Company to announce headline data for the trial in H2 2022 and submit a PMA application for U.S. approval in H1 2023. The FDA typically completes its review process and provides a decision on a PMA application within 6-12 months of its submission. Based on this timeline, if EBR's PMA application for WiSE® is successful, the Company expects the device may be approved by the FDA during H2 2023 and be available for commercial sale in the U.S. shortly thereafter.

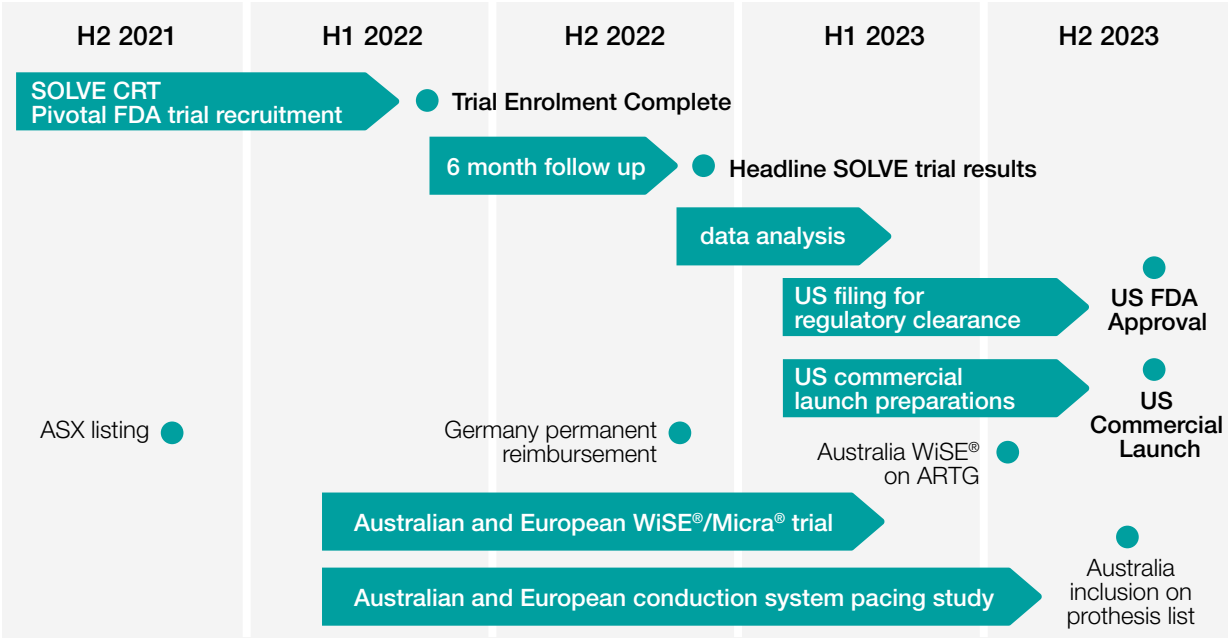
3.5.2 Europe

WiSE® received CE Mark approval in 2015. CE Mark is a certification provided for products that have met the design, safety, and quality requirements required to allow their use and sale within the E.U. The approved intended use for WiSE® under the CE Mark is the leadless, endocardial stimulation of the left ventricle in patients indicated for CRT. EBR's application for CE Mark was supported with data from the 35 patient SELECT-LV study that was completed in 2015 and the 17 patient WiSE®-CRT study completed in 2011. See Section 3.4.1 for further details on the SELECT-LV study and WiSE®-CRT studies.

3.5.3 Australia

For a medical device to be sold and marketed in Australia, it must be included in the Australian Register of Therapeutic Goods (**ARTG**). As the WiSE® System will be classified as an AIMD/Class III device, this is a two-stage process. The first stage involves an application to the TGA for a Declaration of Conformity. This application will be based on the WiSE® system's existing CE Mark status; utilising the Mutual Recognition Agreement in place between Australia and the EU which provides acceptance of conformity assessment for medical devices. The second stage is an application for inclusion on the ARTG. This application is likely to be selected for an audit which involves a review of a clinical dossier including a risk/clinical benefit analysis, along with product labelling and marketing materials.

Figure 3.9 Anticipated regulatory and reimbursement timelines for WiSE®



3.6. Breakthrough Device Designation

In July 2019, the FDA granted a Breakthrough Device Designation (**BDD**) to WiSE®. The FDA awards this designation to certain devices that it considers will provide more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions.

The FDA's BDD program provides EBR with interactive and timely access to and input from the FDA during the premarket development phase and submission process, and a prioritised review of regulatory submissions filed with the FDA for WiSE®.

The BDD also has positive implications for incremental hospital payment from the Centers for Medicare and Medicaid Services (**CMS**) specifically for Medicare patients, which are discussed in more detail in Section 3.10.1.

3.7. Manufacturing

EBR's WiSE® is comprised of five key components:

- an implantable endocardial electrode (receiver electrode);
- a catheter delivery system (used to implant the receiver electrode);
- a pulse generator (transmitter);
- a battery that powers the transmitter; and
- a programmer (to wireless program the implanted system).

EBR sources components and sub-assemblies for components from external suppliers and contract manufacturers. EBR's suppliers and contract manufacturers are compliant with the relevant quality standards and certifications required to manufacture medical device products such as WiSE®.

EBR conducts its own quality assessment and performance testing of components and subassemblies that it receives from its suppliers. The Company has developed and maintains the software that runs WiSE® which is uploaded into the transmitter and programmer. The Company inspects and tests the entire system prior to supplying it for use in patients.

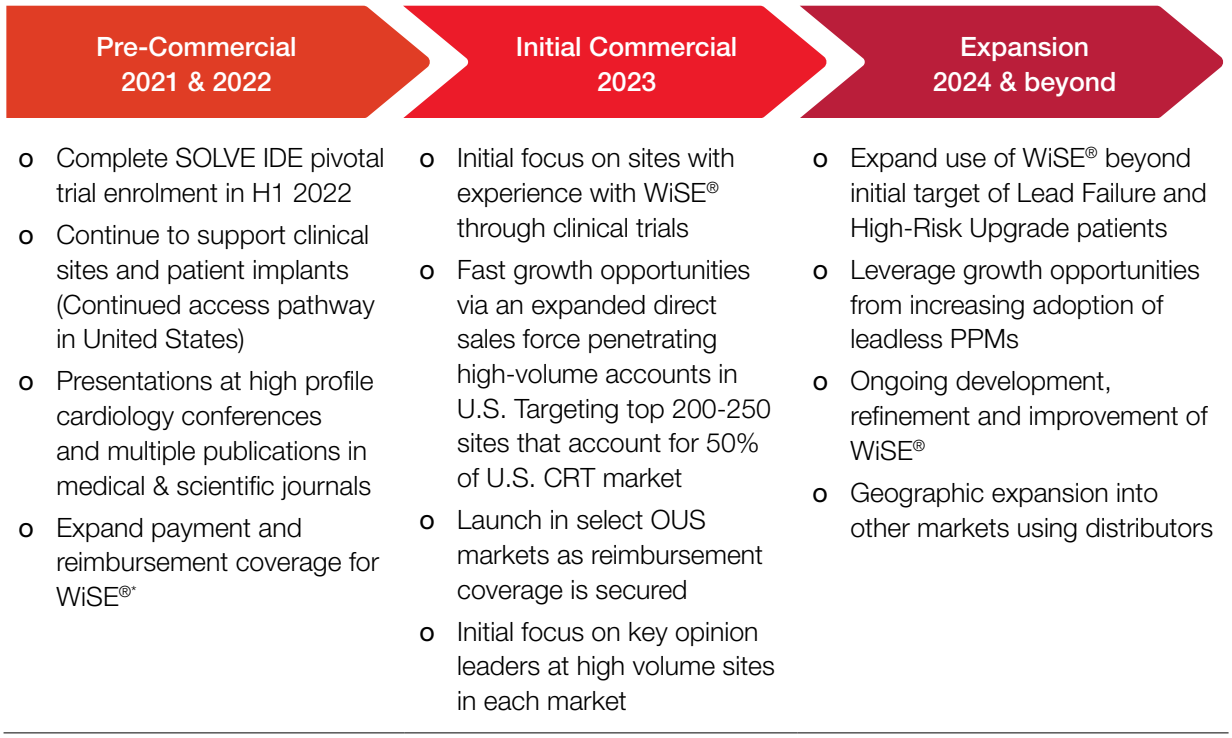
To date, production of EBR's WiSE® has been conducted at small scale due to the low volumes required for clinical and product optimisation studies. EBR's existing suppliers have the capacity and capability to manufacture at volumes sufficient to meet the anticipated initial commercial demand for WiSE®.

Many of the components or sub-assemblies used in WiSE® are custom but use standard raw materials that can be provided by a variety of suppliers. Certain components within the sensor/transmitter and the receiver/transducer are unique to the WiSE® design and functionality.

3.8. Commercial strategy

EBR has a three-stage commercial strategy comprising a pre-commercial stage, initial commercial stage and an expansion stage.

Figure 3.10 Overview of commercial strategy for WiSE®



*See Section 3.10.2.

3.8.1 Pre-Commercial

Prior to securing FDA approval, EBR will continue to undertake pre-commercial, market development activities to build awareness of WiSE®.

Globally, this will include supporting abstracts and presentations at major international scientific conferences and submission of additional clinical publications, including health economics and long-term follow-up (2 years) data. In the U.S., this will include completion of the SOLVE-CRT clinical trial to support its PMA application. In target OUS markets, this will involve building on the existing small series of case reports by supporting physician-initiated, feasibility studies to support expanded clinical utilisation.

3.8.2 Initial Commercial Phase

EBR intends to commercially launch WiSE® once it has successfully completed the PMA regulatory review process and received FDA approval which is currently anticipated in H2 2023. The initial commercial launch will focus on driving adoption of WiSE® at key, high-volume, luminary sites within the U.S. followed by select, high-volume sites in the OUS markets that EBR is targeting.

(a) U.S. Strategy

Upon approval, EBR will first target sites that have participated in the SOLVE-CRT clinical trial. The SOLVE-CRT clinical trial is expected to involve up to 45 U.S. hospital sites. EBR intends to convert many of these clinical sites into commercial customers soon after FDA approval has been provided. EBR estimates these sites account for approximately 10,200 CRT implantations each year, or 10% of EBR initial target market in the U.S.

In parallel, EBR intends to target an additional 200 U.S. hospital sites. These sites, along with the 45 sites in the U.S. targeted for participation in the SOLVE-CRT clinical trial, are responsible for an estimated 50% of CRT implantation procedures conducted in the U.S. each year. As well as providing EBR with access to the greatest number of patients, many of these sites are recognised as leaders in cardiac medicine which will assist with building awareness and credibility for WiSE® that is expected to drive more widespread adoption of the device.

EBR currently anticipates its ASP for WiSE® in the U.S. will be approximately US$35,000. As a result of its BDD, WiSE® is expected to be eligible to receive incremental payment coverage in the U.S. for up to three years following FDA approval. See Section 3.10.1 for further details on reimbursement in the U.S.

(b) OUS Strategy

EBR anticipates launching in its initial target OUS markets following approval by the FDA in H2 2023. The timing of its launch in each of these country markets will depend on meeting any additional regulatory requirements and securing the appropriate payment coverage for WiSE® in each market.

During this initial commercial phase, EBR will initially utilise its direct sales team to provide sales, marketing and ongoing support. Over time, and as EBR expands into other OUS markets, the Company may appoint country or region-specific distributors as part of its commercialisation strategy.

The CE Mark, which provides the regulatory basis for marketing of WiSE® in the European Union, is for use in patients with any indication for CRT. Although the CE Mark provides regulatory approval for all countries in the European Union, payment and reimbursement coverage usually needs to be established on an individual country or state basis. EBR has established permanent reimbursement in the U.K. and innovation funding in France and Germany. Upon completion of the SOLVE-CRT study, EBR will aim to establish permanent reimbursement for WiSE® in France and Germany. See further details at Section 3.10.2.

In addition, the Company plans to apply to have WiSE® listed on the Australian Register of Therapeutic Goods and subsequently, on the Prostheses List in Australia which is required to provide payment coverage of WiSE® in the Australian market.

The pricing of WiSE® will be determined on a country-by-country basis and is likely to be different in each market. As prices of medical devices are typically lower outside of the U.S., EBR has used an initial estimated ASP of US$20,000 to evaluate the addressable OUS market. However, the actual ASP in each country, and across all of EBR's initial OUS markets, may differ from this initial estimate.

3.9. Future growth opportunities

WiSE® is EBR's only product and the Company has no immediate plans to add further products to its pipeline. In addition to the commercial strategy described in Section 3.8, EBR expects growth opportunities for the Company will come from the three areas described below.

3.9.1 Greater Adoption of Leadless Systems

Leadless pacemakers (**PPMs**) are a new product class and are still in the early adoption phase. However, the rapid growth of sales of Medtronic's Micra® leadless pacemaker indicates that there is strong demand for new leadless CRM devices. It is anticipated that the leadless PPM segment may grow to be a sizeable proportion of the overall PPM market. The adoption of WiSE® should benefit from leadless PPMs being used more frequently for managing heart conditions.

3.9.2 Upgrading Patients with Leadless Pacemakers

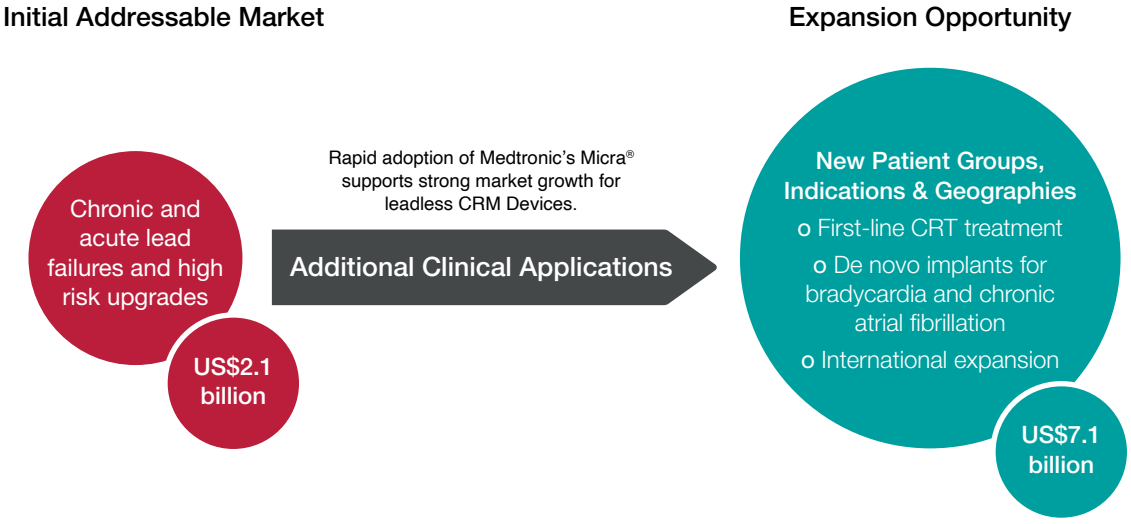
Previous clinical studies have shown that up to 30% of patients with PPMs develop pacing-induced heart failure within four years. If this is replicated in patients implanted with leadless PPMs, it will provide a pool of patients in the future who require an upgrade to CRT. WiSE® is currently the only option for providing completely leadless CRT to these patients due to its unique ability to pair with any existing pacing device. Thus, the growing adoption of leadless PPMs represents a future pool of patients that may require leadless upgrades to CRT.

3.9.3 Additional Clinical Applications

Currently, the primary clinical focus in the U.S. for WiSE® is for patients who require CRT treatment, but who are unable or at high risk to be provided with it using existing, lead-based systems.

Over time, the Company may be able to extend the use WiSE® into other patient groups requiring CRT, including first-line treatment for CRT, and de novo implants for other cardiac rhythm disorders including bradycardia and ablate/pace/CRT treatments for patients with chronic atrial fibrillation to reduce mortality and prevent the onset of pacing induced heart failure.

Figure 3.11 Overview of additional market opportunities for WiSE®



Expanding into any additional clinical indications and/or patient groups may require supporting data from clinical studies, additional regulatory approvals, and establishing payment coverage or reimbursement. See also Section 4.2.6.

However, these may provide the Company with ongoing growth opportunities in the future.

3.9.4 Product improvements

EBR is currently working on a R&D project focused on replacing the battery used in WiSE® with one that is both smaller and rechargeable. In most patients, the battery that is currently used to power the WiSE® transmitter typically lasts around 4.5 years, at which time it needs to be surgically replaced. However, in patients that require higher power settings, surgical replacement of the existing battery may be required as frequently as once a year.

The goal of this project is to replace the current battery with one that lasts up to 20 years, is approximately one third the size, and is able to be inductively charged through the skin in about one hour each week. Similar technology is already used in other implantable devices for neuromodulation and heart failure and is expected to be seen favourably by both clinicians and patients. This project is underway, and the Company has partnered with a well-established vendor who currently supplies such a battery to other active implantable medical device companies.

3.10. Reimbursement

EBR has attractive reimbursement options for WiSE®, with clear pathways for permanent reimbursement in its key target markets.

3.10.1 United States

In the United States, Current Procedural Terminology (**CPT**®) codes are utilised to report services provided by physicians and other qualified healthcare professionals. CPT® codes may also be utilised by other providers to report services, including hospital outpatient departments and ambulatory surgery centres. Currently, there are eight Category III CPT® codes that describe the various procedures related to WiSE®. EBR will coordinate with relevant professional physician societies to convert the Category III CPT® codes to Category I CPT® codes when appropriate. Category I CPT® codes are utilised to establish a Medicare national payment level for physician services.

For hospital payment for Medicare patients, WiSE® currently maps to existing Medicare Severity Diagnosis Related Groups (**MS-DRGs**) for hospital inpatient procedures, and Ambulatory Payment Classifications (**APCs**) for hospital outpatient procedures. It is expected that the vast majority of Medicare patients receiving WiSE® will be implanted in the hospital inpatient or outpatient setting.

Additionally, CMS (**Medicare**) provides an opportunity for select new technologies that meet pre-specified criteria to receive incremental payment in the hospital setting. For hospital inpatient procedures, the New Technology Add-On Payment (**NTAP**) provides incremental payment to hospitals for 2-3 years in addition to the MS-DRG payment. For hospital outpatient procedures, the Transitional Pass-Through (**TPT**) provides incremental payment to hospitals for 3 years in addition to the APC payment. Once the NTAP and TPT expire, CMS utilises the claims data from WiSE® procedures to update MS-DRG and APC payment rates based on standard payment policy.

As stated in Section 3.6, WiSE® has received a BDD from the FDA. CMS has established policies that for technologies with BDD, two of the three qualifying criteria for NTAP are automatically deemed to be met. Thus, the probability of WiSE® securing NTAP and incremental payment for 2-3 years is high. For TPT, technologies with BDD are deemed to automatically meet the “substantial clinical improvement” criterion, which significantly increases the probability of securing TPT.

3.10.2 Europe

Permanent or temporary reimbursement has been established in each of the three key markets EBR has prioritised within Europe.

In Germany, WiSE® is currently covered under the NUB reimbursement scheme (Status 1), which is a country specific funding mechanism for new technologies. The NUB procedure is used for the temporary remuneration of new examination and treatment methods which, due to their novelty, have not yet been included in the calculation of the existing DRG system and are therefore not remunerated appropriately. EBR is working towards establishing permanent reimbursement for WiSE® in Germany.

In France, preferential funding has been provided under the Forfait Innovation Scheme, which provides funding support for the clinical development of promising new therapies such as WiSE®. Reimbursement for its commercial use in France has not yet been established. EBR will apply for permanent reimbursement in France once the results from the SOLVE-CRT trial are available.

In the UK, the WiSE® System is covered by the High Cost Tariff Excluded Devices scheme, funded within the NHS England Tariff. These are devices that the NHS has determined should be paid for separately from the national tariff, for the procedure in which they are used. This is because if the devices were included in the relevant tariff, these devices would skew the average payments used to cover the procedure.

3.10.3 Australia

In Australia, medical devices must be listed on the ARTG to be eligible for any form of reimbursement. Reimbursement is differentiated between those treated under private health insurance and those within the public hospital system under Medicare.

Public hospitals are reimbursed for activity under the Australian Refined Diagnosis-Related Groups (**AR-DRG**) scheme. Price for the WiSE® will be negotiated directly with individual hospitals or via state-wide public tenders.

For medical devices to be reimbursed within the private system, they must appear on the Prostheses List. Applications to be included on the Prostheses List are submitted to the Prostheses List Advisory Committee (**PLAC)** which makes recommendations to the Australian Government Minister for Health as to which products should be included on the Prostheses List and the appropriate benefit for those products. In making its recommendations the PLAC considers the comparative clinical effectiveness of the product and its cost effectiveness. The Prostheses List specifies the benefits that private health insurers are required to pay for the listed prostheses to appropriately insured persons.

3.11. Intellectual property

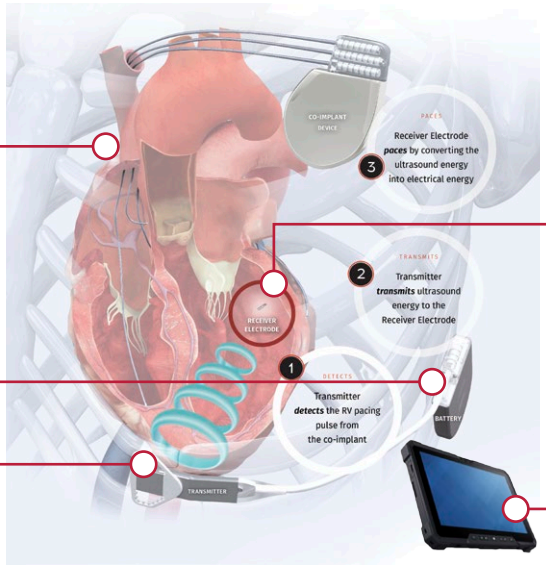
EBR's WiSE® is covered by an extensive portfolio of patents which includes 53 granted U.S. patents, 44 granted non-U.S. patents, and 15 patent applications across 20 different patent families (further detail is provided in Section 10 of this Prospectus). These patent families cover different aspects of WiSE® including the technological inventions incorporated in:

- leadless cardiac pacing using ultrasound transduction;
- the sensor/transmitter;
- the receiver/stimulator electrode;
- the programmer;
- the delivery system; and
- mechanisms for detecting the location of the receiver/transducer electrode.

Figure 3.12 Overview of Patents For WiSE® Technology

Overarching Wireless Pacing System & Method
US8315701, US7610092
Families: 8001, 8002*, 8003, 8004, 8005, 8010, 8012, 8014, 8017, 8022

Transmitter
US7953493
Families: 8002, 8003, 8004 (energy xfer) 8005 (sensing), 8010 (battery; migration), 8012 (sensing), 8014 (glitch; energy xfer), 8018 (optimisation and locating), 8023



Motion Tracking
Families: 8015

Receiver/Microstimulator
US7606621, US9981138
Families: 8002, 8012*, 8016, 8019, 8020

Delivery System
Families: 8013, 8020

Programmer
Families: 8002, 8005, 8010, 8020

EBR's patents provide protection of the technology incorporated in WiSE® and some of these patents have expiry dates between 2025 and 2029. The United States has a mechanism, referred to as a patent term extension (**PTE**), for patent holders to extend the period of protection provided by their patents to compensate for time involved in conducting clinical studies and securing regulatory approval from the FDA. PTE is granted by the USPTO based on a formula and can extend the term of a patent by a maximum of five years. In view of the current timeline projected by EBR, PTE is expected to extend the expiry date for one of EBR's key patents by four years, or until 2030-2033. The Company will be able to file for PTE once WiSE® has been approved by the FDA. Refer to the IP Report in Section 10 for further details.

EBR continues to conduct research and development activities directed at improving the use and performance of WiSE® and related technologies. This has resulted in the recent filing of new patent applications and may result in new inventions that potentially could provide opportunities to file additional patent applications. In addition, EBR has extensive experience over many years with WiSE® and the underlying technology for providing leadless cardiac stimulation using ultrasound transduction. This has resulted in extensive know-how and trade secrets that are likely to represent significant barriers to any emerging competitors considering the development of a similar product.

Section 4.

Risks

4.1. Introduction

An investment in EBR is speculative and involves a number of risks. This Section 4 describes some of the potential risks associated with EBR's business, the industry in which EBR operates and the risks associated with investing in CDIs and the Offer. The risks in this Section 4, if they eventuate, could have a significant negative effect on the Company's business, financial position and the value of your investment.

There are also risks that are common to all investments in equity securities and which are not specific to an investment in EBR – for example, the general volatility of share prices in Australia and overseas and risks associated with other external events which are not related to the usual course of the Company's business, such as changes in tax regulations or accounting standards, general economic conditions, acts of terrorism, natural disasters or war.

The risks in this Section 4 should not be viewed as an exhaustive list of the risks to which the Company and its securityholders are exposed, either now or in the future. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for CDIs.

4.2. Risks related to EBR's business

4.2.1 EBR may not be able to pass the regulatory hurdles and gain the necessary approvals to market its WiSE® technology

As discussed in Section 3.5.2, EBR has obtained European CE Mark approval for WiSE® and has been granted Breakthrough Device Designation by the FDA. However, FDA for PMA approval of WiSE® is subject to enrolling sufficient patients in, and the successful completion and execution of, the Company's pivotal trial, SOLVE-CRT, which is intended to assess the safety and efficacy of its WiSE® technology.

While the SOLVE-CRT trial commenced in 2017, it was paused due to COVID-19 in March 2020 and only restarted in 2021 after the FDA approved a redesigned trial to adapt to a post-COVID-19 environment. The Company is currently enrolling participants in the trial, with enrolment expected to be completed during H1 2022. However, there can be no guarantee that this timing will be achieved, due to delays or prohibitions in enrolling patients as a result of COVID-19 restrictions, including limitations on access to trial sites and limitations on travel imposed on prospective participants by federal or state governments, employers and others. In addition, COVID-19 restrictions may impact the follow-up of patients already enrolled in the SOLVE-CRT pivotal trial. Patient enrolment may also be delayed by other factors unrelated to COVID-19, such as difficulties in finding qualified patients and clinical sites for the trial.

Until FDA approval is received, EBR does not have regulatory approval to market WiSE® in the United States and it will be unable to generate revenue in the United States. EBR's business model and growth strategy is dependent on obtaining FDA approval as well as approvals from regulatory bodies in other key jurisdictions, including the Australian market. If FDA approval is not received within the expected timeframe, or not received at all, EBR will be unable to implement its business model. Though EBR has no reason to believe that FDA approval will not be granted, it can give no assurance as to the outcome of the SOLVE-CRT trial or of the FDA approval process and has no control over the timing of that process.

Furthermore, even if EBR receives FDA approval, it is not assured of receiving future regulatory approvals for other indications or in other jurisdictions, and cannot predict with certainty the timelines for such approvals, or other requirements that may be imposed by regulatory authorities (e.g. further clinical trials or other requirements to prove the safety and effectiveness of its products). In addition, future changes or updates to EBR's products, which affect their safety or efficacy, may require new regulatory approvals in some jurisdictions before EBR may sell the revised product.

4.2.2 The Company has limited data and experience regarding the safety and efficacy of its WiSE®

Even if the SOLVE-CRT trial is executed and completed successfully and can be submitted in support of the Company's application for FDA approval, it may not necessarily be predictive of the results of future clinical trials that will need to be conducted to support regulatory approval in other jurisdictions.

WiSE® is a relatively new solution for treating heart failure with CRT, so the Company has performed clinical trials only with limited patient populations. The long-term effects of using WiSE® in a large number of patients have not been studied and the results of short-term clinical use do not necessarily predict long-term clinical benefits or reveal long-term adverse effects. The results of preclinical studies, completed clinical trials, ongoing trials and future studies of EBR's current, planned or future technology may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results.

The interpretation of data and results from the Company's clinical trials do not ensure that it will achieve similar results in future clinical trials in other patient populations. In addition, preclinical and clinical data are often susceptible to various interpretations and analyses, and many companies that have believed their products performed satisfactorily in preclinical studies and early clinical trials have nonetheless failed to replicate results in later clinical trials and subsequently failed to obtain marketing approval. Products in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through nonclinical studies and earlier clinical trials.

Although the Company considers that the data collected to date indicates the safety and effectiveness of its WiSE® technology, there is no assurance that future trials will meet their endpoints or that regulatory bodies such as the FDA and TGA will agree that EBR's products are sufficiently safe and effective to support regulatory approval.

4.2.3 EBR's customers may not be able to achieve adequate reimbursement for using EBR's products in the United States or in key European jurisdictions

The Company expects to derive its revenue in the United States from sales to hospital and medical centres, which typically bill all or a portion of the costs and fees associated with the Company's products to various third-party payers, including Medicare, Medicaid, private commercial insurance companies, health maintenance organisations and other healthcare-related organisations, and then bill patients for any applicable deductibles or co-payments. As a result, access to adequate coverage and reimbursement for the Company's products by third-party payers is essential to the acceptance of the Company's products by its customers.

However, in the United States, there is no uniform policy of coverage and reimbursement for medical device products and services among third-party payers, so coverage and reimbursement can differ significantly from payer to payer, and each coverage decision and level of reimbursement is independent. As a result, third-party reimbursement may not be available or adequate for the Company's products, and there is no guarantee that the Company will be able to achieve adequate reimbursement for using EBR's products.

Further, payers continually review new technologies for possible coverage and can, without notice, deny coverage for products and procedures or delay coverage approval until further clinical data is available. As a result, the coverage determination process is often a time-consuming and costly process that may require the Company to provide scientific and clinical support for the use of its products to each payer separately, with no assurance that coverage and adequate reimbursement will be obtained, or maintained if obtained. If third-party reimbursement is not available or adequate for the Company's products, or if there is any decline in the amount that payers are willing to reimburse customers, new customers may not adopt, or may reduce their rate of adoption of, the Company's products and EBR could experience additional pricing pressure, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Internationally, reimbursement systems in foreign markets vary significantly by country and by region within some countries, and reimbursement approvals must be obtained on a country-by-country basis. In certain international markets, a product must be approved for reimbursement before it can be approved for sale in that country. Additionally, many international markets have government-managed healthcare systems that control reimbursement for products and procedures. In most markets there are both private insurance systems and government-managed systems. If sufficient levels of coverage and reimbursement are not available for WiSE®, in either the United States or internationally, particularly in key European jurisdictions targeted by the Company, the demand for the Company's products and its revenues will be adversely affected.

4.2.4 Any barriers or delays to EBR obtaining future regulatory approvals would limit the size of the market opportunity for WiSE®

EBR's business model depends on hospitals and clinics in markets where it obtains the required regulatory approvals adopting WiSE® for the treatment of heart failure with CRT. The Company is targeting up to 45 sites in the U.S. to enrol in the SOLVE-CRT clinical trial. However, there can be no guarantee that all or any of these sites will adopt WiSE® if FDA approval is granted. Even if a site does adopt WiSE®, the site may not adopt WiSE® at the levels required to support EBR's business model and growth strategy. If EBR's technology for CRT procedures is not increasingly adopted or favoured by hospitals, clinics and physicians, EBR's ability to achieve its growth strategy and generate revenue will be significantly impaired.

4.2.5 The impact of the new E.U. Medical Device Regulation may be costly and disruptive to EBR's business

In 2017, the new E.U. Medical Device Regulation (**MDR**) came into force, which replaced the E.U.'s Medical Device Directive (**MDD**). Certificates issued under the MDD prior to May 2020 may remain valid for up to an additional four years while the manufacturer applies for certification under the MDR. Should the Company not receive certification during this transition period, it will have to remove its products from the market in the E.U. until the products have been certified under the MDR, and its ability to apply the CE Mark and commercialise its products in the E.U. will be interrupted. The MDR assessment and certification process is a lengthy and arduous process that requires tremendous time and resources and may prove to be costly and disruptive to EBR's business. The MDR will also be required for the U.K. as of May 2024.

4.2.6 The sizes of the markets for EBR's current and future products have not been established with precision, and may be smaller than EBR estimates

The Company's estimates of the annual total addressable markets for WiSE® is based on internal and third-party estimates, including, without limitation, the number of patients with heart failure requiring Cardiac Resynchronisation Therapy and the assumed prices at which EBR can sell products for markets that have not been established. While EBR considers the assumptions and the data underlying its estimates are reasonable, these assumptions and estimates may not be correct and the conditions supporting its assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, the Company's estimates of the annual total addressable market for its current or future products may prove to be incorrect. If the actual number of patients who would benefit from EBR's products, the price at which EBR can sell future products, or the annual total addressable market for EBR's products is smaller than the Company has estimated, it may impair EBR's sales growth and have an adverse impact on its business.

4.2.7 EBR relies on key suppliers for product components

EBR's products include components that are manufactured and supplied by third parties. The products are then assembled, validated and tested by these third parties or at the Company's headquarters in California. There are inherent risks in relying on third-party suppliers for the Company's product components, especially since any change to the manufacturing process of an approved medical device requires significant documentation and, in many cases, supplemental testing. A disruption at a key supplier could cause a substantial delay in the availability of EBR's products, leading to a potential loss of sales.

4.2.8 New or competing technologies or products could emerge which may adversely affect future sales of EBR's products and may cause EBR's products to become obsolete

EBR expects to generate the vast majority of its revenue going-forward from the sale of WiSE®. The medical device industry is competitive, subject to rapid change and significantly affected by new product introductions. Although the Company believes that there are currently no products or technologies that are commercially comparable to WiSE®, there are a number of other products and devices on the market which are commonly used to perform conventional CRT procedures. To this end, EBR will compete with larger companies who manufacture and sell CRT products, including Abbott Laboratories Inc., Boston Scientific Inc., and Medtronic plc. If competitors develop new products (which could include devices or drugs) or technologies that offer better combinations of price and performance than the Company can offer for the treatment of certain types of heart failure, EBR's products or future products may become obsolete or not competitive, which would have a significant negative effect on the Company's business and financial position.

4.2.9 EBR may not realise benefits from continued research and development costs

Developing medical devices and related technologies is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. An important element of EBR's business strategy is to continue to make investments in innovation and related product opportunities. EBR believes that it must continue to dedicate resources to its innovation efforts to develop product offerings in order to maintain its competitive position and expand the total addressable market opportunity (see also Section 4.2.6). EBR may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all.

4.2.10 EBR has limited management resources and must attract and retain skilled staff

EBR's long term growth and performance is dependent on attracting and retaining highly skilled staff. Despite having structured incentive programs, there is a risk that EBR will be unable to attract and retain the necessary staff to pursue its business model. In particular, if Mr John McCutcheon, EBR's CEO, was to leave EBR, it would lose significant technical and business expertise and EBR may not be able to find a suitable replacement. This would affect how efficiently EBR operates its business and its future financial performance could be impacted.

4.2.11 EBR may face difficulties encountered by many companies early in their commercialisation

EBR commenced operations in 2003 and is currently at the pre-commercialisation phase. The Company intends to move into the initial commercial phase after it receives FDA approval of WiSE®, which is currently expected in the H2 of 2023. As is common with companies with a limited operating history, EBR has incurred net losses since its inception, has never been profitable and can give no assurance that the Company will be profitable or cash-flow positive in the future. In assessing EBR's business prospects, you should consider the various risks encountered by companies early in their commercialisation, particularly companies that develop and sell medical devices. These risks include EBR's ability to:

- transition into a commercialisation-stage company, and implement and execute its business strategy;
- increase awareness of its brand and market acceptance of its products;
- obtain future regulatory registrations and market approvals;
- manage expanding operations; and
- respond effectively to competitive pressures and developments.

4.2.12 EBR has limited sales and marketing resources

The Company currently has limited sales and marketing resources. In order to successfully launch its CRT products commercially, it will need to, among other things, expand its sales team. There is a risk that the Company will be unable to develop sufficient sales and marketing capabilities to effectively commercialise its products.

4.2.13 The continuing development of EBR's products depends upon it maintaining strong working relationships with physicians

The research, development, marketing and sale of EBR's products and potential new and improved products depend upon EBR maintaining working relationships with physicians. EBR relies on these professionals to provide it with considerable knowledge and experience regarding the development, marketing and sale of EBR's products. Physicians assist EBR in clinical trials, marketing, and as researchers, product consultants and public speakers. If EBR cannot maintain its strong working relationships with these professionals and continue to receive their advice and input, the development and marketing of its products could suffer, which could have a material adverse effect on its business, financial condition and results of operations.

At the same time, the medical device industry's relationship with physicians is under increasing scrutiny by the U.S. Department of Health and Human Services Office of Inspector General (the **OIG**), the U.S. Department of Justice (the **DOJ**), U.S. state attorneys general and other foreign and domestic government agencies. The Company's failure to comply with requirements governing the industry's relationships with physicians or an investigation into its compliance by the OIG, the DOJ, state attorneys general and/or other government agencies, could have a material adverse effect on its business, financial condition and results of operations.

4.2.14 Adoption of EBR's products depends upon appropriate physician training, and inadequate training may lead to negative patient outcomes, affect adoption of EBR's products and adversely affect EBR's business

The success of EBR's products depends in part on hospitals' and physicians' adherence to appropriate patient selection and proper techniques provided in training sessions conducted by the Company. However, physicians rely on their previous medical training and experience, and EBR cannot guarantee that all such physicians will have the necessary skills or training to effectively utilise WiSE®. If physicians use the Company's products in a manner that is inconsistent with their labelled indications, with components that are not compatible with EBR's products or without adhering to or completing the requisite training sessions, their patient outcomes may not be consistent with the outcomes achieved by other physicians or in EBR's clinical trials. This result may negatively impact the perception of patient benefit and safety and limit adoption of EBR's products, which would have a material adverse effect on EBR's business, financial condition and results of operations.

4.2.15 Cost-containment efforts of EBR's potential customers, purchasing groups and governmental organisations could have a material adverse effect on future sales and profitability

The Company's ability to generate revenue will largely depend on how effectively it can market and sell WiSE® to the healthcare industry. Hospitals and healthcare organisations are constantly facing significant budget constraints. The competition for limited capital budgets is intense and the budget allocation process and approvals for spending on medical devices is complex and time consuming.

In an effort to reduce costs, many hospitals in the U.S. have become members of Group Purchasing Organisations (**GPOs**), and Integrated Delivery Networks (**IDNs**). GPOs and IDNs negotiate pricing arrangements with medical device companies and distributors and then offer these negotiated prices to affiliated hospitals and other members. GPOs and IDNs typically award contracts on a category-by-category basis through a competitive bidding process. Bids are generally solicited from multiple providers with the intention of driving down pricing or reducing the number of vendors. Due to the highly competitive nature of the GPO and IDN contracting processes, EBR may not be able to obtain new, or maintain existing, contract positions with major GPOs and IDNs. Furthermore, the increasing leverage of organised buying groups may reduce market prices for its products, thereby reducing its revenue and margins.

4.2.16 Consolidation in the medical device industry could have an adverse effect on the Company's revenue and results of operations

Many medical device companies are consolidating to create new companies with greater market power. As the medical device industry consolidates, competition to provide goods and services to industry participants will become more intense. These industry participants may try to use their market power to negotiate price concessions or reductions for the Company's products. If the Company reduces its prices because of consolidation in the medical device industry, its future revenue will decrease, which could have a material adverse effect on its business, financial condition and results of operations.

4.2.17 The Company may not be able to achieve or maintain satisfactory pricing and margins for its products

Manufacturers of medical devices have a history of price competition, and the Company can give no assurance that it will be able to achieve satisfactory prices for its products or maintain prices at the initial levels it achieves. Any decline in the amount that payors reimburse EBR's customers for procedures involving the use of the Company's products could make it difficult for customers to continue using, or to adopt, EBR's products and could create additional pricing pressure for EBR. If the Company is forced to lower the price it charges for its products, its revenue and gross margins will decrease, which will adversely affect its ability to invest in and grow the business. If the Company is unable to maintain its prices, or if its costs increase and it is unable to offset such increase with an increase in its prices, the Company's margins could erode.

4.2.18 EBR's current capital reserves (plus the net proceeds of the Offer and the U.S. Private Placement) may not be adequate

The proceeds of the Offer and the U.S. Private Placement will be primarily used for sales and marketing costs, regulatory and clinical expenses, research and development and other working capital. EBR may decide to use the proceeds of the Offer and the U.S. Private Placement differently to its current plans or may need to obtain additional funding to continue operations (or both).

If EBR raises additional funds by issuing equity securities, the interests held in the Company by Shareholders and CDI Holders may be diluted. Debt financing, if available, may involve covenants restricting EBR's operations or its ability to incur additional debt. EBR cannot guarantee the future availability of funds or that the funds will be available on terms that are favourable to it. If EBR requires additional funding and is unable to raise these funds, it could adversely impact EBR's business.

4.2.19 EBR may not be able to effectively manage its growth

The Company expects that its current manufacturing capabilities will be sufficient to support its projected growth profile only through to the end of 2024. If the Company gains significant market share over and above its current short-term expectations and, in any case, from 2024 onwards, it will need to expand its manufacturing capacity, including additional facilities, and invest in systems and processes to support the development of the business. The failure of the Company to address projected growth in a timely, robust and efficient manner may negatively impact the Company's financial performance.

4.2.20 The manufacturing facilities for EBR's products must comply with stringent regulatory requirements

The manufacturing facilities for EBR's products must meet stringent quality standards. To maintain CE Mark approval, the Company's Notified Body will regularly audit the Company and its suppliers. In 2018, EBR received a warning notice from the BSI (the Company's Notified Body) for non-conformance with manufacturing standards. In 2020, EBR identified manufacturing process issues with its contract manufacturer of the Transmitter Model 4100, which were subsequently ratified in 2021. Although the process improvements were reviewed and approved by BSI and by the FDA, any failure to comply with the applicable regulatory requirements in the future can result in, among other things, temporary manufacturing shutdowns, product recalls, product shortages, bans on imports and exports and a damaged brand name.

4.2.21 EBR is dependent on the protection and enforcement of its intellectual property rights

The protection of the intellectual property relied upon by EBR is critical to its business and commercial success.

EBR's patent portfolio comprises 53 issued U.S. patents and 44 corresponding granted foreign patents. In addition, EBR has 17 pending patent applications worldwide (see Section 10 for more details). Though a patent may be issued, there can be no assurance that the patent is valid and enforceable. However, it should be noted in the U.S., a patent granted by the U.S. Patent and Trademark Office is presumed to be valid in court proceedings. In addition, there can be no assurance that any of the Company's pending patent applications will result in the issuance of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the application as originally filed. There is a risk that the Company's competitors may be able to compete with EBR by designing around the claims of EBR's patents, or by otherwise using products and techniques that are outside the scope of EBR's patents.

4.2.22 EBR may be subject to future third party intellectual property rights disputes

EBR does not believe that its activities infringe any third party's intellectual property rights. However, in the future the Company may be subjected to infringement claims or litigation arising out of patents and pending applications of third parties. Intellectual property authorities may also re-examine the patentability of licensed or owned patents. The defence and prosecution of intellectual property claims can be costly and time consuming to pursue, and their outcome is uncertain. If EBR is determined to have infringed the rights of third parties, the Company could be prevented from selling some of its products, which would have a significant negative effect on the Company's business and financial position. The Company has not budgeted for potential legal costs of intellectual property claims and significant legal costs would have a negative effect on the Company's financial position.

4.2.23 Security breaches, loss of data and other disruptions could compromise sensitive information related to EBR's business or its customers' patients, which could adversely affect EBR's business and EBR's reputation

In the ordinary course of the Company's business, it may become exposed to, or collect and store sensitive data, including procedure-based information and legally protected health information, insurance information and other potentially personally identifiable information. The Company also stores sensitive intellectual property and other proprietary business information. Although EBR takes measures to protect sensitive information from unauthorised access or disclosure, its information technology may be vulnerable to cyber-attacks by hackers or viruses or breached due to employee error, malfeasance or other disruptions.

The Company is investing in protections to reduce these risks and continue to monitor its systems on an ongoing basis for any current or potential threats. There can be no assurance, however, that these efforts will prevent breakdowns or breaches to the Company or its third-party providers' databases or systems that could materially and adversely affect the Company's business, financial condition and results of operations.

4.2.24 EBR could be adversely affected by violations of the FCPA and similar worldwide anti-bribery laws and any investigation

The FCPA and similar worldwide anti-bribery laws prohibit companies and their intermediaries from corruptly providing any benefits to government officials for the purpose of obtaining or retaining business. Due to the significant role government entities play in the administration and regulation of many foreign healthcare markets, the Company may be exposed to heightened FCPA and similar risks arising from its efforts to promote and sell its products and to seek regulatory approval of and reimbursement for its products in such countries. In the future, the Company also may operate in parts of the world that have experienced governmental corruption to some degree. EBR cannot assure investors that its internal control policies and procedures will protect it from improper acts committed by its employees or agents. Violations of these laws, or allegations of such violations, could significantly disrupt the Company's business and have a material adverse effect on its business, brand, financial condition and results of operations.

4.3. Risks related to the industry

4.3.1 Regulatory registrations or market approvals may be withdrawn or regulatory requirements may change

The manufacture, testing, labelling, sale and marketing of medical devices are subject to extensive regulation in the U.S., Europe, Australia and other countries. EBR has received CE Mark approval (see Section 3.5.2 for more information), and is pursuing the required regulatory approvals to place its key products on the market in the U.S. and Australia. However, regulatory registrations or market approval of products can subsequently be withdrawn for a variety of reasons, including failure to comply with manufacturing regulatory requirements by the Company or any third-party contractors engaged by EBR to manufacture its products. Regulators have the power to ban products sold by EBR as well as to require the recall, repair, replacement or refund of such products. Further, regulators may change their approval policies or impose additional regulatory requirements on the Company that could increase its compliance costs, restrict its ability to maintain its current regulatory registrations or market approvals, prevent or delay approval of future products under development or impact its ability to modify its currently cleared products. EBR cannot guarantee that it will successfully maintain the registrations and approvals it currently has or obtain the additional registrations and approvals that it is seeking or may receive in the future, or that it will successfully obtain the registrations and approvals required for future products.

4.3.2 EBR may be subject, directly or indirectly, to U.S. federal and state healthcare fraud and abuse laws and other healthcare laws and regulations, which could adversely affect the Company's business operations.

Healthcare providers, including physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any products for which EBR obtains marketing approval. EBR's current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors subject it to various U.S. federal and state fraud and abuse laws and other healthcare laws, including, without limitation, the federal Anti-Kickback Statute, the federal civil and criminal false claims laws and the Physician Payments Sunshine Act and regulations promulgated under such laws. These laws will impact, among other things, EBR's clinical research, proposed sales, marketing and educational programs, and other interactions with healthcare professionals. In addition, EBR may be subject to patient privacy laws by both the federal government and the states in which EBR conducts or may conduct its business.

Efforts to ensure that EBR's business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against EBR for violation of these laws, even if EBR successfully defends such actions, could cause EBR to incur significant legal expenses and divert EBR's management's attention from the operation of the Company's business. It is possible that governmental authorities will conclude that the Company's business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If the Company's operations are found to be in violation of any of these laws or any other governmental regulations that may apply to the Company, EBR may be subject to significant monetary penalties, disgorgement, imprisonment, exclusion from participating in federal and state funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight, contractual damages, diminished profits and future earnings, reputational harm and the curtailment or restructuring of EBR's operations, any of which could harm the Company's business.

4.3.3 Healthcare policy changes may have a material adverse effect on EBR's financial position and results of operations

Many countries have instituted healthcare policy changes in an attempt to bring increasing spending on healthcare under control. For example, in the U.S. the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the **ACA**), enacted in March 2010, made changes that significantly impact the healthcare industry. Under the ACA, each medical device manufacturer was required to pay an excise tax in an amount equal to 2.3% of the price for which such manufacturer sells its medical devices beginning in 2013. However there have been executive, legislative and judicial challenges to the ACA, and the excise tax was subject to several moratoria and was ultimately repealed by Congress. In addition, Congress removed the penalties for not complying with the ACA's individual mandate to carry health insurance. On 17 June 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and the health reform measures of the Biden administration will impact the ACA and EBR's business.

In addition to the ACA, various healthcare reform proposals have also been proposed by U.S. federal and state governments and other national governments that may subject the Company to additional U.S. or foreign regulatory requirements. EBR cannot predict whether future healthcare initiatives will be implemented in or outside of the U.S., or the effect any future legislation or regulation will have on the Company. The expansion in any government's regulation of the healthcare industry may result in decreased profits to EBR and reduced medical procedure volumes, all of which may adversely affect the Company's business and financial position.

4.3.4 EBR faces risks related to product liability claims, which could exceed the limits of available insurance coverage

The medical device industry is subject to substantial litigation, and EBR will face an inherent risk of exposure to product liability claims in the event that the use of EBR's products results or is alleged to have resulted in adverse effects to a patient. Although EBR maintains product liability insurance, the Company cannot assure you that the scope or coverage limits of its insurance policies will be adequate, or that insurance will be available to it on acceptable terms, if at all. A product liability or other claim with respect to uninsured liabilities or in excess of the Company's insurance coverage would materially impact EBR's business, financial condition and operating results.

4.3.5 EBR's presence in the international marketplace exposes it to foreign operational risks

As discussed in Section 3.8, EBR will, subject to regulatory approvals, seek to sell its products in the E.U., the U.S. and Australia. The sale of its products outside of the U.S. exposes it to national trade laws, regulatory rules, as well as customs regulations. In some jurisdictions there can be high compliance costs associated with these laws, rules and regulations, and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action (for example, delays in approving or clearing the Company's products).

4.3.6 EBR may be adversely affected by COVID-19 and global economic conditions

EBR's business depends on healthcare spending, which has been, and may continue to be, impacted by the outbreak of COVID-19. The extent of any ongoing impact of COVID-19 on EBR's business will depend on future developments, including the duration and future spread of COVID-19 within the U.S., the E.U. and Australia, the effectiveness of vaccines, and the related impact on general economic conditions, business confidence and healthcare spending, all of which are highly uncertain.

4.3.7 Changes in U.S. and non-U.S. tax laws could adversely affect EBR's financial condition and results of operations

The rules dealing with U.S. and non-U.S. tax matters are constantly under review by persons involved in the legislative, judicial, administrative, regulatory and related governmental processes and authorities. Changes to tax laws or the interpretation and application thereof (which changes may have retroactive application) could adversely affect the Company or the holders of CDIs. In recent years, many such changes have been made and changes are likely to continue to occur in the future. Future changes in U.S. and non-U.S. tax laws could have a material adverse effect on the Company's business, cash flow, financial condition or results of operations. EBR urges investors to consult with their legal and tax advisors regarding the implications of potential changes in U.S. and non-U.S. tax laws on an investment in CDIs.

4.4. Risks related to an investment in CDIs and the Offer

4.4.1 There may be limited liquidity in EBR's CDIs upon listing on the ASX

In accordance with the escrow requirements in Chapter 9 of the Listing Rules, at completion of the Offer the Company will enter into restriction agreements with certain Existing Holders. The Company will also enter into voluntary escrow arrangements with certain Existing Holders. The Company expects that approximately 60% of the Shares/CDIs on issue will not be able to be traded for a period after Listing. Given the number of Shares/CDIs restricted from trading, there will only be liquidity with respect to approximately 40% of the Shares/CDIs on issue at completion of the Offer until such time as applicable escrow periods end.

The CDIs issued under the Offer will only be listed on the ASX and will not be listed for trading on any other securities exchanges in Australia, the U.S. or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for CDIs may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of shares. If illiquidity arises, there is a risk that CDI Holders and Shareholders will be unable to realise their investment in the Company.

4.4.2 The ability to achieve a return on an investment in EBR will largely depend on an appreciation in the market price of the CDIs

The CDIs to be issued pursuant to the Offer carry no guarantee with respect to the payment of dividends, return of capital or market value. As EBR does not currently intend to pay dividends on its Shares in the foreseeable future, investors' ability to achieve a return on their investment in EBR will depend on an appreciation in the market price of the CDIs. There is no guarantee that the CDIs will appreciate in value or even maintain the same level as the Offer Price. Accordingly, there is a risk that investors may not achieve any return on their investment.

4.4.3 EBR will incur exchange rate risks relating to the pricing of the Offer and listing on the ASX

The proceeds of the Offer will be received in Australian dollars, while EBR's functional currency is U.S. dollars. EBR is not currently hedging against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in the U.S. dollar-Australian dollar exchange rate between the pricing of the Offer and the closing of the Offer. If the Australian dollar falls during this period, the net proceeds of the Offer, after being converted to U.S. dollars, will be reduced, meaning EBR will have less money to spend on the purposes set out in Section 8.4.

The CDIs will be listed on the ASX and priced in Australian dollars. However, EBR's reporting currency is U.S. dollars. As a result, movements in foreign exchange rates may cause the Australian dollar price of EBR's securities to fluctuate for reasons unrelated to EBR's financial position or performance and may result in a discrepancy between EBR's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars.

4.4.4 The costs and management time involved in complying with Delaware laws, Australian laws and future U.S. reporting requirements are likely to be significant

As a Delaware company with an ASX listing and a registration as a foreign company in Australia, EBR will need to ensure it maintains compliance with Delaware law and relevant Australian laws and regulations, including the Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between Delaware law and Australian law and regulations, EBR may need to make changes to its business operations, structure or policies to resolve such inconsistency. If EBR is required to make such changes, this is likely to result in interruptions to its operations, additional demands on Key Managers and extra costs.

EBR may become subject to the periodic reporting requirements of the U.S. Exchange Act at some stage in the future, which would require it to register the Shares with the SEC under the U.S. Exchange Act. EBR will become a reporting company if, among other things, EBR has (i) total assets of more than US$10 million and (ii) either 2,000 or more holders of record of any class of equity securities or 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. In calculating the number of record holders for this purpose, EBR may exclude persons who acquired their securities in an exempt offering under an employee compensation plan. Registration under the U.S. Exchange Act will involve EBR filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the Listing Rules, these SEC periodic reports will be in addition to EBR's periodic filings required by the Listing Rules. At the time EBR becomes subject to the reporting requirements of the U.S. Exchange Act, EBR will also become subject to the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which will impose additional governance and reporting obligations. The legal and accounting costs and management time that will be required to comply with these obligations are expected to be significant.

4.4.5 Provisions of EBR's constituent documents and Delaware General Corporation Law could make an acquisition of EBR more difficult

Certain provisions of EBR's Certificate of Incorporation and Bylaws could discourage, delay or prevent a merger, acquisition, tender offer or other means of effecting a change of control of EBR. Furthermore, these provisions could frustrate attempts by Shareholders and CDI Holders to replace or remove members of the Board or make other changes in management. These provisions could also limit the price that investors might be willing to pay in the future for the CDIs, thereby depressing the market price of the CDIs. A summary of these provisions in EBR's Certificate of Incorporation and Bylaws is set out in Section 12.8.

4.4.6 EBR's Bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation

EBR's Bylaws provide that unless EBR consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain actions involving EBR (refer to the description in the Forum selection section of the table in Section 12.9). Any person or entity purchasing or otherwise acquiring any interest in shares of EBR's capital stock (including holders of CDIs) will be deemed to have notice of, and consented to, this forum selection provision. This provision in EBR's Bylaws may have the effect of discouraging lawsuits against EBR or its Directors and officers and may limit the ability of Shareholders and CDI Holders to obtain a favourable judicial forum for disputes with EBR.

Section 5.

Financial Information

5.1. Introduction

The financial information of EBR contained in this Section 5 includes the following:

Historical consolidated financial Information for the financial years ended 31 December 2019 (**FY2019**), 31 December 2020 (**FY2020**) and six months ended 30 June 2021 (**HY2021**) together with 30 June 2020 (**HY2020**) comparative information.

5.1.1 Overview of EBR's Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Historical Consolidated Financial Information comprises the following: Statutory historical consolidated statements of operations for FY2019, FY2020 and HY2021 together with HY2020 comparative information (**Statutory Historical Consolidated Results**); Statutory historical consolidated cash flows of FY2019, FY2020 and HY2021 together with HY2020 comparative information (**Statutory Historical Consolidated Cash Flows**); and Statutory historical consolidated balance sheet as at 30 June 2021 (**Statutory Historical Consolidated Balance Sheet**).	Pro Forma Historical Consolidated Financial Information comprises the following: Pro forma historical consolidated statements of operations for FY2019, FY2020 and HY2021 together with HY2020 comparative information (**Pro Forma Historical Consolidated Results**) including a reconciliation to the audited/ reviewed historical consolidated statement of operations; and Pro forma historical consolidated balance sheet as at 30 June 2021 (**Pro Forma Historical Consolidated Balance Sheet**).

Collectively referred to as the **Historical Consolidated Financial Information.**

EBR reports on a 31 December financial year end basis, and the Historical Consolidated Financial Information in this Section has been presented on this basis.

5.1.2 Additional Information

Also summarised in this Section are:

- the basis of preparation and presentation of the Historical Consolidated Financial Information (Section 5.2);
- information regarding certain non-USGAAP financial measures (Section 5.5);
- the pro forma adjustments to the Statutory Historical Consolidated Results and reconciliations to the Pro Forma Historical Consolidated Results (Section 5.7);
- a description of the key drivers affecting EBR's business including key financial and operating metrics including management discussion and analysis of the Historical Consolidated Financial Information (Section 5.8);
- the impact of COVID-19 on EBR's business (Section 5.9);
- a summary of EBR's borrowings and pro forma net cash balance (section 5.16); and
- a summary of EBR's proposed dividend policy (see Section 5.17).

The information in Section 5 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

All amounts disclosed in this Prospectus are presented in U.S. dollars unless stated otherwise and are rounded to the nearest $'000. Some numerical tables in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in tables contained in this Prospectus are due to rounding.

The Historical Consolidated Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information by the Investigating Accountant, who's Independent Limited Assurance Report on the Historical Consolidated Financial Information is contained in Section 6. Investors should note the scope and limitations of that report.

5.2. Basis of presentation of the Historical Consolidated Financial Information

The Directors are responsible for the preparation and presentation of the Historical Consolidated Financial Information.

The Historical Consolidated Financial Information included in this Section 5 has been prepared in accordance with the recognition and measurement principles prescribed by Generally Accepted Accounting Principles in the United States of America (**USGAAP**) which is different to International Financial Reporting Standards (**IFRS**), the accounting principles generally accepted in Australia. A reconciliation of the main differences between USGAAP and IFRS applicable to the Company which are relevant to potential investors are discussed in Section 5.15.

The significant accounting policies of the Company relevant to the Historical Consolidated Financial Information are set in Appendix A of the Prospectus. The accounting policies of the Company have been consistently applied throughout the periods presented, as set out in Section 5.7 Pro Forma Adjustments.

The Historical Consolidated Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act.

The Historical Consolidated Financial Information has been prepared for the purpose of the Offer.

5.3. Basis of preparation of the Historical Consolidated Financial Information

The Historical Consolidated Financial Information has been prepared for inclusion in this Prospectus and has been derived from the audited historical consolidated financial statements of the Company for FY2019 and FY2020 and the reviewed historical consolidated financial statements for HY2021 with HY2020 comparative information (the **Historical Period**). The historical consolidated financial statements of the Company for FY2019 were audited by SingerLewak LLP. The historical consolidated financial statements for FY2020 and HY2021 were audited/ reviewed by Price, Kong, & Co., C.P.A.'s P.A. The audit opinion issued to the Directors for FY2019 and FY2020 and review conclusion for HY2021 were unqualified but included an Emphasis of Matter regarding the Company's ability to continue as a going concern subject to raising additional financing. The Historical Consolidated Financial Information presented in this Prospectus has been prepared on the basis the Company will continue as a going concern following the Offer and therefore no adjustments have been made to the Historical Consolidated Financial Information on this basis.

The Historical Consolidated Financial Information has been adjusted to be presented on a consistent basis for FY2019, FY2020 and HY2021 (including HY2020 comparative information) and has been adjusted to include the impact of the following:

- Prior to the adoption of the revenue standard ASC 606 – Revenue from Contracts with Customers in FY2020, EBR previously recognised reimbursement income as revenue in FY2019, this has been reallocated to Other Income to be consistent with FY2020 and HY2021 and HY2020; and
- financing costs have been adjusted to reflect the debt and equity structure following completion of the Offer.

Section 5.7 sets out the pro forma adjustments made to the Statutory Historical Consolidated Financial Information for FY2019, FY2020, HY2021 and HY2020.

Investors should note that past results are not a guarantee of future performance.

The Pro Forma Historical Consolidated Balance Sheet is derived from the Statutory Historical Consolidated Balance Sheet and is adjusted to reflect:

- the drawdown of Convertible Notes and accrued interest after 30 June 2021;
- the conversion of Preferred Stock and Convertible Notes to Shares and/ or CDIs; and
- the impact of the Offer, including costs directly attributable to the Offer offset against additional paid in capital.

The Pro Forma Historical Consolidated Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of the future financial position of EBR.

5.4. New and revised accounting standards applicable to EBR

The Financial Accounting Standards Board (**FASB**) in the United States has issued revised standards in relation to revenue recognition, leases and financial instruments.

Effective 1 January 2020, the Company adopted Accounting Standards Codification, or ASC, Topic 606, Revenue from Contracts with Customers, This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, and financial instruments. As a result of adopting the standard, the Company recognised an adjustment to reallocate reimbursement income previously recognised as revenue in FY2019 to other income.

ASC 842 Leases (due to COVID-19 relief from FASB) is now effective for financial reporting periods commencing on or after 15 December 2021 for U.S. private companies. The Company is currently assessing the impact of the adoption of ASC 842 on the Company's consolidated statement of operations and consolidated balance sheet for the full year ending 31 December 2022.

5.5. Non-USGAAP financial measures

Investors should also be aware that certain financial data included in this Section 5 is also "non USGAAP financial information". The Company believes that this non-USGAAP financial information provides useful information to potential Investors in measuring the financial performance and conditions of the Company. As non-USGAAP measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which the Company calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-USGAAP financial information and ratios.

EBITDA – means earnings before interest, taxation, depreciation and amortisation

EBIT – means earnings before interest and taxation

Although the Directors believe these measures provide useful information about the financial performance of EBR, they should be considered as supplements to the statements of operations that are presented in Section 5.6 and not as a replacement for them. These non-USGAAP financial measures are not based on accounting standards, they do not have standard definitions and the way EBR calculates these measures may differ from similarly titled measures by other companies. Potential investors should therefore not place undue reliance on these non-USGAAP financial measures.

5.6. Pro Forma Historical Consolidated Results

The table below presents the Pro Forma Historical Consolidated Results for FY2019, FY2020 and HY2021 with HY2020 comparative information. Section 5.7 sets out a reconciliation between the Statutory Historical Consolidated Results to the Pro Forma Historical Consolidated Results. The Statutory Historical Consolidated Results for FY2019, FY2020 and HY2021 are included in Appendix B of the Prospectus.

Table 1: Pro Forma Historical Consolidated Results

US$'000	FY2019 Pro forma	FY2020 Pro forma	HY2021 Pro forma	HY2020 Pro forma
Research and Development	(10,708)	(7,913)	(2,913)	(6,175)
Clinical and regulatory	(7,293)	(5,380)	(3,037)	(3,191)
General and administration	(2,193)	(2,257)	(1,099)	(1,275)
Sales and marketing	(6,278)	(4,785)	(3,044)	(2,848)
Total operating expenses	(26,472)	(20,335)	(10,093)	(13,489)
Other income	2,716	627	1,501	403
EBITDA	(23,756)	(19,708)	(8,592)	(13,086)
Depreciation	(211)	(246)	(144)	(124)
EBIT	(23,967)	(19,954)	(8,736)	(13,210)
Net interest expenses	(393)	(658)	(246)	(370)
Net loss before tax	(24,360)	(20,612)	(8,982)	(13,580)
Income tax benefit	845	698	–	698
Net loss after tax	(23,515)	(19,914)	(8,982)	(12,882)
Currency translation	9	(88)	(36)	(88)
Net comprehensive loss	(23,506)	(20,002)	(9,018)	(12,970)

Notes: The Pro Forma Historical Consolidated Results are reconciled to the Statutory Historical Consolidated Results (as applicable) in Table 2.

5.7. Pro Forma Adjustments to the Statutory Historical Consolidated Results

Set out below is a reconciliation between the Statutory Historical Consolidated Results net loss after tax to the Pro Forma Historical Consolidated Results net loss after tax:

Table 2: Pro Forma Adjustments to the Statutory Historical Consolidated Results

US$'000	Notes	FY2019	FY2020	HY2021	HY2020
Statutory net loss after tax		(24,822)	(25,718)	(15,906)	(16,179)
Revenue (reallocated to Other Income)	1	(1,294)	–	–	–
Other Income (revenue reallocated)	1	1,294	–	–	–
Change in derivative liability	2	533	2,264	3,548	1,690
Financing costs	3	774	3,541	3,377	1,607
Pro forma net Loss after tax		(23,515)	(19,914)	(8,982)	(12,882)

Notes: Description of Pro forma Adjustments:

1. Reallocation of reimbursement income previously recognised as revenue to other income in 2019 on the adoption of ASC 606 Revenue from Contracts with Customers
2. Add back the movement in the Derivative Liability relating to Convertible Notes which convert to Shares on Listing; and
3. Add back interest cost in relation to Convertible Notes which convert to Shares on Listing.

5.8. Management discussion and analysis of historical consolidated financial results

The following information has been prepared using EBR's Pro Forma Historical Consolidated Financial Results for FY2019, FY2020 and HY2021 (including HY2020 comparative information).

5.8.1 Drivers of EBR's financial performance

EBR is in the clinical trial stage of development and has therefore not generated any revenue from the commercial sale of devices. The primary costs of the business are wages and salaries, professional fees and outsourced production and clinical trial expenses. EBR categorise costs by the following functions, research and development, sales and marketing, clinical and regulatory and general administrative costs which are each discussed below.

5.8.2 Research & Development

Research and development includes the salaries and wages of the in-house research and development team and professional fees in relation to research studies. Research and development also includes the cost of design and manufacturing of the WiSE® devices utilised in clinical trials which also includes outsourced Clinical Research Organisation's services. In FY2019 research and development costs were incurred in relation to applying for and receiving the Breakthrough Device Designation from the FDA which was received in July 2019. Research and development costs decreased in FY2020 compared to FY2019 due to the reduction in the research and development team in April 2020 as a consequence of COVID-19 and a pausing of the SOLVE CRT pivotal study. Research and development activities continued during the remainder of FY2020 but at a reduced level compared to prior periods. Research and development costs have remained at a similar level in HY2021 to the level incurred in FY2020 as EBR move towards commencement of patient enrolment for the single-arm phase of the SOLVE-CRT pivotal study.

5.8.3 Clinical and regulatory

Clinical and regulatory costs relate to the salaries and wages of the in-house clinical and regulatory team and professional fees in relation to clinical trials. Clinical and regulatory costs decreased in FY2020 compared to FY2019 due to the pausing of the clinical trials in April 2020 due to COVID-19 social distancing and lock down measures. Clinical and regulatory costs have increased in HY2021 back to FY2019 levels as the pivotal study resumed in April 2021.

5.8.4 General and administration

General and administration costs relate to the wages and salaries of administration employees including professional fees for external advisors. General and administration costs have been consistent between FY2019, FY2020 and HY2021.

5.8.5 Sales and marketing

Sales and marketing costs relate to wages and salaries of employees organising and facilitating clinical trial sites including travel. Sales and marketing costs decreased in FY2020 compared to FY2019 due to the SOLVE CRT pivotal study being paused and a reduction in headcount and reduction in travel in response to COVID-19. In anticipation of the resumption of the SOLVE CRT pivotal study in April 2021 and patient recruitment, a number of sales and marketing personnel were put in place towards the end of FY2020 and therefore sales and marketing costs have increased in HY2021 back to FY2019 levels.

5.8.6 Other income

Other income relates to reimbursement income received from clinical sites participating in clinical trials, a debt discount on the repayment of a debt facility in FY2019 and the receipt and subsequent forgiveness of a Paycheck Protection Program (PPP) loan in HY2021. Reimbursement income declined in FY2020 and HY2021 compared to FY2019 due to the previously noted pausing of the SOLVE CRT pivotal study in April 2020 which recommenced in April 2021.

5.8.7 Depreciation and amortisation

Depreciation relates to office equipment and production and clinical equipment and has remained consistent year on year.

5.8.8 Net interest expenses

Net interest expense relates to interest payable on the Silicon Valley Bank loan and minimal interest income on cash balances.

5.8.9 Income tax

Income tax relates to the R&D tax credit generated by EBR's Australian subsidiary.

5.9. Assessment of the impact of COVID-19 on EBR

Prior to the COVID-19 pandemic, EBR had commenced the SOLVE CRT trial to support a PMA application for WiSE® in the U.S. The SOLVE CRT pivotal study component was paused in April 2020 following social distancing and lock downs as a consequence of COVID-19 creating ethical issues by exposing patients to the risk of COVID-19 during follow up visits. In response to COVID-19, EBR implemented an employee cost reduction program and reduced other non-essential costs in addition to receiving a PPP loan from the US federal government. Research and development activities continued in the period following April 2020 however at a reduced level. Following increased vaccination rates in the markets in which EBR operates and the easing of restrictions, the SOLVE CRT pivotal study recommenced in April 2021 and the employee cost base increased in anticipation of patient enrollment for the single-arm phase of the SOLVE CRT pivotal study.

5.10. Statutory Historical Consolidated Cash Flows

Set out in the table below is a summary of EBR's Statutory Historical Consolidated Cash Flows for FY2019, FY2020, HY2021 (with HY2020 comparative information).

Table 3: Statutory Historical Consolidated Cash Flows

US$'000	FY2019 Audited	FY2020 Audited	HY2021 Reviewed	HY2020 Reviewed
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss after taxation	(24,813)	(25,718)	(15,906)	(16,179)
Add back non-cash items	25	4,282	4,645	2,554
Net working capital movements	3,730	3,889	1,987	1,492
Net operating cash flows	(21,058)	(17,547)	(9,274)	(12,133)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net capital expenditure	(242)	(265)	(551)	(236)
Net investing cash flows	(242)	(265)	(551)	(236)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from convertible notes	12,402	19,701	13,712	19,701
Repayment of notes payable and loans	(1,000)	(3,200)	(1,200)	(2,000)
Payment of deferral loan costs	(152)	(108)	–	(108)
Proceeds from exercise of stock options	27	11	–	11
Net financing cash flows	11,277	16,405	12,513	17,605
Net cash flows	(10,023)	(1,407)	2,688	5,236
Opening cash balance	17,308	7,285	5,878	7,285
Closing cash balance	7,285	5,878	8,566	12,522

5.10.1 Discussion of historical operating cash flows

EBR is pre revenue and has therefore incurred operating cash out flows in FY2019, FY2020 and HY2021. Non-cash items relate to the change in valuation of the Convertible Notes and associated derivative liability. All Convertible Notes convert to Shares prior to Listing. The movement in working capital related to accrues expenses.

5.10.2 Investing cash flows

Investing cash flows have historically been minimal due to outsourced manufacturing of components used in WiSE® not requiring capital expenditure by EBR.

5.10.3 Financing cash flows

Financing activities relates to the issue of Convertible Notes and subsequent drawdown amounting to approximately $45.8 million between FY2019 and HY2021. Repayment of notes and loans relates to the amortisation of the Silicon Valley Bank loan (refer to Section 5.16).

5.11. Statutory and Pro Forma Historical Consolidated Balance Sheet

The table below has been extracted from the reviewed Statutory Historical Consolidated Balance Sheet as at 30 June 2021 and adjusted to reflect the Pro Forma Adjustments that have been made to the Statutory Historical Consolidated Balance Sheet (further described in Section 5.12) and the Pro forma Historical Consolidated Balance Sheet as at 30 June 2021. An unaudited convenience translation in Australian dollars of the Pro Forma Historical Consolidated Balance Sheet at 30 June 2021 has also been included (the indicative foreign exchange rate applied is A$1.00 = US$0.74).

The Pro Forma Historical Consolidated Balance Sheet is provided for illustrative purposes and is not represented as being necessarily indicative of EBR's view on its future financial position.

Table 4: Statutory and Pro Forma Historical Consolidated Balance Sheet as at 30 June 2021

US$'000	Notes	Reviewed As at 30 June 2021	Impact of the Offer and U.S. Private Placement	Pro Forma	Pro Forma A$
ASSETS					
Current assets	1				
Cash and cash equivalents	1	8,566	84,938	93,504	126,357
Trade and other receivables	2	119	–	119	162
Prepayments	3	739	–	739	998
Other assets	4	96	–	96	129
Total current assets		9,520	84,938	94,458	127,646
Non-current assets					
Plant and equipment	5	1,292	–	1,292	1,747
Other non-current assets	5	440	–	440	594
Total non-current assets		1,732	–	1,732	2,341
TOTAL ASSETS		11,252	84,938	96,190	129,987
LIABILITIES					
Current liabilities					
Trade and other payables	6	679	–	679	917
Accrued expenses	6	2,816	–	2,816	3,805
Borrowings	7	2,389	–	2,389	3,229
Total current liabilities		5,884	–	5,884	7,951
Non-current liabilities					
Convertible notes	8	12,794	(12,794)	–	–
Derivative liability	9	2,926	(2,926)	–	–
Borrowings	7	1,195	–	1,195	1,614
Other long term liabilities	10	359	–	359	487
Total non-current liabilities		17,274	(15,720)	1,554	2,101
TOTAL LIABILITIES		23,158	(15,720)	7,438	10,052
NET ASSETS/(LIABILITIES)		(11,906)	100,658	88,752	119,935
EQUITY					
Common stock		1	–	1	2
Convertible preferred stock		13	(13)	–	–
Additional paid in capital		207,961	98,205	306,166	413,738
Accumulated deficit		(219,639)	2,466	(217,173)	(293,478)
Accumulated other comprehensive loss		(242)	–	(242)	(327)
TOTAL EQUITY		(11,906)	100,658	88,752	119,935
TOTAL LIABILITIES AND STOCK HOLDER EQUITY		11,252	84,938	96,190	129,987

Notes: Description of key Balance Sheet items

1. Cash and cash equivalents: represent the balances held in various bank accounts,
2. Trade and other receivables represent clinical trial reimbursements;
3. Prepayments represent various pre-paid expenses;
4. Other current assets represent GST receivable;
5. Non-current assets represent fixed assets (predominately computer equipment) and a lease deposit;
6. Trade and other payables and accruals represent costs incurred in relation to the clinical trials and general business activities;
7. Borrowings represent amounts due to Silicon Valley Bank (refer to Section 5.16 for further details);
8. Convertible notes represent outstanding convertible notes which convert to Shares;
9. Derivative liabilities relates to the conversion terms of the Convertible Notes and is extinguished on conversion of the Convertible Notes; and
10. Other long term liabilities represent deferred rent and accruals.

5.12. Pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before completion of the Offer, referred to as the Pro Forma Adjustments, are presented as if they, together with the Offer and U.S. Private Placement, had occurred on or before 30 June 2021 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 30 June 2021 and the date of this Prospectus, which the Directors consider, require disclosure.

Pro forma transactions:

1. The issue of Convertible Notes amounting to approximately US$8.7 million and subsequent receipt of cash proceeds;
2. Accrued interest on Convertible Notes between 30 June 2021 and the Allotment Date amounting to US$0.46 million;
3. Exercise of 5,261,664 options for a cash consideration amounting to US$0.8 million;
4. Conversion of all outstanding preferred stock into Common Stock prior to completion of the Offer;
5. Conversion of all Convertible Notes outstanding into 21,692,195 CDIs;
6. The completion of the Offer and U.S. Private Placement, raising US$81.4 million (A$110 million) through the issue of 101,851,851 CDIs at the Offer Price of US$0.80 (A$1.08); and
7. Cash costs outstanding associated with the Offer and U.S. Private Placement totalling US$6.0 million which has been off set in Additional Paid in Capital.

5.13. Pro forma cash and cash equivalents

Table 5: Pro forma cash and cash equivalents summary

US$'000	Ref.	Jun-21
Reviewed cash and cash equivalents as at 30 June 2021		8,566
Pro forma transactions:		
Issue of Convertible Notes on 4 October 2021	1	8,712
Exercise of options for cash consideration	3	811
Pro forma cash and cash equivalents (pre-IPO)		**18,089**
Offer and U.S. Private Placement	6	81,400
Costs of the Offer and U.S. Private Placement	7	(5,985)
Pro forma cash and cash equivalents		**93,504**

EBR expects that it will have sufficient cash to fund its operational requirements and business objectives following the Offer and U.S. Private Placement to at least mid-2024.

5.14. Pro forma capital structure

Table 6: Pro forma capital structure as at 30 June 2021

	Pro forma adjust-ment	No. of CDIs	Common Stock $'000	Preferred Stock $'000	Additional Paid In Capital $'000	Accu-mulated Deficit $'000	Other compre-hensive Loss $'000	Net assets $'000
As at 30 June 2021 Reviewed		13,192,904	1	13	207,961	(219,639)	(242)	(11,906)
Subsequent transactions:								
Accrued interest	2	–		–		(460)	–	(460)
Exercise of options	3	5,261,664			811			811
Conversion of Preferred Stock to Common	4	125,874,779	–	(13)	13	–	–	–
Conversion of Convertible Notes	5	21,692,195			21,967	2,926	–	24,893
Pre Offer capital structure		166,021,542	1	–	230,752	(217,173)	(242)	13,338
Pro forma transactions:								
Offer and U.S. Private Placement	6	101,851,851			81,400	–	–	81,400
Offer costs	7	–			(5,985)	–	–	(5,985)
Total		**267,873,393**	**1**	**–**	**306,166**	**(217,173)**	**(242)**	**88,752**

5.15. Reconciliation between USGAAP and IFRS

The Historical Consolidated Financial Information contained in this Prospectus has been prepared in accordance with USGAAP which is different to International Financial Reporting Standards (**IFRS**), the accounting principles generally accepted in Australia. The Company intends to apply for relief from ASIC so that it is not required to prepare financial statements in accordance with IFRS. The Company presently intends to continue to report in USGAAP but if relief is not obtained, financial information will only be prepared under IFRS to supplement the financial information prepared under USGAAP. ASX has separately confirmed that the Company may solely report in USGAAP once listed on the ASX (and the audit of those financial reports be conducted in accordance with US auditing standards).

The Directors have reviewed the differences between USGAAP and IFRS applicable to the Company and also which are considered relevant to potential investors. Accordingly, although historically the recognition and measurement of the Convertible Notes would have been different under IFRS compared to USGAAP, as these instruments all convert to Shares on Listing the Directors do not consider these differences relevant to potential investors under the Offer.

Therefore, the Directors have identified the following material difference relevant to potential investors under the Offer relating to the Pro Forma Historical Consolidated Statement of Operations for FY2019, FY2020 and HY2021.

5.15.1 Research and development expenditure

The Company has incurred both internal and third party research and development expenditure from inception to 30 June 2021. Under USGAAP, these costs are expensed as incurred whilst under IFRS, research costs are expensed and development costs may be capitalised provided the recognition criteria based on achieving technical feasibility milestones are met and are then amortised over the expected useful life of the product. As such, for a determination of research and development expenditure which may capitalised, recognition criteria must be applied to the research and development expenditure attributable to the development of the products being WiSE®. During FY2020, EBR finished the randomised phase of its pivotal study. WiSE® is currently in the single-arm phase of the SOLVE CRT pivotal study and the Company may receive additional feedback from the FDA that may result in additional design changes prior to patient enrolment. Accordingly, the Company has determined that due to the design of WiSE® not being finalised, currently being in the single-arm phase of the SOLVE CRT pivotal study and therefore regulatory approval not yet being obtained from the FDA, that research and development costs incurred up to 30 June 2021 would not meet the requirements of AASB138 Intangible Assets. Therefore, there would not be any different accounting treatment between USGAAP and IFRS in relation to research and development expenditure incurred to 30 June 2021 applicable to EBR.

5.15.2 Costs of the Offer

Under USGAAP, costs incurred in issuing CDIs and listing the Company on the ASX are classified as a reduction of equity (additional paid in capital) (or as an asset until the CDIs are issued). Under IFRS, only those costs of the Offer directly attributable to additional issued Shares or CDIs under the Offer can be offset against equity. Expenses relating to listing the Company for the benefit of existing security holders are required to be expensed and costs relating to all security holders are split between equity and expenses based on the proportion of security holding (on a fully diluted basis) of new and existing security holders. Accordingly, if the Directors had prepared the Pro forma Historical Consolidated Balance Sheet in Section 5.11 in accordance with IFRS, approximately US$1.3 million of the estimated US$6.0 million of costs of the Offer and U.S. Private Placement) would be treated as an expense through the statement of operations rather than offset against stockholders equity.

5.16. Indebtedness and pro forma net cash

EBR currently has a credit facility with Silicon Valley Bank (**SVB**) dated 25 March 2020. Under the terms of the SVB Agreement, the lenders committed to making three separate term loan advances to the Company, each in the amount of US$3 million for a total term loan commitment of US$9 million. The maturity date for the first two advances is 1 December 2022 and the maturity date for the third advance is 1 September 2023. Advances under the loan and security agreement bear interest at the greater of 7.25% or 2.5% above the prime rate and are secured by substantially all the assets of the Company, except for intellectual property. Set out below are the amounts outstanding at 30 June 2021 together with a reconciliation of pro forma net cash and cash equivalents prior to and following the Offer and U.S. Private Placement.

Table 7: Indebtedness and pro forma net cash

US$'000	Prior to the Offer and U.S. Private Placement	Following the Offer and U.S. Private Placement
As at 30 June 2021		
SVB facility		
Current (due within 12 months)	(2,389)	(2,389)
Long term (due in more than 12 months)	(1,195)	(1,195)
Total	**(3,584)**	**(3,584)**
Cash and cash equivalents (Section 5.13)	18,089	93,504
Pro forma net cash and cash equivalents	**14,505**	**89,920**

5.17. Dividend policy

As described in Section 12.10 of this Prospectus, the dividend policy of the Company is to reinvest all cash flows into the business to maximise its growth. Accordingly, no dividends are expected to be paid in the near term following the Company's Listing.

Section 6.

Investigating Accountant's Report

Board of Directors
EBR Systems Inc.
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15 October 2021

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by EBR Systems Inc. ("EBR" or the "Company") to prepare this report for inclusion in the prospectus (the "Prospectus") to be issued by the Company on or about 15 October 2021 in respect of the initial public offering of CHESS Depository Interests ("CDIs") in the Company (the "Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS LIcence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following financial information of the Company:

Statutory Historical Consolidated Financial Information

- The statutory historical consolidated statement of operations for the years ended 31 December 2019 ("FY2019") and 31 December 2020 ("FY2020") and six months ended 30 June 2021 ("1HFY2021") with the six months ended 30 June 2020 comparative information ("1HFY2020") as set out in Appendix B of the Prospectus;

- The statutory historical consolidated statement of cash flows for FY2019 , FY2020, 1HFY2021 and 1HFY2020 comparative information as set out in Section 5.10 of the Prospectus; and

- The statutory historical consolidated balance sheet as at 30 June 2021 as set out in Section 5.11 of the Prospectus;

(referred to as the "Statutory Historical Consolidated Financial Information")

The Statutory Historical Consolidated Financial Information has been prepared for inclusion in the Prospectus and has been derived from the audited historical consolidated financial statements of the Company for FY2019 and FY2020 and reviewed historical consolidated financial statements for 1HFY2021 (including the 1HFY2020 comparative information). The historical consolidated financial statements for FY2019 were audited by SingerLewak LLP in accordance with auditing standards accepted in the United States of America. The historical consolidated financial statements for FY2020 were audited and 1HFY2021 reviewed by Price, Kong, & Co. C.P.A's P.A. in accordance with auditing standards accepted in the United States of America. The audit opinion issued to the Directors of the Company in respect FY2019 and FY2020 were unqualified but included an emphasis of matter in relation to going concern. The review conclusion issued to the Directors of the Company in respect of 1HFY2021 was unqualified but also included an emphasis of matter in relation to going concern.

As described in Section 5.2 of the Prospectus the basis of preparation is the recognition and measurement principles contained in Generally Accepted Accounting Standards in the United States of America ("USGAAP") and the Company's adopted accounting policies included in Appendix A of the Prospectus.

The Historical Consolidated Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro Forma Historical Consolidated Financial Information

- The pro forma historical consolidated statement of operations for FY2019, FY2020 and 1HFY2021 (with 1HFY2020 comparative information) as set out in Section 5.6 of the Prospectus; and

- The pro forma historical consolidated balance sheet as at 30 June 2021 as set out in Section 5.11 of the Prospectus;

(referred to as the "Pro Forma Historical Consolidated Financial Information")

The Pro Forma Historical Consolidated Financial Information has been derived from the Statutory Historical Consolidated Financial Information after adjusting for the effects of the pro forma adjustments described in Section 5.7 and Section 5.12 of the Prospectus (the "Pro Forma Adjustments").

The stated basis of preparation of the Pro Forma Historical Consolidated Financial Information is the recognition and measurement principles contained in USGAAP and the Company's adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Statutory Historical Consolidated Financial Information. Due to its nature, the Pro Forma

Historical Consolidated Financial Information does not represent the Company's actual or prospective financial position, financial performance, or cash flows.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Consolidated Financial Information and the Pro Forma Historical Consolidated Financial Information, including the selection and determination of the Pro Forma Adjustments made to the Statutory Historical Consolidated Financial Information and included in the Pro Forma Historical Consolidated Financial Information; and

- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Consolidated Financial Information and Pro Forma Historical Consolidated Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Consolidated Financial Information and Pro Forma Historical Consolidated Financial Information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information".*

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

Our engagement did not involve updating or reissuing any previously issued audit or review reports on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

Statutory Historical Consolidated Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Historical Consolidated Financial Information from the audited and reviewed historical consolidated financial statements of the Company covering the years ended 31 December 2019 and 31 December 2020 and six months ended 30 June 2021 (including the 6 months ended 30 June 2020 comparative information);
- analytical procedures applied to the Statutory Historical Consolidated Financial Information;

- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Historical Consolidated Financial Information;
- enquiry of the Directors, management and others in relation to the Statutory Historical Consolidated Financial Information;

Pro Forma Historical Consolidated Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Pro forma Historical Consolidated Financial Information from the Statutory Historical Consolidated Financial Information covering the years ended 31 December 2019 and 31 December 2020 and six months ended 30 June 2021 (including the 6 months ended 30 June 2020 comparative information);
- consideration of the appropriateness of the Pro Forma Adjustments described in Section 5.7 and 5.12 of the Prospectus;
- analytical procedures applied to the Pro Forma Historical Consolidated Financial Information;
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Pro Forma Historical Consolidated Financial Information;
- enquiry of the Directors, management and others in relation to the Pro Forma Historical Consolidated Financial Information;

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusion

Statutory Historical Consolidated Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that the Statutory Historical Consolidated Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of presentation and preparation as described in Section 5.2 and 5.3 of the Prospectus.

Pro Forma Historical Consolidated Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Consolidated Financial Information is not presented fairly, in all material aspects, in accordance with the stated basis of presentation and preparation as described in Section 5.2 and Section 5.3.of the Prospectus.

Restriction on Use

Without modifying our conclusion, we draw your attention to Section 5.2 and 5.3 of the Prospectus which describes the purpose of the Statutory Historical Consolidated Financial Information and Pro Forma Historical Consolidated Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke

Partner

#6188535v2

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 15 October 2021.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by EBR Systems Inc. ("EBR" or the "Company") to provide general financial product advice in the form of an Independent Limited Assurance Report (the "Report") in relation to the offer of CHESS Depository Interests ("CDIs") in the company (the "Offer"). This report is included in the prospectus dated on or about 15 October 2021 (the "Prospectus"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of A$135,000 (excluding GST), which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of EBR in order to provide this report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with EBR (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Offer.

Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd

Level 17, 383 Kent Street

Sydney, NSW, 2000

Section 7.

Board, Senior Management and Corporate Governance

7.1. Board of Directors

The Board of Directors of the Company comprise the following Directors:

Allan Will
Executive Chair
(Age: 67)

Joined the Board in May 2003

Mr Will served as the CEO of the Company from 2011 until 2019, and has served in the role of Executive Chair since 2019.

Mr Will is a seasoned executive with extensive experience founding, funding, operating, and selling medical device companies. In addition to his role with the Company, Mr Will currently serves as chair of the boards of Fractyl Health, Inc. and SetPoint Medical Corporation, and a director of Fogarty Innovation, a not-for-profit institute promoting innovation in medical technology founded by Dr Thomas J Fogarty.

Previously, as chair of Ardian, Inc., Mr Will led negotiations of the company's acquisition by Medtronic Inc. for over US$800 million. Mr Will was also founding Managing Director of Split Rock Partners' Silicon Valley office, focusing on therapeutic medical devices, having joined Split Rock Partners' predecessor entity St. Paul Venture Capital (SPVC) in 2002. Mr Will was founder, chair and CEO of The Foundry, co-founding 11 companies there, including Ardian, Evalve, Inc. (acquired by Abbott Laboratories for US$450 million) and Concentric Medical Inc (acquired by Stryker Corp for US$135 million).

Mr Will is an inventor on more than 30 issued patents, is a University of Maryland Distinguished Alumnus and a recipient of the ASTIA/Deloitte Excellence in Mentoring Women Executives Award. He served on the MIT Entrepreneurship Center Shareholders' Board and the University of Maryland President's Committee on Innovation and Entrepreneurship.

Mr Will earned a B.S. degree in Zoology from the University of Maryland and his Master's degree in Management from the Massachusetts Institute of Technology.

John McCutcheon
President, Chief Executive Officer (CEO) and Executive Director (Age: 61)

Joined the Board in June 2019

Mr McCutcheon has served as President and CEO of EBR since June 2019 and is responsible for the overall management and strategic direction of EBR.

Mr McCutcheon has over 35 years' experience in sales, marketing, and management of medical device companies. Prior to joining EBR, Mr McCutcheon was the President and CEO of Ceterix Orthopaedics, Inc. for nine years from 2010 to 2019. He also held CEO roles at Ventus Medical, Inc. (2009-2010) and Emphasys Medical, Inc. (2000-2009).

Mr McCutcheon holds a B.A. in Economics and Psychology from the University of California, Los Angeles and an M.B.A. from the UCLA Anderson Graduate School of Management.

Christopher Nave, PhD
Non-executive Director
(Age: 46)

Joined the Board in October 2017

Dr Nave has served as a Director of EBR since 2017.

Dr Nave is a founder and Managing Director of Brandon Capital Partners and the CEO of the Medical Research Commercialisation Fund. Dr Nave previously served as the Director of Commercialisation at the Baker Heart Research Institute.

Dr Nave is currently a director of The Australian Investment Council, Azura Ophthalmics, Inc., Certa Therapeutics Pty Ltd, Global Kinetics Corporation Ltd, OccuRx Pty. Ltd., Osprey Medical, Inc. (ASX:OSP), PolyActiva Pty Ltd and Que Oncology, Inc. Dr Nave was chairperson of Fibrotech Therapeutics Pty Ltd at the time of its successful sale to Shire Plc and a director of Spinifex Pharmaceuticals, Inc. at the time of its sale to Novartis International AG.

Dr Nave holds a B.Sc. (Honours) from the University of Melbourne and a PhD in Endocrinology and Physiology for the University of Melbourne.

Trevor Moody
Non-executive Director
(Age: 56)

Joined the Board initially from May 2003 to April 2010. Current tenure commenced in October 2017

Mr Moody has served as a Director of EBR since 2017.

Mr Moody currently serves as Medical Device Partner at M.H. Carnegie & Co. (since October 2013), where he makes investments in medical device companies. He has also served since January 2010 as President of TM Strategic Advisors LLC, a management consultancy. Mr Moody was previously a General Partner at Frazier Healthcare Ventures, a large U.S. based private equity and venture capital firm.

Mr Moody is currently a director of electroCore, Inc. (NASDAQ: ECOR), Australian Medtech Services Pty Ltd, Cardiac Dimensions Pty Ltd, Renew Medical Pty Ltd, Serene Medical Pty Limited, The Brain Protection Company Pty Ltd, and CurvaFix, Inc. Mr Moody also serves on the board of Angel Flight West, a not-for-profit that provides free air transport for patients requiring long distance travel for medical treatment. Mr Moody was a director of Simplify Medical Pty Ltd at the time of its sale to NuVasive, Inc. (NASDAQ: NUVA).

Mr Moody holds a B.Eng. from the University of Southern Queensland, and a M.S. in Management from the Massachusetts Institute of Technology (Sloan School).

Bronwyn Evans, PhD AM
Non-executive Director
(Age: 61)

Joined the Board in October 2021

Dr Evans AM is an experienced leader and CEO with a broad technical background across multiple industry sectors including medical technology, manufacturing, power generation and distribution and technical regulation and standards.

Dr Evans is currently the CEO of Engineers Australia, the Chair of Building4.0 CRC, and the Director at GME Pty Ltd. Prior to her role with Engineers Australia, Dr Evans was the CEO of Standards Australia.

Dr Evans has previously held positions in innovation initiatives, including as Chair of MTPConnect (the Industry Growth Centre for Medical Technologies and Pharmaceuticals) and was a member of the Industry 4.0 Advanced Manufacturing Forum Leadership group. She has also held various senior engineering roles, including at Cochlear and GE Healthcare.

Dr Evans has been recognised as one of Australia's 100 most influential engineers and recognised as a 100 Women of Influence.

Dr Evans holds a B.E (Honours I) from the University of Wollongong and a PhD in Electrical Engineering from the University of Wollongong. She also has an Honorary Doctorate from Swinburne University and is an Honorary Fellow of the University of Wollongong and Engineers Australia and a Fellow of the Australian Academy of Technological Sciences and Engineering.

David Steinhaus, MD
Non-executive Director
(Age: 69)

Joined the Board in October 2021

Dr Steinhaus retired in 2019 as Vice President and General Manager of the Heart Failure Business for the Cardiac Rhythm and Heart Failure Division at Medtronic plc (NYSE:MDT).

Dr Steinhaus joined Medtronic in 2005, after 20 years of cardiology (electrophysiology) practice. Dr Steinhaus' responsibilities at Medtronic included bringing the physician voice to CRHF, identifying future opportunities in new product development, and serving as a liaison to government agencies, professional societies and medical groups.

Dr Steinhaus has been closely associated with research and academia, performing extensive clinical studies in implantable cardiac devices and leads. He served as Chair of the Department of Cardiology, and Director of the Electrophysiology Department at the Mid America Heart Institute and St. Luke's Hospital and Director of the Electrophysiology Fellowship Program at the University of Missouri at Kansas City School of Medicine, and has instructed students in medicine since 1982.

Since leaving Medtronic, he has served as a consultant and board member to multiple established and early stage medical device companies. He is currently the Executive Chairman of the board of Enopace Biomedical Ltd., a company which produces therapeutic neuromodulation devices for the treatment of heart failure.

A 1973 magna cum laude graduate of Harvard College, Dr Steinhaus received his medical doctorate from Harvard Medical School as part of the Harvard-M.I.T. program in Health Sciences and Technology, with AOA honours.

Karen Drexler
Non-executive Director
(Age: 62)

Joined the Board in October 2021

Ms Drexler is a serial entrepreneur with expertise in the fields of digital health, medical devices, and diagnostics.

Ms Drexler serves on the boards of two other public companies, Resmed, Inc. (NYSE, ASX:RMD), where she serves on the compensation and nominating and governance committees, and Outset Medical Inc.(NASDAQ: OM), where she chairs the compensation committee and serves on the nominating and governance committee.

Ms Drexler is also on the board of three private companies: Bone Health Technologies Inc., a medtech company focused on treating osteoporosis and its precursor, osteopenia, VIDA Diagnostics Inc., an artificial intelligence powered lung imaging solutions company, and Tivic Health Systems, Inc., a bioelectric medicine company focused on relief of congestion and sinus pain.

Ms Drexler also acts as a senior strategic advisor for other early-stage companies, and spent 11 years on the board of the Keller Center for Innovation in Engineering Education at Princeton University.

Ms Drexler is an active mentor and advisor with Astia, a global nonprofit that supports high-potential female founders. She is a founding member of Astia Angels, a network of individual investors who fund such founders, and a lead mentor with StartX, the Stanford University incubator. She is also on the Life Science and Women's Health Councils for Springboard, an accelerator for women-led technology-oriented companies. Ms Drexler graduated magna cum laude with a B.S.E. in chemical engineering from Princeton University, and earned an M.B.A. with honors from the Stanford University Graduate School of Business.

The composition of the Board committees is set out in Section 7.9.2.

Each Director has confirmed that they anticipate that they will have sufficient time to fulfil their responsibilities as a Non-executive Director or executive Director (and employee), as the case may be, of EBR.

The Chair and each Non-executive Director have advised the Company that they hold current positions with other organisations (described above). However, no Director believes that any other commitment will interfere with their availability to perform their duties as a Director of EBR.

7.1.1 Independence of Directors

In considering the independence of the Directors, the Board has had regard to the factors relevant to assessing independence, as set out in the Fourth Edition of the ASX Corporate Governance Principles and Recommendations.

The Board considers that a Director is an independent Director where that director is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Company as a whole rather than in the interests of an individual security holder or other party. Based on this review, the Board has determined that:

- Mr Allan Will and Mr John McCutcheon are not considered to be independent Directors due to their executive roles with the Company;
- Dr Christopher Nave is not considered to be an independent Director due to his position as Managing Director of Brandon Capital Partners. Certain funds and entities which are managed or advised by Brandon Capital Partners are substantial holders of the Company;
- Mr Trevor Moody is not considered to be an independent Director due to his position as Medical Device Partner at M.H. Carnegie & Co. Certain funds and entities which are managed or advised by M.H. Carnegie & Co are substantial holders of the Company; and
- Dr Bronwyn Evans, Dr David Steinhaus and Ms Karen Drexler are considered to be independent Directors.

7.1.2 Classes of Directors

Upon Listing, the Board will be divided into three classes of Directors with staggered three year terms. At each annual meeting of Shareholders commencing with the 2022 meeting, the Directors whose term then expires will be eligible for re-election to serve for a three year term (i.e. until the third annual meeting following their re-election).

The Directors will be divided into three classes as follows:

Director	Class	Expiration of term
Mr Allan Will and Mr Trevor Moody	Class I	2022 annual meeting
Mr John McCutcheon and Dr Bronwyn Evans	Class II	2023 annual meeting
Dr Chris Nave, Dr David Steinhaus and Ms Karen Drexler	Class III	2024 annual meeting

7.2. Key Managers

EBR's key management team is as follows:

John McCutcheon
President, CEO and Director

See Section 7.1 above.

Frank Hettmann
Chief Financial Officer (CFO)

Mr Hettmann joined EBR as CFO in May 2021.

Mr Hettmann has over 25 years of experience in senior and executive positions in finance, operations and administration within medical device and technology companies. Prior to joining EBR, Mr Hettmann was the CFO of Avenu Medical, Inc. (acquired by Medtronic Plc (NYSE: MDT)). He also previously served as CFO of Neology, Inc. and has held other executive-level finance positions at both publicly-traded and venture-backed companies in the U.S.

Mr Hettmann holds a B.A. in Business Economics from the University of California, Santa Barbara and an M.B.A. from Santa Clara University.

Parker Willis, PhD
Chief Technology Officer (CTO)

Dr Willis has served as CTO at EBR since September 2011 and previously served as Vice President of Research since 2006.

Dr Willis is an electrical engineer and has worked in medical devices for over 25 years, all in technical leadership capacities for development of novel technologies for cardiac electrophysiology. He previously held senior positions at Boston Scientific Corporation (NYSE: BSX) and Cardiac Pathways Corporation.

Dr Willis holds a B.Sc.in Electrical Engineering from the University of California, San Diego and a M.Sc. and PhD from the University of Illinois Urbana Champaign.

Spencer Kubo, MD
Chief Medical Officer (CMO)

Dr Kubo has served as CMO at EBR on a contract basis since November 2018.

Dr Kubo has extensive experience developing innovative cardiovascular devices including neuromodulation, mitral regurgitation and cardiac support.

Dr Kubo holds an MD degree and is a Fellow of the American College of Cardiology.

Andrew Shute
Senior Vice President of Global Field Operations

Mr Shute joined EBR in July 2015.

Mr Shute has over 20 years of medical device experience and has led the successful commercialisation of new technologies and products working in corporate start-up and distributor settings.

Mr Shute holds a B.Sc from the University of Wollongong.

Madhuri Bhat
Senior Vice President of Regulatory Affairs, Quality Assurance and Clinical

Ms Bhat joined EBR in February 2019.

Ms Bhat has over 20 years of experience in public affairs, public policy, clinical, quality assurance, and regulatory roles in medical devices. She has led several successful pivotal clinical trials, registries and secured regulatory approvals and clearances in the U.S. and internationally for Class II & III cardiovascular systems.

Ms Bhat holds a B.S. from the University of Bombay and a Master of Public Policy from Duke University.

John Sam
Vice President of Engineering and Operations

Mr Sam joined EBR in February 2018.

Mr Sam has over 15 years of medical device experience and has managed, supported and transferred many different technologies and products from concept to commercialisation.

Mr Sam holds a B.Sc.in Mechanical Engineering from California Polytechnic State University and a Master of Engineering Management from Santa Clara University.

Each Key Manager has confirmed that they anticipate that they will have sufficient time to fulfil their respective roles without constraint from other commitments.

7.3. Disclosure

No Director or Key Manager has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant to the performance of their role with EBR or which is relevant to an investor's decision as to whether to subscribe for CDIs under the Offer.

No Director or Key Manager has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

7.4. Directors and Key Managers' interests and benefits

7.4.1 Overview

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer and EBR. Other than as set out below or elsewhere in this Prospectus:

- no Director or proposed Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of EBR or the Offer; and
- none of the following persons:
  - a Director or proposed Director of EBR;
  - each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
  - a promoter of EBR; or
  - an underwriter to any part of the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in any part of the Offer,

holds or held at any time during the last two years an interest in:

- the formation or promotion of EBR;
- property acquired or proposed to be acquired by EBR in connection with its formation or promotion, or the Offer; or
- the Offer,

or was at any time paid or agreed to be paid any amount (whether in cash, Shares or otherwise), or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of EBR, or the Offer.

7.4.2 Employment arrangements with President and Chief Executive Officer

Mr McCutcheon commenced his employment as President and Chief Executive Officer on 17 June 2019.

From Listing, Mr McCutcheon will be entitled to a base annual salary of US$475,000 (subject to annual review). Mr McCutcheon is also eligible for an annual incentive bonus of up to 50% of his base salary based on annual performance targets determined by the Board.

Mr McCutcheon is eligible for the Company's standard benefits which are offered to all employees, including medical insurance, paid-time off and reimbursement of reasonable business expenses incurred in performing duties (e.g. travel expenses).

Mr McCutcheon will have the opportunity to receive grants of securities in the future under the 2021 Plan subject to Board approval and the Listing Rules, including the Options to be issued to him following Completion of the Offer, as described in Section 7.7.2. Details of Mr McCutcheon's holding of Options is set out in Section 7.4.8.

Mr McCutcheon's employment is on an "at-will" basis and may be terminated at any time, with or without cause or advanced notice, at the option of either the Company or Mr McCutcheon. Mr McCutcheon and the Company have also entered into a Severance and Change of Control Agreement, under which Mr McCutcheon may be entitled to certain additional benefits if his employment terminates involuntarily in connection with a change of control of the Company. See Section 7.4.6 for further details.

7.4.3 Employment arrangements with Chief Financial Officer

Frank Hettmann is employed as the Company's Chief Financial Officer. From Listing, Mr Hettmann will be entitled to a base annual salary of US$340,000 (subject to annual review). Mr Hettmann is also eligible for an annual incentive bonus of up to 40% of his base salary in cash based on annual performance targets determined by the Board. Mr Hettmann must be employed by the Company at the time of the bonus determination to qualify for payment.

Mr Hettmann is eligible for the Company's standard benefits which are offered to all employees, including medical insurance, paid leave and reimbursement of reasonable business expenses incurred in performing duties (e.g. travel expenses).

Mr Hettmann has been granted a total of 1,916,640 Options under the Company's 2013 Plan. He will also have the opportunity to receive further grants of securities in the future under the 2021 Plan subject to Board approval.

Mr Hettmann's employment is on an "at-will" basis and may be terminated at any time, with or without cause or advanced notice, at the option of either the Company or Mr Hettmann. Mr Hettmann and the Company have also entered into a Severance and Change of Control Agreement, under which Mr Hettmann may be entitled to certain additional benefits if his employment terminates involuntarily in connection with a change of control of the Company. See Section 7.4.6 for further details.

7.4.4 Other employment arrangements with Key Managers

The other Key Managers are generally employed on an at-will basis and may be terminated at any time, with or without cause or advanced notice, at the option of either the Company or the employee. The offer letters provide for a fixed cash compensation and an initial grant of Options and in certain cases, the ability to earn an annual bonus. Each employee is eligible for the Company's standard benefits.

7.4.5 Employment arrangements with Executive Chair

Allan Will is engaged as the Executive Chair of EBR and the terms of his engagement are contractually governed by letter agreement with EBR. Mr Will's role includes consulting and advisory meetings with the CEO and the senior management team.

Mr Will's compensation from Listing is US$4,853.33 per month (equivalent to US$58,240 on an annualised basis). Following completion of the Offer, the Company will also grant Mr Will Options (Section 7.7.2 sets out the terms and conditions upon which the grant will be made). Details of Mr Will's holding of Options is set out in Section 7.4.8.

Mr Will is eligible for the Company's standard benefits which are offered to all employees, including medical insurance, paid-time off and reimbursement of reasonable business expenses incurred in performing duties (e.g. travel expenses).

Mr Will and the Company have also entered into a Severance and Change of Control Agreement, under which Mr Will may be entitled to certain additional benefits if his employment terminates in connection with a change of control of the Company. See Section 7.4.6 for further details.

7.4.6 Change of Control Agreements

The Company has entered into Severance and Change of Control Agreements with Allan Will and certain of the Key Managers (including Mr McCutcheon and Mr Hettmann) providing for certain benefits in the event that they are involuntarily terminated in connection with a change of control transaction.

The benefits include:

- six (6) to twelve (12) months base salary (at the rate in effect at the time of such termination) and in some cases, one-half (1/2) of the employee's target bonus for the year in which the termination occurred;
- six (6) months of continued health insurance; and
- any outstanding options become fully vested and exercisable, and if the employee holds any restricted stock, any repurchase right shall lapse.

The above benefits are only triggered if the Company or its assets are sold (including a merger or consolidation into another corporation where the Shareholders do not hold more than 50% of the voting power) and the relevant employee is terminated without cause, or the employee resigns following a material change in his or her position (including a material reduction in the nature or scope of employee's authority, duties or responsibilities and a reduction in the employee's then-current compensation by more than 5% (excluding across-the-board reductions)).

7.4.7 Non-Executive Directors' fees and appointment letters

Under the Bylaws, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director of EBR. However, under the Listing Rules, the total amount paid to all Directors (excluding the salary of any executive Director) for their services must not exceed in aggregate in any financial year the amount fixed by EBR in a general meeting. This amount has been fixed at US$800,000.

The cash fees to be paid by EBR to its Non-executive Directors are US$40,000 per annum. In the case of the Australian Non-executive Directors, this amount is inclusive of statutory.

In addition, each Chair of a Board committee will receive an annual fee of US$15,000 (inclusive of statutory superannuation, if applicable) for his/her services as Chair of that committee. Directors will receive an additional annual fee of US$7,500 (inclusive of statutory superannuation, if applicable) for being a member of a Board committee (other than the Chair).

Mr Moody has directed the Company to pay his director fees to Australian Medtech Services Pty Ltd, a company in which Mr Moody is a director and shareholder (through TM Strategic Advisors LLC). Dr Nave has directed the Company to pay his director fees to BCP3 Pty Ltd, a company in which Dr Nave is managing director and a shareholder.

Each of the Non-executive Directors of the Company (or in the case of Dr Nave and Mr Moody, those Directors' nominees) will receive a grant of Options following completion of the Offer. The Non-executive Directors may also receive future grants of securities subject to the Listing Rules and Board approval. See Section 7.7.1 below for a description of that plan and Section 7.7.2 for the terms and conditions upon which the grants are to be made to the Non-Executive Directors.

Directors may be reimbursed for travel and other expenses incurred in attending to EBR's affairs.

Each Non-executive Director has entered into an appointment letter with EBR, confirming the terms of their appointment, roles and responsibilities and EBR's expectations of them as Directors.

7.4.8 Directors' interests in securities

The table below sets out the direct and indirect interests of the Directors in the securities of EBR as at the date of this Prospectus and following completion of the Offer and U.S. Private Placement, including the fully diluted percentage holdings these interests represent at Listing.

	As at Prospectus Date				Following completion of Offer and U.S. Private Placement			
Director	**Shares[1]**	**Options**	**Warrants**	**Convertible Notes (face value in USD)**	**CDIs/ Shares[1]**	**Options**	**Warrants**	**Holding % (fully-diluted)[2]**
Allan Will[3]	6,095,870	2,364,064	250,012	$266,165	6,427,224	2,535,185	250,012	2.9%
John McCutcheon	–	8,206,338	–	$0	–	8,511,057	–	2.7%
Christopher Nave	–	–	–	$0	–	100,100	–	0.0%
Trevor Moody	–	–	854,018[5]	$0	–	100,100[4]	854,018[5]	0.3%
Bronwyn Evans	–	–	–	$0	–	100,100[6]	–	0.0%
David Steinhaus	–	–	–	$0	–	100,100	–	0.0%
Karen Drexler	–	–	–	$0	–	100,100	–	0.0%

Notes:

1. Figures for Shares are equivalent to the same number of CDIs.
2. Figures as at the Prospectus Date, and following completion of the Offer and U.S. Private Placement, are calculated on the basis described under the heading 'Pre- and post- allotment figures' in the Important Information section at the beginning of this Prospectus, except that for the figures as at the Prospectus Date, the Note Conversion is not treated as having already occurred.

3. Figures for Allan Will do not include a total of 1,884,000 Shares held by his adult children: 628,000 Shares held by each of Ashley Will and Sarah Will, and a further 628,000 Shares held by Ashley and Sarah Will jointly on trust for the benefit of Matthew Standen Will. Allan Will does not control, or have a beneficial interest in, these Shares. The figures for Allan Will do however include 600,000 Shares held by his partner, Taphne Lux.
4. Options to be held by MRCF BTF Service (BCPIT) Pty Ltd as trustee for the MRCF BTF (BCP Investment) Trust. Mr Nave has a beneficial interest in the MRCF BTF (BCP Investment) Trust.
5. Warrants of Trevor Moody are held by M.H. Carnegie & Co. Pty Ltd on his behalf.
6. Options to be held by Australian Medtech Services Pty Ltd (**AMS**). Mr Moody is a director of AMS and his management consultancy, TM Strategic Advisors LLC, is a shareholder of AMS.

In addition, the Directors (or their spouses or their associates) may apply for CDIs under the Offer or U.S. Private Placement (as applicable), subject to compliance with applicable laws. If the Directors (or their spouse or associate) do apply for CDIs under the Offer or U.S. Private Placement, the figures in the above table will be affected. The Company will notify ASX of the Directors' interests at the time of Listing in accordance with the Listing Rules.

7.4.9 Indemnification of Directors, officers and employees, and insurance

As permitted under Delaware law, EBR indemnifies certain officers and Directors and is permitted to indemnify employees for certain events or occurrences that happen by reason of their relationship with, or position held at, EBR. The Company's Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

EBR has entered into indemnification agreements with its Directors and certain officers to this effect, including advancement of expenses incurred in legal proceedings to which the Director or officer was, or is threatened to be made, a party by reason of the fact that such Director or officer is or was a Director, officer, employee or agent of EBR, provided that such Director or officer acted in good faith and in a manner that the Director or officer reasonably believed to be in, or not opposed to, the Company's best interests. At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

EBR maintains insurance policies that indemnify the Company's Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

7.4.10 401(k) Plan

The Company has in place a defined contribution retirement savings plan under section 401(k) of the U.S. Internal Revenue Code (**401(k) Plan**). The 401(k) Plan is open to all U.S. employees of EBR and allows participants to contribute their pre-tax income to the plan up to the maximum annual amounts allowed under the U.S. Internal Revenue Code. EBR pays all administrative fees associated with the 401(k) Plan for its employees. In addition, EBR may elect to make discretionary contributions to the employees' individual funds based on targets established annually and approved by the Board.

7.5. Interests of advisors

The Company has engaged the following professional advisors in relation to the Offer:

(a) Bell Potter has acted as Financial Advisor, Joint Lead Manager and underwriter to the Offer, and will receive the fees under the Underwriting Agreement described in Section 9.6.

(b) Morgans has acted as Joint Lead Manager and underwriter to the Offer, and will receive the fees under the Underwriting Agreement described in Section 9.6.

(c) Wilsons has acted as Joint Lead Manager and underwriter to the Offer, and will receive the fees under the Underwriting Agreement described in Section 9.6.

(d) Cooley, LLP has acted as U.S. legal adviser to the Company for certain legal matters in connection with the Offer. The Company has paid or agreed to pay US$550,000 (excluding disbursements) for these services up to the date of this Prospectus.

(e) Johnson Winter & Slattery has acted as Australian legal adviser to the Company in connection with the Offer. The Company has paid or agreed to pay A$500,000 (excluding GST and disbursements) for these services up to the date of this Prospectus.

(f) Perkins Coie LLP has acted as IP attorney to the Company in connection with the Offer and has prepared the report in Section 10 of the Prospectus. The Company has paid or agreed to pay US$15,086 (excluding disbursements) for these services up to the date of this Prospectus.

(g) Grant Thornton Corporate Finance Pty Ltd has acted as the Investigating Accountant in connection with the Offer and has performed work in relation to the Investigating Accountant's Report. The Company has paid, or agreed to pay, A$135,000 (excluding GST and disbursements) for these services up to the date of this Prospectus.

(h) Altum Partners LLP has undertaken taxation due diligence on the Company in connection with the Offer. The Company has paid, or agreed to pay, approximately US$2,950 (plus disbursements and GST) for the above services up until the date of this Prospectus.

These amounts and other expenses of the Offer will be paid out of the funds raised under the Offer or cash otherwise available to EBR.

7.6. Interests of founders

Although none of the three founders of the Company remains closely involved in the Company's management or strategic direction, they do retain the following security holdings:[1]

(a) Mr Richard Riley holds 563,723 Shares, 1,759,725 Options, 50,002 Warrants and Convertible Notes with a face value of US$53,232.72; or 629,993 Shares, 1,759,725 Options and 50,002 Warrants following completion of the Offer and U.S. Private Placement (being approximately 0.77% on a fully-diluted basis);

(b) two trusts associated with Dr Axel Brisken hold a total of 134,600 Shares; being approximately 0.04% on a fully-diluted basis following completion of the Offer and U.S. Private Placement; and

(c) two trusts associated with Dr Debra Echt hold a total of 134,500 Shares; being approximately 0.04% on a fully-diluted basis following completion of the Offer and U.S. Private Placement.

7.7. Incentive plans

7.7.1 2021 Equity Incentive Plan

The Company has adopted the 2021 Equity Incentive Plan (**2021 Plan**) which is intended to serve as the successor equity incentive plan to the Company's 2013 Equity Incentive Plan (see Section 7.7.4 below). The 2021 Plan will expire in 2031. The Company also intends to adopt a sub-plan to the 2021 Plan that will apply to awards of Options granted to participants who are resident in Australia. The sub-plan for Australian participants will be deemed to be part of the 2021 Plan. As at the date of this Prospectus, no Options or other securities are outstanding under the 2021 Plan.

Under the 2021 Plan, the Company may grant incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards and other stock-based awards (together the **Awards**). Subject to the 'evergreen' provision explained below, the maximum number of Shares that may be issued under the 2021 Plan (including upon conversion of convertible securities) (**Share Reserve**) is equal to 35,064,607 Shares plus Shares that are represented by incentives which have previously been granted under the Company's 2013 Plan which, on or after the date that the 2021 Plan becomes effective, are forfeited, expire or cancelled without delivery of Shares or involve the forfeiture of Shares already delivered back to the Company. As at the date of this Prospectus, the Share Reserve is 35,064,607 Shares.

In addition, the 2021 Plan contains an 'evergreen' provision, which allows for an annual increase on 1 January of each year in the Share Reserve commencing on (and including) 1 January 2023 to (and including) 1 January 2031.The annual increase in the Share Reserve will be at the Board's discretion and will be equal to up to 4% of the number of capital stock outstanding as of 31 December of the preceding calendar year, subject to a cap of the total Share Reserve of 18% of the fully diluted capital stock as of the same date (including unutilised Share Reserve). Based on the anticipated capitalisation of

1. Figures are expressed in the same way as for the Directors in Section 7.4.8.

the Company immediately following the Offer, a maximum of 63,690,077 Shares may be issued under the 2021 Plan (subject to any future changes to the capitalisation of the Company). This will be the maximum number of securities that may be issued under the 2021 Plan in reliance upon Exception 13 to Listing Rule 7.2 (that is, without those securities counting towards the Company's 'placement capacity' under Listing Rule 7.1 absent further stockholder approval).

The 2021 Plan is administered by the Board. In accordance with the provisions of the 2021 Plan, the Board will determine the terms of Options and other Awards which are granted under the 2021 Plan, including:

- which employees, Directors and consultants will be granted Awards under the 2021 Plan;
- when and how the Awards would be granted;
- the type of Award that would be granted;
- the provisions of each Award, including when a participant is permitted to exercise or otherwise receive cash or Shares under the Award;
- the number of Shares subject to an Award, or the cash value of such Award;
- the exercise price of each Award, which will generally not be less than fair market value of the Shares on the date the Award is granted; and
- the fair market value application to an Award.

Subject to the Listing Rules, the Board or any committee to which the Board delegates authority may, with the consent of the affected participant, amend the terms of outstanding Awards consistent with the terms of the 2021 Plan.

Upon the consummation of a Corporate Transaction (as defined in the 2021 Plan and includes a company sale, merger, consolidation or similar transaction following which the Company is not the surviving corporation), the following provisions will generally apply:

- Any or all outstanding awards may be assumed or continued, or substituted for similar awards, and any reacquisition or repurchase rights held by the Company may be assigned to the successor of the Company (or the successor's parent company, if any).
- If the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any outstanding Award or substitute similar Awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted that are held by participants whose continuous service has not been terminated prior to the effective time of a Corporate Transaction (**Current Participants**), such Awards will accelerate and vest in full (with performance-based Awards vesting at 100% of the target level) to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective time of the Corporate Transaction). Any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction).
- If the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any outstanding Award or substitute similar Awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted that are held by persons other than Current Participants, such Awards will terminate if not exercised prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.
- In the event that an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the participant would have received upon the exercise of the Award, over (2) any exercise price.

The Board is not obligated to treat all Awards or portions of Awards, even those of the same type, in the same manner.

7.7.2 Offers to Directors

The Board has resolved to grant Options to purchase Shares to the Directors (or in the case of Dr Nave and Mr Moody, to their nominees) following completion of the Offer.

The grants are described below.

Grant date	On or about the date of Listing
Recipients	Each Director individually except for Dr Nave and Mr Moody. The Options for Dr Nave will be issued to MRCF BTF Service (BCPIT) Pty Ltd as trustee for the MRCF BTF (BCP Investment) Trust and the Options for Mr Moody will be issued to Australian Medtech Services Pty Ltd (**AMS**).
Number	o Allan Will – 171,121 Options o John McCutcheon – 304,719 Options o Each Non-executive Director (or their nominee, as applicable) – 100,100 Options
Consideration for grant	Nil
Exercise price	The U.S. dollar equivalent of A$1.08 (being the Offer Price).
Vesting conditions	In respect of Dr Bronwyn Evans, Dr David Steinhaus and Ms Karen Drexler, one-third of the Options will vest on the first anniversary of their commencement date as a Director and the remainder will vest in equal monthly instalments over the subsequent two years at a rate of 1/36th of the total Options per month. In respect of the other Directors (or their nominees), one-third of the Options will vest on the first anniversary of the date of Listing and the remainder will vest in equal monthly instalments over the subsequent two years at a rate of 1/36th of the total Options per month.
Deadline for exercise of any vested Options	If the Director ceases to be an employee, Director or consultant of the Company (as the case may be), he or she (or the relevant nominee holder, as applicable) must exercise any vested Options within three months after termination, unless such termination is due to his or her death or disability, in which case any vested Options will be exercisable for one year after he or she ceases to be an employee, Director or consultant. Notwithstanding the foregoing, the term of the Options will be no more than ten years after the grant date.
Treatment in a "Change in Control" (as defined in the 2021 Plan)	In respect of Mr Will's Options, 100% of the then-unvested Shares subject to any outstanding Options will accelerate and become fully-vested.
Other information	o The Options are being granted under the 2021 Plan, except for the Options to be granted to MRCF BTF Service (BCPIT) Pty Ltd as trustee for the MRCF BTF (BCP Investment) Trust and AMS, which are outside of the 2021 Plan, but subject to the terms and conditions of the 2021 Plan. A summary of the material terms of the 2021 Plan is set out in Section 7.7.1. o Options were chosen to be issued to the Directors in order to align the interests of the Directors with the interests of Shareholders and CDI Holders, and to provide an opportunity for the Directors to acquire CDIs.

Other information *continued*	o For the Options issued to:
	  o the Non-executive Directors, the Board based the number of Options to be issued on a value of US$80,000 or A$108,108.11, and divided such value by the Offer Price of A$1.08;
	  o Mr Will, the Board based the number of Options to be issued on a value of US$136,760 or A$184,810.81 and divided such value by the Offer Price of A$1.08; and
	  o Mr McCutcheon, the Board based the number of Options to be issued on a value of US$243,531.43 or A$329,096.52 and divided such value by the Offer Price of A$1.08.
	o No loans will be provided to the Directors by the Company in relation to the exercise of the Options.
	o No Options have been issued under the 2021 Plan to date. Allan Will and John McCutcheon have previously been granted Options under the 2013 Plan. Those Options were issued for nil cash consideration and have exercise prices of US$0.16 and US$0.14 for Mr Will and US$0.14 and US$0.12 for Mr McCutcheon. The details of the Directors' Option holdings are set out in Section 7.4.8.
	o Details of any Options issued under the 2021 Plan will be published in EBR's annual report relating to the period in which they were issued. Any additional Directors (or other persons covered by Listing Rule 10.14) who become entitled to participate in an issue of securities under the 2021 Plan and who are not named in this Prospectus, will not participate until Shareholder approval is obtained.

7.7.3 Future Awards

Options and other incentives will be an important component of any compensation arrangements with new personnel, as well as an ongoing incentive for the Company's existing staff. Accordingly, the Company believes that it will issue new Options or other incentives following its admission to the ASX as and when new personnel are recruited. Any issuance of Awards to new or existing staff and contractors following the Company's admission to the ASX will be under the terms and conditions of the 2021 Plan and will be within the permitted Share Reserve. To the extent that the Listing Rules require Shareholder approval for an issuance under the 2021 Plan (e.g. for an issuance to a new Director), such approval will be sought before the issuance is made by the Company.

7.7.4 2013 Equity Incentive Plan

The Company's 2013 Equity Incentive Plan (**2013 Plan**) was adopted initially by the Board and approved by Shareholders in June 2013. The 2013 Plan was subsequently amended on June 2015, January 2016, March 2016, May 2016, September 2016, October 2017 and August 2019, in each case, to increase the number of shares available for grant under the 2013 Plan. The purpose of the 2013 Plan was to provide incentive to the Company's employees, officers, Directors and consultants in the form of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards and other stock awards (together, the **Stock Incentives**). The 2013 Plan is administered by the Board.

The 2013 Plan is the predecessor to the 2021 Plan. Following this date, no additional Stock Incentives will be awarded under the 2013 Plan, but Stock Incentives previously granted under the 2013 Plan continue to be governed by the terms of the 2013 Plan. As at the date of this Prospectus, there are 28,596,786 Options currently outstanding. Shares underlying Stock Incentives granted under the 2013 Plan that are forfeited, expired or cancelled without delivery of Shares, or that result in the forfeiture of Shares back to the Company on or after the date that the 2021 Plan becomes effective, will increase the number of Shares available for issuance under the 2021 Plan.

In the event of a Capitalisation Adjustment (as defined in the 2013 Plan), the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the 2013 Plan, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of incentive stock options, and (iii) the class(es) and number of securities and price per Share subject to outstanding Stock Incentives. In the event of a dissolution or liquidation, all outstanding Stock Incentives (other than those that are vested and outstanding that are not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Shares subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company; provided, however, that the Board may cause some or all Stock Incentives to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture.

If the Company undergoes a Transaction (as defined in the 2013 Plan) and includes a merger, company sale or change in control transaction, then the Board may take one or more of the following actions:

- provide that outstanding Stock Incentives will be assumed by or substituted for similar awards of the successor corporation;
- assign any reacquisition or repurchase rights held by the Company to the successor corporation or arrange for the lapse of such rights;
- accelerate the vesting of Stock Incentives to a date prior to the effective date of such Transaction, with such Stock Incentives terminating if not exercised; or
- cancel Stock Incentives to the extent not vested or exercised prior to the effective date of the Transaction, in exchange for cash consideration (if any) or other payment that the Board may in its sole discretion consider appropriate.

The Board is not obligated to treat all Stock Incentives or portions of Stock Incentives, even those of the same type, in the same manner.

7.8. Related party interests

7.8.1 Current and proposed transactions

Other than as set out elsewhere in this Prospectus (including the remuneration arrangements with the Directors described in Section 7.4), there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

7.8.2 Policy for approval of related party transactions

From Listing, the Audit and Risk Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which parties related to EBR, including its executive officers, Directors and certain other persons who the Board determines may be considered related parties of EBR, have or will have a material direct or indirect interest. The Company's Related Person Transactions Policy sets out the procedures for the identification, review, consideration, and approval or ratification of transactions involving EBR and any "Related Person" (as that term is defined in the Related Person Transactions Policy) by the Audit and Risk Committee or by such other independent committee of the Board of Directors as may be designated by the Board of Directors.

Certain transactions with related parties will also be subject to Shareholder approval under the Listing Rules.

7.9. Corporate Governance

7.9.1 Board charter

The functions and the responsibilities of the Board are set out in EBR's Board Charter. The Board Charter establishes the functions reserved to the Board and those delegated to the Company's management. Additionally, the Board Charter outlines certain characteristics of the Board including the ideal composition of the Board.

A copy of the EBR Board Charter will be made available on the Company's website at www.investors.ebrsystemsinc.com.

7.9.2 Board committees

The Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities as set out below. The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Committee	Overview	Members
Audit and Risk	The Audit and Risk Committee will oversee EBR's financial reporting process on behalf of the Board and will make recommendations to the Board on the appointment, compensation and retention of external auditors. The Audit and Risk Committee will also oversee the establishment, methodology and implementation of EBR's risk management system and its resourcing.	Dr Bronwyn Evans (chair) Dr Christopher Nave Dr David Steinhaus
Nomination and Remuneration	The Nomination and Remuneration Committee will: o establish processes for the identification of suitable candidates for appointment to the Board; o establish processes for reviewing the performance of individual Directors, the Board as a whole, and Board committees; o determine the executive remuneration policy and the Non-executive Director remuneration policy; and o review all equity based incentive plans.	Ms Karen Drexler (chair) Mr Allan Will Dr Christopher Nave Mr Trevor Moody

Each of these committees has the responsibilities described in the committee charters which have been prepared having regard to the Listing Rules, the Corporations Act and the ASX Corporate Governance Principles and Recommendations.

7.9.3 Policies

The Board has approved the following policies to apply upon EBR's Listing on the ASX, each of which has been prepared having regard to the Listing Rules, the Corporations Act and the ASX Corporate Governance Principles and Recommendations.

Code of conduct — This policy sets out EBR's key values and the standards of ethical behaviour that EBR expects from its Directors, Key Managers and employees.

Securities trading policy — This policy sets out EBR's internal controls and procedures in relation to dealings in EBR securities by Directors, Key Managers and employees, and provides guidance on insider trading laws. This policy provides that Directors, employees, contractors and certain other persons must not deal in the Company's securities when they are aware of 'inside' information. Directors and certain key personnel must not deal in the Company's securities during certain blackout periods and must obtain prior clearance for any proposed dealing in EBR securities outside of a blackout period.

Continuous disclosure policy — This policy sets out the procedures and measures designed to ensure the Company's compliance with its continuous disclosure requirements. This policy also sets out EBR's practices for ensuring effective communication with its CDI Holders and Shareholders and to encourage securityholder participation at stockholder meetings.

Risk management policy — This policy is designed to assist EBR to identify, assess, monitor and manage its risks, along with identifying material changes to its risk profile.

Diversity and inclusion policy — This policy aims to promote diversity amongst EBR's employees.

Whistleblower policy for accounting and auditing matters — This policy governs the receipt and treatment of complaints regarding illegal, unethical or otherwise improper conduct by the Company, or any of its employees.

Anti-bribery and anti-corruption policy — This policy sets out the Company's commitment to doing business with integrity and avoiding corruption in any form.

The above policies will be made available on the Company's website at www.investors.ebrsystemsinc.com.

7.9.4 ASX Corporate Governance Principles

EBR is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations for ASX listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptive, but are guidelines. However, under the Listing Rules, EBR will be required to provide a corporate governance statement in or with its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where it has not followed a recommendation for any part of the reporting period, it must identify the recommendation that has not been followed and state the period during which it has not been followed, and give reasons for not following it and state what (if any) alternative corporate governance practices the Company adopted. The Board anticipates that it will follow all of the recommendations, except as follows:

- The Company will not follow recommendation 1.5 in full as at the date of admission to the official list of ASX, because it has not yet set measurable objectives to achieve gender diversity due to it currently having only a small number of employees. When appropriate having regard to its scale and resources, the Company intends to:
  - establish appropriate and measurable objectives for achieving gender diversity and
  - annually review and assess both the measurable objectives for achieving gender diversity and the Company's progress in achieving them.
- The Company will not follow recommendation 2.4 (i.e., that a majority of the board of a listed entity should be independent directors) as at the date of admission to the official list of ASX. While the majority of the Board is not comprised of independent Directors, the roles of Chair (Mr Allan Will) and CEO (Mr John McCutcheon) are exercised by separate individuals. The Board also believes that each of the independent Directors (Dr Bronwyn Evans, Dr David Steinhaus and Ms Karen Drexler) brings objective and independent judgement to the Board's deliberations, and that the non-independent Directors (Mr Allan Will, Mr John McCutcheon, Dr Christopher Nave and Mr Trevor Moody) make an invaluable contribution to EBR through their deep understanding of EBR's business. Dr Nave and Mr Moody are also Non-executive Directors. Consequently, having considered EBR's immediate requirements as it transitions to an ASX-listed company, the Board believes that the composition of the Board reflects an appropriate range of skills, expertise and experience for the Company after listing.
- The Company will not follow recommendation 2.5 in full as at the date of admission to the official list of ASX because the Chair (Mr Allan Will) is not an independent director. While Mr Will is not an independent director, the Board considers that he is the most appropriate Director to chair the Company as it transitions to an ASX-listed company given his extensive knowledge of the Company and its industry.

- The Company will not follow recommendations 2.1 and 8.1 in full as at the date of admission to the official list of ASX, because a majority of the members of the Nomination and Remuneration Committee (Mr Allan Will, Dr Christopher Nave and Mr Trevor Moody) are not independent directors. The Board considers the composition of the Nomination and Remuneration Committee to be appropriate given the Company's stage of development and the skills and experience of the members of the Committee.

7.10. Continuous disclosure

Once listed on the ASX, EBR will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, it will be required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. EBR is committed to observing its disclosure obligations under the Listing Rules and the Corporations Act. Accordingly, as described above at Section 7.9.3, the Company has adopted a continuous disclosure policy to take effect from Listing on the ASX which establishes procedures which are aimed at ensuring that Directors and Key Managers are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company's continuous disclosure announcements will be available on its website at www.investors.ebrsystemsinc.com, in addition to the announcements section of the ASX's website.

Section 8.

Details of the Offer

8.1. Overview of the Offer

This Prospectus relates to an initial public offering by the Company of 100,064,351 New CDIs (equivalent to 100,064,351 Shares) at an Offer Price of A$1.08 per CDI to raise gross proceeds of a minimum of approximately A$108.1 million.

A summary of the rights attaching to the CDIs is set out in Section 12.7.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus and is fully underwritten by the Joint Lead Managers.

8.2. Structure of the Offer

The Offer will consist of:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and other authorised jurisdictions to apply for CDIs; and
- the Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their Broker.

8.3. U.S. Private Placement

Concurrently with the Offer, EBR is conducting a private placement of CDIs to certain accredited investors in the U.S. (**U.S. Private Placement**). The U.S. Private Placement is fully underwritten by the Joint Lead Managers.

Participation in the U.S. Private Placement will be limited to the accredited investors who have entered into binding commitments or agreements with EBR or Bell Potter to participate in the U.S. Private Placement. EBR is not making a public offer of its securities in the U.S.

The U.S. Private Placement will be at US$0.80 per CDI. EBR will issue 1,787,500 CDIs under the U.S. Private Placement, in exchange for gross proceeds of approximately US$1.4 million or approximately A$1.9 million.

8.4. Purpose of the Offer and sources and uses of funds

The Offer and U.S. Private Placement is being conducted to:

- provide EBR with funding to support its growth strategies, including by investing in:
  - funding the clinical development of its lead WiSE® wireless pacemaker product through its pivotal clinical trial in the U.S.;
  - expanding EBR's sales and marketing resources to support its commercialisation activities;
  - expanding EBR's manufacturing infrastructure and capacity; and
  - further research and development to improve and further develop EBR's technologies.
- provide EBR access to listed capital markets to support future growth;
- pay the costs of the Offer; and
- fund general working capital requirements.

Further details about the sources of the funds that will be used to carry out these objectives (including the proceeds under the Offer and U.S. Private Placement) and how those funds will be allocated are set out in the tables below.

Sources of proceeds	(A$ million)	% of funds raised
Cash proceeds received from issue of CDIs by the Company under the Offer	108.1	98.2%
Cash proceeds received from issue of CDIs by the Company under the U.S. Private Placement	1.9	1.8%
Total	**110.0**	**100%**

Use of proceeds	(A$ million)	% of funds raised
Capital expenditure towards manufacturing	6.2	5.7%
Sales and Marketing	26.8	24.3%
Regulatory and Clinical	20.3	18.4%
Research and Development	24.0	21.9%
Costs of the Offer and U.S. Private Placement	**8.1**	**7.4%**
General and Administrative Costs and Working Capital	24.6	22.3%
Total	**110.0**	**100%**

The above table is a statement of current intentions as at the date of this Prospectus. Investors should be aware that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied. In addition, as the proceeds of the Offer will be received in Australian dollars and the expenditure will be in U.S. dollars, the actual amount of the proceeds used for each of the items above will depend on the A$:US$ exchange rate at the time that the funds are converted to U.S. dollars.

The Board is satisfied that, upon completion of the Offer and U.S. Private Placement, the Company is expected to have sufficient working capital to carry out its business objectives as stated above to at least mid-2024.

The Board will consider raising further capital where and when it is appropriate based on its future capital requirements or to accelerate growth.

8.5. Capital and ownership structure

8.5.1 Capital structure

The following table sets out the Company's indicative capital structure immediately prior to, and following allotment, under the Offer and U.S. Private Placement.

	Pre-allotment	Post-allotment		
	Number	Number	Undiluted %	Fully-diluted %
CDIs held by Existing Holders	144,329,347	144,329,347	53.9%	45.3%
Indicative number of CDIs to be issued on conversion of principal and accrued interest under Convertible Notes	21,692,195	21,692,195	8.1%	6.8%
New CDIs issued to investors under the Offer and U.S. Private Placement	–	101,851,851	38.0%	32.0%
Subtotal (CDIs)	***166,021,542***	***267,873,393***	***100.0%***	***84.0%***
Options	28,596,786	31,084,733		9.8%
Warrants	19,811,028	19,811,028		6.2%
Subtotal (Options and Warrants)	***48,407,814***	***50,895,761***		***16.0%***
Total (fully-diluted)	**214,429,356**	**318,769,154**	**100.00%**	**100.00%**

Notes:

1. Assumes all Existing Holders hold CDIs.
2. "CDIs held by Existing Holders" does not include any CDIs which may be issued under the Offer or U.S. Private Placement, or upon conversion of the Convertible Notes (both of which are dealt with elsewhere in this table).
3. Figures relating to the conversion of interest on Convertible Notes are based on the assumption that the Note Conversion will occur on the scheduled Allotment Date (19 November 2021).
4. Figures relating to Warrants include 3,086,515 warrants issued by EBR Systems (Aust) Pty Ltd. On exercise of the warrants, the shares issued are automatically exchanged for the issue of new Shares in EBR.
5. Assumes no Options or Warrants are exercised or lapse before allotment.

The Company's free float (within the meaning of the Listing Rules) at the time of Listing will not be less than 20%.

Details of the securities that are expected to be subject to escrow arrangements are contained in Section 12.12.

8.5.2 Ownership structure

The following table sets out the Company's ownership structure immediately prior to, and following allotment under, the Offer and U.S. Private Placement.

	Pre-allotment			Post-allotment		
	Number	% of CDIs (undiluted)	% of Securities (fully diluted)	Number	% of CDIs (undiluted)	% of Securities (fully diluted)
Brandon Capital Partners & Brandon Clients, consisting of:	54,284,728 CDIs 6,690,779 Warrants	32.7%	28.4%	54,284,728 CDIs 6,690,779 Warrants	20.3%	19.1%
– HESTA	*18,480,532 CDIs 3,072,232 Warrants*	*11.1%*	*10.1%*	*18,480,532 CDIs 3,072,232 Warrants*	*6.9%*	*6.8%*
– Hostplus	*18,762,846 CDIs 2,094,880 Warrants*	*11.3%*	*9.7%*	*18,762,846 CDIs 2,094,880 Warrants*	*7.0%*	*6.5%*
– AustralianSuper	*8,782,983 CDIs 449,961 Warrants*	*5.3%*	*4.3%*	*8,782,983 CDIs 449,961 Warrants*	*3.3%*	*2.9%*
– Statewide Super	*6,161,947 CDIs 1,024,372 Warrants*	*3.7%*	*3.4%*	*6,161,947 CDIs 1,024,372 Warrants*	*2.3%*	*2.3%*
– Other	*2,096,420 CDIs 49,334 Warrants*	*1.3%*	*1.0%*	*2,096,420 CDIs 49,334 Warrants*	*0.8%*	*0.7%*
M.H. Carnegie & Co. and its funds	32,054,534 CDIs 5,128,887 Warrants	19.3%	17.3%	32,054,534 CDIs 5,128,887 Warrants	12.0%	11.7%
Split Rock Partners	26,103,931 CDIs 2,646,728 Warrants	15.7%	13.4%	26,103,931 CDIs 2,646,728 Warrants	9.7%	9.0%
Ascension Ventures	12,818,782 CDIs 937,774 Warrants	7.7%	6.4%	12,818,782 CDIs 937,774 Warrants	4.8%	4.3%
Allan Will	6,427,224 CDIs 2,364,064 Options 250,012 Warrants	3.9%	4.2%	6,427,224 CDIs 2,535,185 Options 250,012 Warrants	2.4%	2.9%
John McCutcheon	8,206,338 Options	0.0%	3.8%	8,511,057 Options	0.0%	2.7%

	Pre-allotment			Post-allotment		
	Number	**% of CDIs (undiluted)**	**% of Securities (fully diluted)**	**Number**	**% of CDIs (undiluted)**	**% of Securities (fully diluted)**
Other Directors	0 Options 854,018 Warrants	0.0%	0.4%	500,500 Options 854,018 Warrants	0.0%	0.4%
Other Key Managers	8,159,334 Options	0.0%	3.8%	8,690,941 Options	0.0%	2.7%
Other participants under the equity incentive plans	9,867,050 Options	0.0%	4.6%	10,847,050 Options	0.0%	3.4%
Other Existing Holders	34,332,343 CDIs 3,302,830 Warrants	20.7%	17.5%	34,332,343 CDIs 3,302,830 Warrants	12.8%	11.8%
Subtotal	166,021,542 CDIs 28,596,786 Options 19,811,028 Warrants	100.0%	100.0%	166,021,542 CDIs 31,084,733 Options 19,811,028 Warrants	62.0%	68.0%
CDIs to be issued to investors under the Offer				100,064,351 CDIs	37.4%	31.4%
CDIs to be issued to investors under the U.S. Private Placement				1,787,500 CDIs	0.7%	0.6%
Total	**166,021,542 CDIs 28,596,786 Options 19,811,028 Warrants**	**100.0%**	**100.0%**	**267,873,393 CDIs 31,084,733 Options 19,811,028 Warrants**	**100.0%**	**100.0%**

Notes:

1. The figures for CDIs are equivalent to figures for Shares and where assumes all Shares are held as CDIs.
2. Pre- and post-allotment figures are calculated on the basis described under that heading in the Important Information section at the beginning of this Prospectus.
3. Each of the securityholders listed above (or their associates or where applicable, partners or spouses) may apply for CDIs under the Offer or U.S. Private Placement, subject to compliance with applicable laws. If such persons do apply for, and are allocated, CDIs under the Offer or U.S. Private Placement, the figures in the above table will be affected because all CDIs to be issued to investors under the Offer and U.S. Private Placement are listed in the row so labelled. At the time of Listing, the Company will notify ASX of the interests of its Directors and substantial holders.
4. The figures for "M.H. Carnegie & Co. and its funds" do not include 623,800 CDIs and 182,318 Warrants held by M Carnegie Pty Ltd as trustee for the MHC Family Trust. These holdings are personal to the Carnegie family independently of M.H. Carnegie & Co. and its funds, and are included in "Other Existing Holders".
5. The figures for "M.H. Carnegie & Co. and its funds" do not include 854,018 Warrants held by M.H. Carnegie & Co. Pty Ltd on behalf of Trevor Moody, as his Warrants are included in the figures for "Other Directors".
6. The figures for "Other Directors" do not include securities held by Allan Will or John McCutcheon, and the figures for "Other Key Managers" do not include securities held by John McCutcheon, as their securities are set out separately. The interests of Allan Will's adult children (as further described in Section 7.4.8) are included in "Other Existing Holders". The figures for Allan Will do however include 600,000 CDIs held by his partner, Taphne Lux.

8.5.3 Terms and conditions of the Offer

What is the type of security being offered?	CHESS Depositary Interests (**CDIs**) over Shares of common stock in the Company. Each Share is equivalent to one CDI (1 CDI: 1 Share).
What are the rights and liabilities attached to the securities?	A description of the CDIs and the Shares, including the rights and liabilities attaching to them, is set out in Sections 8.8 and 12.8.
What is the Offer Price?	A$1.08 per CDI.
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out on page 4. The timetable is indicative only and may change. All times are stated in AEDT. The Company, in consultation with the Joint Lead Managers, reserve the right to amend any and all of these dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before CDIs are issued by the Company). If the Offer is cancelled before the issue of CDIs, then all Application Monies will be refunded in full (without interest).
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Joint Lead Managers. Please see Section 9.6 for a summary of the Underwriting Agreement.
What is the minimum and maximum Application size under the Offer?	Applications under the Offer must be for a minimum of 1,852 CDIs (approximately A$2,000). There is no maximum number or value of CDIs that may be applied for under the Broker Firm Offer. The Joint Lead Managers and the Company reserve the right to treat any Applications under the Broker Firm Offer that are from persons who they reasonably believe may be Institutional Investors, as bids in the Institutional Offer. The Joint Lead Managers and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements and allotment confirmation notices will be dispatched by standard post on or about 22 November 2021.

When are the CDIs expected to commence trading?	It is expected that trading of the CDIs on the ASX will commence on or about 24 November 2021 on a normal settlement basis. It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial statement of holding or allotment confirmation notice do so at their own risk. The Company, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs before receiving their initial holding statement or allotment confirmation notice, even if such person received confirmation of allocation from the EBR Offer Information Line, a broker or otherwise
Are there any escrow arrangements?	Yes, refer to Section 12.12 for details of the escrow arrangements.
Are there any tax considerations?	Yes, refer to Section 11 for details of the potential tax considerations.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the EBR Offer Information Line on 1300 161 429 (within Australia) or +61 3 9415 4055 (outside Australia) from 8.30am until 5.00pm AEDT, Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your broker. If you are unclear in relation to any matter or are uncertain as to whether EBR is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

8.6. Allocation policy

The allocation of CDIs between the Institutional Offer and the Broker Firm Offer will be determined by the Joint Lead Managers in consultation with the Company.

The allocation of CDIs under the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company.

The factors that influence the allocation of CDIs between each component of the Offer and under the Institutional Offer include but are not limited to:

- the number of CDIs bid for by particular bidders;
- whether the Institutional Investor is an existing securityholder;
- the spread requirements under the Listing Rules;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed, active and liquid trading market following Listing;
- the Company's desire to establish a wide spread of both retail and institutional securityholders,
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long-term securityholders;
- the likelihood that particular bidders will support the Company with aftermarket buying following Listing;

- overall level of demand under the Institutional Offer and the anticipated level of demand from brokers under the Broker Firm Offer; and
- any other factors that the Company and the Joint Lead Managers consider appropriate.

For Broker Firm Offer participants, the relevant broker will decide how it allocates CDIs among its retail clients, and it (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant CDIs.

The Joint Lead Managers and the Company have absolute discretion regarding the allocation of CDIs to Applicants under the Offer and the Joint Lead Managers may reject or scale-back an Application. If you are not issued any CDIs, or you are issued fewer CDIs than the number that you applied and paid for as a result of a scale back, all or some of your Application Monies (as applicable) will be refunded to you (without interest) in accordance with the Corporations Act. Amounts of A$2.00 or less will be retained by the Company.

8.7. How to apply under the Offer

8.7.1 Institutional Offer

The Joint Lead Managers will separately advise the Institutional Investors of the application procedures for the Institutional Offer.

8.7.2 Broker Firm Offer

Who may apply?

The Broker Firm Offer is open to persons who have received an allocation from their broker and who are residents of Australia. If you have been offered an allocation by a broker having a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your broker to determine whether they may allocate CDIs to you under the Broker Firm Offer.

How to apply

Investors who have received an allocation of CDIs in the Broker Firm Offer must follow instructions provided by their broker.

Those Applicants must complete the Application Form at the back of this Prospectus. By making an Application, you declare that you were given a copy of this Prospectus, together with an Application Form. Please contact your broker if you require further instructions.

How to pay

Applicants under the Broker Firm Offer should make payments in accordance with the directions of the broker from whom you received an allocation.

Timing for Applications and confirmation

Applicants under the Broker Firm Offer should send their completed Broker Firm Application Form and Application Monies to their broker by the Closing Date.

Please confirm with your broker the manner in which you should make your payment.

EBR, the Joint Lead Managers and the Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

Closing Date for receipt of Applications

The Broker Firm Offer opens on 1 November 2021 and is expected to close on 9 November 2021. EBR may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier closing date.

Applicants applying for CDIs using a paper form under the Broker Firm Offer are encouraged to submit an Application Form and Application Monies to their broker as early as possible in advance of the Closing Date and to allow a sufficient period for mail processing time.

How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- You can download an electronic copy at www.EBRoffer.com.au; or
- Request a copy from the Registry by calling the EBR Offer Information Line on 1300 161 429 (within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday.

While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer if it is not lodged through your broker.

8.8. About the CDIs

The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. EBR is incorporated in the state of Delaware in the United States, which does not recognise the CHESS system of holding securities or electronic transfers of legal title to Shares. To enable companies such as EBR to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying shares. CDIs are traded in a manner similar to shares of Australian companies listed on the ASX.

What is the principal difference between holding CDIs and holding Shares?

The principal difference between holding CDIs and holding the underlying Shares is that the CDI Holder will hold a beneficial interest in Shares, but not legal title. The legal title to the Shares will instead be held by a depositary, CHESS Depositary Nominees Pty Limited (**CDN**), which is a wholly-owned subsidiary of the ASX. CDN is an approved general participant of ASX Settlement.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI Holders. Shareholders cannot trade their Shares on the ASX without first converting their Shares into CDIs.

The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI Holder. CDIs will be CHESS-approved from the date of Official Quotation in accordance with the Listing Rules and the ASX Settlement Operating Rules. The Shares underlying the CDIs will rank equally with the other Shares on issue in EBR. Investors should note that there are certain differences between Shares in EBR and ordinary shares which are typically issued by Australian incorporated public companies. A summary of the key rights attaching to CDIs and Shares is set out in Sections 12.7 and 12.8.

Holders of CDIs can choose to have their CDIs converted to a direct holding of Shares as described in Section 12.7, however, if they do so they will no longer be able to trade on the ASX. Similarly, subject to any restrictions under applicable law, holders of Shares may choose to convert their Shares to CDIs to enable them to trade on the ASX, as described in Section 12.7.

8.9. Fees and costs associated with the Offer

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer.

8.10. Application Monies

All Application Monies will be held by the broker, EBR's Registry or the Joint Lead Managers, on trust in a separate account, until CDIs are issued to Successful Applicants.

Application Monies will be refunded in A$ to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. Amounts of A$2.00 or less will be retained by the Company. No interest will be paid on refunded amounts. EBR will retain any interest earned on Application Monies.

8.11. Trading on the ASX

EBR has applied to the ASX for admission to the Official List of the ASX and for the CDIs to be granted Official Quotation by the ASX. EBR is not currently seeking a listing of its Shares or any CDIs on any other stock exchange.

The admission of EBR to the Official List of the ASX and Official Quotation of the CDIs is not to be taken in any way as an indication of the merits of EBR or the CDIs offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus. Trading in CDIs, if quotation is granted, will commence as soon as practicable after the issue of holding statements to Successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the CDIs. Applicants who sell CDIs before they receive confirmation of their allotment may contravene the Listing Rules and do so at their own risk.

If permission for quotation of the CDIs is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to the ASX granting approval for EBR to be admitted to the Official List of the ASX, EBR will procure the issue of CDIs by CDN to Successful Applicants as soon as practicable after the Closing Date. Commencement of trading on the ASX is expected to occur on 24 November 2021. Holding statements and allotment confirmation notices confirming Applicants' allocations under the Offer are expected to be sent to Successful Applicants on or around 22 November 2021. Applicants under the Offer will be able to call EBR's Offer Information Line on 1300 161 429 (within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm AEDT, from Monday to Friday to confirm their allocation.

If you sell CDIs before receiving an initial holding statement, you may contravene the Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker or EBR's Offer Information Line.

8.12. CHESS and Issuer Sponsored Holdings

The Company will apply to participate in CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the CDIs of a CDI Holder who is a participant in CHESS or a CDI Holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following allotment under the Offer, CDI Holders will be sent a holding statement or an allotment confirmation notice that sets out the number of CDIs that have been allocated to them. This statement or notice will also provide details of a CDI Holder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. CDI Holders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI Holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI Holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Registry may charge a fee for these additional issuer sponsored statements.

8.13. Overseas Jurisdictions

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law. It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application.

8.13.1 New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

8.13.2 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the CDIs may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

8.13.3 Singapore

This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

8.13.4 United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

8.13.5 United States

The CDIs have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.

This Prospectus may be distributed, and the CDIs will only be offered and sold, in the United States (i) by the Company to "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act) and (ii) by a registered U.S. broker-dealer affiliate of a Bell Potter to "institutional accredited investors" (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act) and only if this Prospectus is accompanied by a U.S. Offering Circular.

Any failure to comply with the foregoing restrictions may constitute a violation of U.S. securities laws. Offers of shares will only be made in places in which, or to persons to whom, it would be lawful to make such offers.

8.14. Discretion regarding the Offer

EBR may, in consultation with the Joint Lead Managers, withdraw the Offer, or any part of it, at any time before the allotment of CDIs to Successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

EBR also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than applied or bid for.

If the Company amends the Closing Date, any such amendment will be announced through the ASX.

8.15. Questions or further information

If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- call the EBR Offer Information Line on 1300 161 429 (toll free within Australia) or +61 3 9415 4055 (outside Australia) between 8.30am and 5.00pm (AEDT), Monday to Friday; or
- visit www.EBRoffer.com.au to download an electronic copy of the Prospectus.

If you are unclear in relation to any matter or are uncertain as to whether EBR is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

Section 9.

Material Contracts

9.1. Introduction

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and arrangements and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.2. Key Supply Agreements

9.2.1 CIRTEC Agreement

The Company is party to a supply agreement (**CIRTEC Agreement**) dated 21 December 2009 with CIRTEC Medical Systems, LLC (**CIRTEC**) pursuant to which CIRTEC agrees to supply to the Company CIRTEC's WiCS-LV system, which includes certain subassemblies, being the Receiver Electrode, the Model 3100 and the Model 4100 (together, the **CIRTEC Products**).

The term of the CIRTEC Agreement automatically renews for successive 3-year terms, with the current term due to expire on 21 December 2023. Either party may terminate the CIRTEC Agreement for convenience on 12 months' notice, for breach or upon an event of insolvency (if not cured within 60 days) or on 6 months' notice if the other party undergoes a change of control (which change of control provision will not be triggered on completion of the IPO).

During the term of the CIRTEC Agreement, the Company must only source the CIRTEC Products, or products identical to, or substantially similar to, the CIRTEC Products, from CIRTEC unless (amongst other things):

- CIRTEC fails to meet its supply obligations or is subject to an insolvency event;
- CIRTEC undergoes a change of control; or
- the price of the CIRTEC Products are not cost competitive, being 10% or more higher than the price for similar products offered by a third party supplier.

The Company must also offer CIRTEC a right of first refusal to provide a competitive proposal to manufacture products, should the Company solicit an offer from a third-party to manufacture the CIRTEC Products (or substantially similar products).

Any intellectual property created pursuant to the CIRTEC Agreement is owned by the Company, however the Company has confirmed that CIRTEC has not created any intellectual property under the CIRTEC Agreement.

The CIRTEC Agreement includes standard warranties and indemnities.

9.2.2 MSEI Agreement

The Company is party to a supply agreement (**MSEI Agreement)** dated 24 October 2017 with Micro Systems Engineering, Inc (**MSEI**) pursuant to which MSEI agrees to supply to the Company certain custom components manufactured in accordance with the Company's specifications (**MSEI Products**).

The term of the MSEI Agreement automatically renews for successive 3-year terms, with the current term due to expire on 24 October 2023. Either party may terminate the MSEI Agreement for breach or insolvency.

The ownership of any intellectual property developed by either party that relates to the design, form, fit or function of the MSEI Products must be agreed to pursuant to a separate order between the parties.

The MSEI Agreement includes standard indemnities.

9.2.3 Nextern Agreement

The Company is party to a product development agreement dated 8 January 2019 with Nextern Innovation, Inc (**Nextern**) pursuant to which Nextern agrees to certain product development, product management, parts/product manufacturing and distribution services (**Nextern Agreement**).

The initial term of the Nextern Agreement is 3 years, which will automatically renew for successive 1-year periods unless either party provides no less than 60 days' notice prior to the end of the then-current term. Either party may terminate the Nextern Agreement for convenience on 90 days' notice. In addition, either party may terminate the agreement in the event the other party has materially breached the Nextern Agreement and fails to cure the breach within 30 days, or is subject to an insolvency event.

The Company owns any intellectual property developed by either party that relates to ultrasound-based wireless cardiac pacemakers as part of CRM.

The Nextern Agreement includes standard indemnities.

9.3. SVB Agreement

The Company currently has a credit facility with Silicon Valley Bank (**SVB**) pursuant to a Loan and Security Agreement, dated 25 March 2020, by and between the Company, SVB as a lender and in its capacity as administrative and collateral agent for the lenders party, and the financial institutions who are or who become parties as lenders (the **SVB Agreement**).

Under the terms of the SVB Agreement, the lenders committed to making three separate term loan advances to the Company, each in the amount of US$3,000,000 for a total term loan commitment of US$9,000,000. The Company has drawn down US$3,000,000 under the first advance and US$3,000,000 under the second advance and does not currently intend to draw down the third advance. The maturity date for the first advance and the second advance is 1 December 2022. As at the date of the Prospectus, repayment of US$3,200,000 of principal has been made and US$2,800,000 of principal remains outstanding, which is paid down at a rate of US$200,000 at the beginning of each month.

Advances under the loan and security agreement bear interest at the greater of 7.25% or 2.5% above the prime rate and are secured by substantially all assets of the Company, except for intellectual property. In connection with the SVB Agreement, the Company issued Warrants to SVB for the purchase 441,500 Shares at an exercise price of US$0.14 per Share and a term of 10 years.

The SVB Agreement includes customary representations, warranties and covenants (both affirmative and negative), including, restrictions on the incurrence of additional indebtedness, additional liens, investments and dispositions, but does not include any financial maintenance covenants.

9.4. Oakmead Lease

The Company has entered into a lease of its headquarters at 480 Oakmead Parkway in Sunnyvale, California at 480 with Oakmead Properties, L.L.C. (**Landlord**) dated 30 March 2017 (**Oakmead Lease**). The Company has established a clean room at the premises for manufacturing. The Oakmead Lease expires on 30 June 2024, following which, with the Landlord's written consent, the Company will have the option to extend the Oakmead Lease for a sixty month period.

9.5. Amended and Restated Investor Rights Agreement

The Company has entered into an amendment and restatement of an Investors' Rights Agreement with certain of its current Shareholders, under which the following will occur immediately prior to the Allotment Date:

- a waiver of certain rights to purchase a pro rata share of the Shares to be issued in connection with the Offer, commonly known as 'participation rights'; and
- the termination of various other rights, covenants and restrictions.

Under the Amended and Restated Investors' Rights Agreement, the Shareholder parties will be entitled to customary U.S. demand, piggyback and Form S-3 registration rights with respect to certain of their Shares. These rights are described in more detail below. In addition, EBR will pay certain expenses for those Shares to be registered pursuant to the demand, piggyback and Form S-3 registration rights described below. The registration rights will expire on the date that is three years after the Allotment Date or at such time as the relevant Shareholder can sell all of their Shares pursuant to Rule 144 or another similar exemption under the US Securities Act, during a three month period without registration.

9.5.1 Demand registration rights

At any time beginning six months after the Allotment Date, the holders of at least a majority of the Shares subject to the Investors' Rights Agreement (Registrable Shares) may request that EBR file a registration statement under the US Securities Act to register all of their Registrable Shares, subject to certain limitations. If the holders requesting registration intend to distribute their Registrable Shares by means of an underwriting, the underwriters of such offering will have the right to limit the number of Shares to be underwritten for reasons related to the marketing of the Registrable Shares. EBR will not be required to effect more than two such demand registrations. Depending on certain conditions, EBR may defer such registration for up to 120 days once in any 12-month period.

9.5.2 Piggyback registration rights

If EBR proposes to register any of its securities under the US Securities Act, either for its own account or for the account of other security holders, the holders of Registrable Shares will be entitled to certain 'piggyback' registration rights allowing them to include their Registrable Shares in such registration, subject to certain limitations. Subject to those limitations and certain other exceptions, this means that whenever EBR proposes to file a registration statement under the US Securities Act, the holders of Registrable Shares are entitled to notice of the registration and have the right to include their Registrable Shares in the registration.

9.5.3 Form S-3 registration rights

The holders of Registrable Shares will be entitled to certain Form S-3 registration rights. This means that, subject to certain qualifications, such Shareholders may require EBR to file a Form S-3 registration statement to have their Shares registered, provided EBR is qualified to do so. EBR would not be required to effect more than two such Form S-3 registrations in any 12-month period. Depending on certain conditions, EBR may defer such registration for up to 120 days once in any 12-month period.

Immediately following the Offer and U.S. Private Placement, approximately 158,886,966 Shares will have registration rights under the Amended and Restated Investor Rights Agreement.

9.5.4 Potential impact of registration rights

Current Shareholders could require the Company to register their Shares for resale in the U.S. with their registration rights. Accordingly, such Shareholders would have the opportunity to liquidate their shares in the U.S. markets, which could indirectly impact the trading price of the CDIs.

9.6. Underwriting Agreement

The Offer and the U.S. Private Placement is being managed by the Joint Lead Managers and fully underwritten in the following proportions:

- Bell Potter: 33.3%;
- Morgans: 33.3%; and
- Wilsons: 33.3%,

(**Respective Proportions**) pursuant to the Underwriting Agreement.

EBR and the Joint Lead Managers signed the Underwriting Agreement on 15 October 2021. Under the Underwriting Agreement, EBR has appointed the Joint Lead Managers to arrange and manage, and to act as underwriter for, the Offer and the U.S. Private Placement. The following is a summary of the principal provisions of the Underwriting Agreement.

9.6.1 Fees

Subject to the Joint Lead Managers satisfying their underwriting obligations under the Underwriting Agreement, EBR has agreed to pay the Joint Lead Managers:

- a management, selling and underwriting fee of 3.5% of the total proceeds of the Offer and the U.S. Private Placement, excluding funds raised from Existing Holders or any of their related bodies corporate and investors introduced through the Chair (to be shared between the Joint Lead Managers in their Respective Proportions);
- a financial advisory fee of 1.5% of the total proceeds of the Offer and the U.S. Private Placement (to be paid to Bell Potter only); and
- an advisory fee of A$426,746 (to be shared equally between Morgans and Wilsons).

EBR has also agreed to reimburse the Joint Lead Managers for costs and expenses incidental to the Offer and the U.S. Private Placement, including all reasonable out of pocket expenses incurred by the Joint Lead Managers in respect of the Offer and legal fees up to a specified cap.

9.6.2 Representations, warranties and undertakings

The Underwriting Agreement contains certain standard representations, warranties and undertakings provided by EBR to the Joint Lead Managers. The representations and warranties relate to matters including power, incorporation and authorisations, compliance with applicable laws and Listing Rules, documents issued or published by or on behalf of EBR in respect of the Offer, the conduct of the Offer and the U.S. Private Placement, and the due diligence process, litigation, material contracts, solvency, intellectual property, insurance, internal controls, tax, ownership of assets, financing and financial information.

EBR provides undertakings under the Underwriting Agreement which include, but are not limited to, notifications of breach of any representation, warranty or undertaking given by it under the Underwriting Agreement, or the occurrence of a termination event, or the non-satisfaction of any condition.

EBR's undertakings also include that they will not, during the period following the date of the Underwriting Agreement until 90 days after the Allotment Date, issue or agree to issue any CDIs, shares, equity securities or securities of any Group Member or securities that are convertible or exchangeable into equity without the consent of the Joint Lead Managers, other than pursuant to the Offer, the U.S. Private Placement, the Underwriting Agreement, an employee incentive plan, or as contemplated under the Prospectus. The Company must also carry on its business and procure that each Group Member carries on its business in the ordinary course and not dispose of or charge, or agree to dispose of or charge, a Group Member's business, assets or property in whole or part, or enter into any material agreement or related commitment, except as disclosed to the Joint Lead Managers or as contemplated in this Prospectus or documents published or issued in connection with the Offer and the U.S. Private Placement (**Offer Documents**).

9.6.3 Indemnity

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence by any indemnified party, EBR agrees to indemnify and hold harmless the Joint Lead Managers and their respective indemnified parties (for example, their related bodies corporate and each of their respective directors, officers, employees, agents and advisers) against all losses directly or indirectly suffered or incurred by them in connection with the Offer, the U.S. Private Placement or otherwise in connection with the Underwriting Agreement.

9.6.4 Termination events

Each Joint Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to EBR if certain events occur at any time on or before 4.00pm on the Settlement Date, including the following:

(a) (**disclosures in Prospectus**) a statement contained in the Prospectus is misleading or deceptive (including by omission), is likely to mislead or deceive or becomes misleading or deceptive, or a material matter is omitted from the Prospectus;

(b) (**ASX approval**) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, in relation to:

(i) the Company's admission to the official list of ASX;

(ii) the quotation of all of the CDIs on ASX,

or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(c) (**withdrawal**) EBR withdraws the Prospectus, or the Offer;

(d) (**supplementary or replacement prospectus**) the Joint Lead Managers reasonably form the view that a supplementary prospectus must be lodged with ASIC under section 719 of the Corporations Act and EBR does not lodge that prospectus with ASIC in the form and with the content, and within the time, reasonably required by the Joint Lead Managers;

(e) (**regulatory action**) a prescribed regulatory action is brought in relation to the Offer or the Prospectus or other Offer Documents;

(f) (**section 730 notice**) a person (other than a Joint Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;

(g) (**market fall**) at any time the S&P/ASX 200 closes at a level that is 90% or less of the level as at the close of trading on the business day immediately prior to the date of the Underwriting Agreement and remains below that level:

(i) at the close of trading on ASX for two consecutive business days; or

(ii) at the close of trading on ASX on the business day immediately prior to the Settlement Date;

(h) (**repayment of application money**) any circumstance arises after lodgement of the Prospectus that results or will result in the Company either repaying the Application Monies received from Applicants or offering Applicants an opportunity to withdraw their applications for CDIs and be repaid their Application Monies;

(i) (**insolvency**) the Company or any material Group Member becomes insolvent or suffers a prescribed insolvency event, excluding the liquidation of EBR Systems Europe Sàrl (see Section 12.2);

(j) (**certificates**) EBR does not provide a certificate required by the Underwriting Agreement as and when required by the Underwriting Agreement or a statement in any such certificate is false, misleading, inaccurate or untrue or incorrect;

(k) (**change in management**) a change to the Board of Directors or the CEO or the CFO occurs or is announced; or

(l) (**failure to issue**) EBR is or becomes unable, for any reason, to issue or transfer the CDIs on the Allotment Date.

In addition, if one of the following events occurs and a Joint Lead Manager believes on reasonable grounds that the event: (a) has had (or is likely to have) a materially adverse effect on: (i) the marketing, success, outcome or settlement of the Offer and the U.S. Private Placement, the willingness of investors to subscribe for CDIs, or the subsequent market for the CDIs; or (ii) the condition, trading, financial position, performance, profits and losses, results, business or operations of the Company or the Group from those expressly disclosed in this Prospectus or other Offer Documents; or (b) has (or is likely to) give rise to a contravention by a Joint Lead Manager of, or a Joint Lead Manager being involved in a contravention of, any regulatory requirement or applicable law, then the Joint Lead Manager may at any time on or before 4.00pm on the settlement date of the Offer and the U.S. Private Placement, terminate the Underwriting Agreement, without cost or liability, by notice to the Company:

(a) (**offer documents does not comply**) the Prospectus or other Offer Documents on the date this Prospectus is lodged with ASIC do not comply with (as applicable):
   (i) the Corporations Act;
   (ii) the Listing Rules; or
   (iii) any other applicable law;

(b) (**adverse change**) any adverse change occurs in or affecting the general affairs, management, assets, liabilities, financial position or performance, profits, losses, prospects or condition, financial or otherwise of the Group, including:
   (i) any change in the nature of the business conducted by the Group or proposed to be conducted by the Group; or
   (ii) in the earnings, prospects or forecasts, assets, liabilities, financial position or performance, profits, losses of the Group from those respectively disclosed in this Prospectus or other Offer Documents;

(c) (**consent withdrawn**) any person (other than a Joint Lead Manager) gives a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in the Prospectus withdraws that consent;

(d) (**disclosures in Offer Documents other than Prospectus**) a statement contained in Offer Documents is misleading or deceptive (including by omission) or likely to mislead or deceive, or becomes misleading or deceptive, or a material matter is omitted from the Offer Documents;

(e) (**new circumstance**) a new circumstance occurs in relation to EBR or the business of the Group that would have been required to be included in this Prospectus if it had arisen before this Prospectus was lodged with ASIC;

(f) (**forward looking statement incapable of being met**) any forward looking statement in this Prospectus or other Offer Documents becomes incapable of being met or unlikely to be met in the projected time;

(g) (**material contracts**) a material contract (defined as the agreements listed in this Section 9), the ASX restriction deeds referred to in Section 12.12 and the voluntary escrow deeds referred to in Section 12.12):
   (i) is without the prior written consent of the Joint Lead Managers amended or varied;
   (ii) is breached;
   (iii) is terminated (whether by breach or otherwise);
   (iv) ceases to have effect, otherwise than in accordance with its terms; or
   (v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal; or

(h) (**change in laws**) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia, a new law, or ASIC, any of its delegates or the Reserve Bank of Australia, adopts any regulation or policy, which does or is likely to prohibit, regulate or restrict the Offer or reduce the level or likely level of valid Applications under the Offer;

(i) (**breach of law or regulations**) EBR contravenes the Corporations Act, its constitution, the ASIC Act, the Listing Rules, the Australian Competition & Consumer Act 2010 (Cth) or any other applicable law or regulation;

(j) (**warranties or representation untrue**) any of the warranties or representations by the Company in the Underwriting Agreement are or become untrue or incorrect;

(k) (**breach**) EBR defaults on or breaches one or more of its obligations under the Underwriting Agreement and the breach is either incapable of remedy or is not remedied by the Company within two business days after being given notice to do so by the Joint Lead Managers;

(l) (**restricted activities**) without the prior consent of the Joint Lead Managers, EBR or any other member of the Group:

  (i) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than a certain permitted transaction or as contemplated in this Prospectus;

  (ii) ceases or threatens to cease to carry on business;

  (iii) alters its capital structure (debt or equity), other than as contemplated in the Prospectus or the Underwriting Agreement;

  (iv) amends the Certificate of Incorporation or the Bylaws (except in relation to the restatement of the Company's Certificate of Incorporation and Bylaws that is to be effected prior to the issue of the CDIs); or

  (v) amends the terms of issue of the CDIs;

(m) (**adverse change in financial markets**) any of the following occurs:

  (i) a general moratorium on commercial banking activities in Australia, the United States of America, the United Kingdom, Russia, New Zealand, Japan, the People's Republic of China, Singapore, Hong Kong, France, Germany, Italy or Spain, is declared by the relevant authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;

  (ii) trading in securities generally quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange or the NASDAQ is suspended or limited in a material respect for at least one day on which that exchange is open for trading;

  (iii) any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in, Australia, the United States of America, the United Kingdom, Russia, New Zealand, Japan, the People's Republic of China, Singapore, Hong Kong, France, Germany, Italy or Spain or the international financial markets or any adverse change in national or international political, financial or economic conditions; or

  (iv) a change or development involving a prospective adverse change in taxation affecting the Group or the Offer occurs;

(n) (**hostilities**) there is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or a major escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of Australia, the United States of America, the United Kingdom, Russia, New Zealand, Japan, the People's Republic of China, Singapore, Hong Kong, France, Germany, Italy or Spain, or involving any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;

(o) (**directors, executives and public action**) any of the following occur:

(i) a Director or senior executive of the Company is charged with an indictable offence;

(ii) any government agency commences any public action against a Group Member, a member of management of the Group or any of a Group Member's directors, or announces that it intends to take that action;

(iii) any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or

(iv) a director or senior executive of a Group Member engages in any fraudulent conduct or activity;

(p) (**timetable delay**) any event set out in the timetable in this Prospectus is delayed for more than two business days, unless the Joint Lead Managers consent to a variation;

(q) (**disclosures in due diligence**) the due diligence report or any other information supplied by or on behalf of the Group to the Joint Lead Managers in relation to the due diligence process in connection with the Offer in relation to that process, the CDIs, the Group, the Offer, or related documents is or becomes untrue, incorrect, misleading or deceptive (including by omission);

(r) (**Government Agency action**) ASIC or any other government agency commences or threatens to commence any hearing, inquiry, investigation, proceedings or prosecution, or takes any regulatory action or seeks any remedy, in connection with EBR, a director or senior executive of EBR, the Offer, the Prospectus or other Offer Documents; or

(s) (**Proceedings – persons other than ASIC**) a person other than ASIC commences any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with EBR, the Offer, the U.S. Private Placement, the Prospectus or other Offer Documents and the enquiry, investigation or proceeding is not disposed of or withdrawn to the Joint Lead Managers' reasonable satisfaction on or before the 5th business day following commencement.

Section 10.

Intellectual Property Report

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October 12, 2021

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VIA EMAIL AND FEDEX

Board of Directors
EBR Systems, Inc.
480 Oakmead Parkway
Sunnyvale, CA 94085, US

Re: EBR Systems, Inc. Intellectual Property Portfolio Overview

Dear Board of Directors:

This letter has been prepared by Perkins Coie LLP ("Perkins Coie") for inclusion in a Prospectus to be issued by EBR Systems, Inc. ("EBR"). The information in this letter is being provided on information and belief, based on personal knowledge, firm records, and consultation with EBR, unless otherwise indicated. The schedule of EBR Patent Properties ("IP Schedule") attached hereto is accurate as of September 30, 2021.

Background

Perkins Coie is a leading international national law firm known for providing high value, strategic solutions and extraordinary client service on matters vital to our clients' success. With more than 1,200 attorneys in offices across the United States and Asia, Perkins Coie provides a full array of corporate, commercial litigation, intellectual property and regulatory legal advice to a broad range of clients, including many of the world's most innovative companies and industry leaders as well as public and not-for-profit organizations.

Perkins Coie's internationally recognized IP practice consists of more than 250 attorneys and agents who provide innovative, comprehensive counsel at every stage of IP protection and development, including patent litigation and appeals, post-grant proceedings, patent prosecution, portfolio counseling and technology licensing, as well as copyright, trademark, trade secret and unfair competition counseling and litigation. Over 175 of Perkins Coie's IP attorneys and other professionals have degrees in biomedical engineering, chemistry, computer science, electrical engineering, material science, mechanical engineering and life sciences-related fields, and many of our attorneys previously worked as scientists, engineers or in-house counsel. Perkins Coie's IP team is highly skilled at analyzing technology, with the experience and issue-specific backgrounds to master complex scientific issues. The IP practice has garnered significant recognition, such as being named by *Law360* as an Intellectual Property Practice Group of the

Year in 2019, named as a finalist for *The American Lawyer* Intellectual Property Litigation Department of the Year in 2019, and named the *U.S. News - Best Lawyers*® "Law Firm of the Year" in Patent Law four times in recent years.

This report has been prepared by Nicole S. Dunham, a Perkins Coie partner and Firmwide Vice-Chair of the Patent Prosecution & Portfolio Counseling Practice, who has been practicing patent preparation, prosecution and portfolio development and management for more than ten years. Ms. Dunham is registered to practice before the U.S. Patent and Trademark Office and is admitted to the bar of the State of Washington. Perkins Coie has been advising EBR with regard to its intellectual property portfolio and strategy since 2018 and has no financial interest in EBR other than fees for our professional services.

This letter focuses on the intellectual property assets owned by EBR (hereinafter, "EBR's IP Portfolio") and is intended to provide a general overview to aid in understanding the subject matter and scope of EBR' s IP Portfolio. No legal opinion or advice is intended or offered here. For more detailed information or advice, independent specialized counsel should be consulted. While Perkins Coie handles prosecution of the U.S. patent applications in EBR's IP Portfolio, the firm is not empowered to practice before the patent offices of jurisdictions outside of the United States. For patent applications outside of the United States, Perkins Coie utilizes the services of established firms of non-U.S. patent attorneys.

We believe that EBR may be able to garner patent protection for its product developments in an aggressive and timely manner, by continuing its present procedures of working with outside patent counsel to develop its patent portfolio. EBR's patent portfolio includes 53 issued U.S. patents, and 44 corresponding granted foreign patents. In addition, EBR has 17 pending patent applications world-wide. It is our understanding that EBR expects to continue to strengthen its patent portfolio through its pending applications, and patent applications that will be filed in the future for devices, systems and methods related to cardiac resynchronization therapy.

The scope of protection provided by EBR's patents is determined by the scope of the claims of EBR's patents, and the validity and enforceability of the patent cannot be guaranteed. Competitors may be able to compete with EBR by designing around the claims of EBR's patents, or by otherwise using products and techniques that are outside the scope of EBR's patents. Additionally, EBR may be prevented from practicing its technologies, including its patented technologies, due to the presence of third-party intellectual property. To date, Perkins Coie is unaware of any third-party asserting any rights, or any other actions, against EBR as to the use of its intellectual property.

It is our understanding that EBR utilizes the services of MaxVal Group, Inc. to pay all patent maintenance and annuity fees when those are due. As of the date of this letter, all required fees

for the patents and patent applications listed in the IP Schedule have been paid and those patents and applications are in good standing, to the best of Perkins Coie's knowledge.

We understand that EBR utilizes the services of Wilson Sonsini Goodrich & Rosati ("Wilson Sonsini") for non-patent intellectual property. EBR's issued and pending trademarks, as provided by Wilson Sonsini, are listed in Part B of the attached IP Schedule.

Intellectual Property

A patent for an invention is a grant of a property right by a government to an inventor or his/her assigns. In the United States, by statute, any person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvements thereof, may obtain a patent," subject to the conditions and requirements of the law. The right conferred by the patent grant is "the right to exclude others from making, using, or selling" the invention. The patent right granted is not the right to make, use, or sell a product that incorporates the patented technology, but rather the right to exclude others from making, using, or selling such a product. Similar patent rights are granted in other countries. The term of a patent is typically limited to 20 years from the earliest non-provisional priority date in any particular country. Patents may be granted for a machine, a manufacture, or a process for use or manufacture.

Trademarks are generally a word or logo that indicates the source of the identified goods or services. Registration enables the owner of the mark to utilize that mark in association with specific goods or services. Trademarks may last indefinitely provided certain filings are made after registration and fees are paid at regular intervals. In the United States, renewal fees must be paid every ten years. Similar requirements exist in other countries.

All the patent applications and granted patents listed in the attached IP Schedule are currently pending or in force, to the best of Perkins Coie's knowledge. Where a patent is listed in the IP Schedule as being issued, there can be no assurance that the patent is valid and enforceable. However, it should be noted in the United States, a patent granted by the U.S. Patent and Trademark Office is presumed to be valid in court proceedings. In addition, there can be no assurance that any of the pending patent applications listed in the IP Schedule will result in the issuance of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the application as originally filed. At the time of writing, Perkins Coie is not aware of any disputes with or challenges by third parties in relation to the validity of any of the claims of the granted patents.

To the best of Perkins Coie's knowledge, EBR does not license patents from any third parties, nor does EBR out-license any of its patents.

EBR's Technologies

Based on discussions with EBR and our knowledge of EBR's patent portfolio, Perkins Coie understands that EBR is involved in the development and commercialization of devices, systems, and methods for cardiac resynchronization therapy ("CRT"). Specifically, EBR specializes in developing devices and systems that provide for wireless pacing from within a chamber of the heart.

Heart failure is a serious condition in which the heart is unable to pump enough blood to meet the body's demands. Some heart failure occurs due to conditions that cause the heart chambers to pump in a desynchronized manner, reducing the amount of blood pumped with each heartbeat. CRT may be beneficial in these patients to synchronize the contraction of the right and left sides of the heart. Patients undergoing CRT receive an implantable pacemaker to synchronize the pumping of the heart chambers, to improve the pumping action and in turn, reduce heart failure symptoms. CRT is an effective treatment for many patients, but limitations prevent some patients from benefiting.

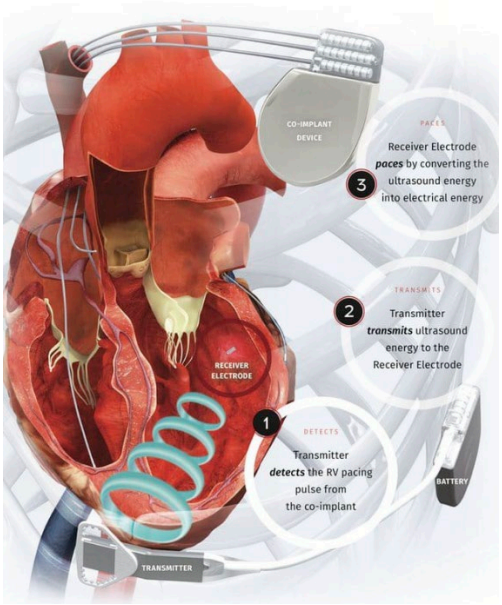
EBR's technology was developed to address the persistent limitations of current CRT systems and to provide a more customized, patient-specific solution. EBR's system uses wireless technology to deliver pacing stimulation directly to the inside of the left ventricle of the heart. This approach is designed to overcome limitations of existing CRT systems that deliver pacing stimulation to the outside of the left ventricle. Further, the wireless pacing provided by EBR's technology removes the need for leads, and thus eliminates the typical complications associated with leads, such as placement difficulty, unintended nerve stimulation, dislodgement, extraction and repositioning. EBR's technology is designed to provide for more flexibility in pacing site selection to customize therapy for the individual.

The WiSE CRT System

EBR's patented product is the WiSE CRT System. This product provides wireless pacing to tissue for CRT to treat patients with heart failure.

The WiSE CRT System includes a subcutaneously implantable transmitter and a separate receiver-stimulator that is spaced apart from the transmitter and anchored to tissue, such as cardiac tissue within the left ventricle. The transmitter can detect a pacing signal of a separate cardiac pacemaker, and generate acoustic energy (e.g., ultrasound pulses) that is synchronized with the pacing signal of the cardiac pacemaker. The receiver-stimulator receives the acoustic energy generated by the transmitter, and converts that acoustic energy into electrical energy based on the energy and signal information provided by the received acoustic energy. The electrical energy is then delivered to cardiac tissue in which the receiver-stimulator is implanted

to provide for cardiac pacing. The receiver-stimulator can be designed in an isotropic manner such that it substantially insensitive to the relative orientation of the receiver-stimulator to the acoustic energy source (e.g., the transmitter), thereby providing for efficient energy harvesting of the acoustic energy.



U.S. Patent Nos. 7,610,092; 7,890,173; 8,315,701; and 8,588,926 are examples of patents within EBR's IP portfolio that cover the overarching system and method of the WiSE CRT System. U.S. Patent Nos. 7,606,621; 8,588,926; and 9,981,138 are examples of patents directed to the isotropic receiver-stimulator used in the WiSE CRT System. U.S. Patent Nos. 8,718,773; 10,080,903; and 10,456,588 are directed to systems that determine focus energy, location, and/or adjusting transducer direction for optimizing the energy transmission of EBR's system. EBR's IP portfolio also includes patents directed to, among other features, the transmitter-receiver, the transmitter battery, sensing of receiver-stimulator placement, avoiding receiver migration, and delivery systems for implanting the receiver-stimulator.

Representative independent claims from some of the aforementioned patents are provided below as examples of the scope of coverage provided by EBR's patent portfolio. The inclusion of the

drawings associated with each patent is for illustrative purposes only and shall not be interpreted as limiting or otherwise affecting the scope of the claims of the patents described herein.

Claim 9 and Figure 1A of U.S. Patent No. 7,610,092:

> 9. A method for stimulating cardiac muscle, said method comprising:
> implanting a receiver-stimulator at a cardiac stimulation site, wherein the receiver-stimulator is present in a sealed case; and
> subcutaneously implanting a controller-transmitter at a location remote from the cardiac stimulation site, wherein the controller-transmitter is present in a sealed case separate from that of the receiver-stimulator and is configured to detect a pacing signal of a separate cardiac pacemaker having leads implanted in a right ventricle or right atrium;
> wherein the controller-transmitter generates acoustic energy which is synchronized with the pacing signal of the cardiac pacemaker; and
> wherein the receiver-stimulator converts the acoustic energy into cardiac stimulation energy based on both energy and signal information included in the acoustic energy.

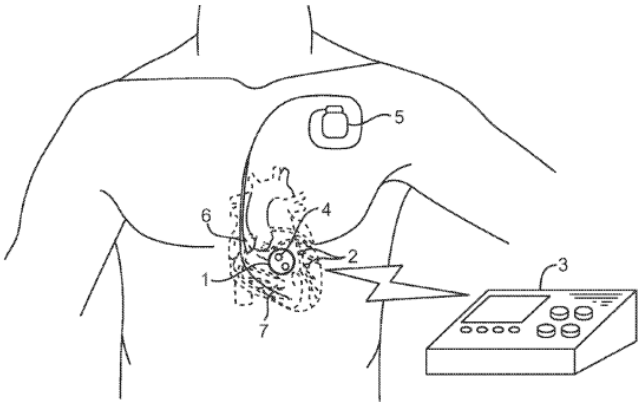


FIG. 1a

Claim 1 and Figure 1B of U.S. Patent No. 8,315,701:

> 1. A system for stimulating cardiac muscle, said system comprising:
> a subcutaneously implantable controller-transmitter, wherein the controller-transmitter is present in a sealed case; and

an implantable receiver-stimulator adapted to contact a cardiac stimulation site, wherein the receiver-stimulator is present in a sealed case;

wherein the controller-transmitter is configured to detect a pacing signal from a separate cardiac pacemaker, wherein the controller-transmitter is adapted to transmit acoustic energy upon detecting the pacing signal; and

the receiver-stimulator is adapted to receive the acoustic energy and convert the received acoustic energy into cardiac stimulation energy based on both energy and signal information included in the acoustic energy.

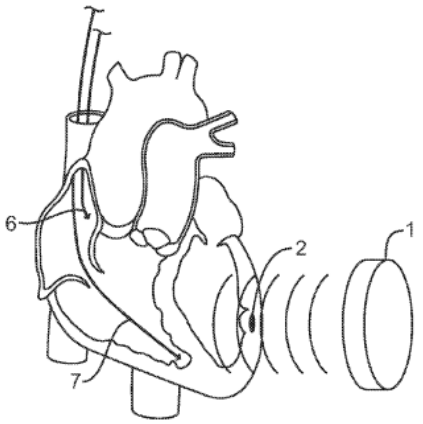


FIG. 1b

Claim 1 and Figure 1 of U.S. Patent No. 7,606,621:

1. An isotropic implantable receiver-stimulator device comprising:

(a) an acoustic transducer assembly which receives acoustic energy from an acoustic source and converts the acoustic energy into electrical signals,

(b) demodulator circuitry connected to receive the electrical signals and convert said signals to a biologically stimulating electrical output; and

(c) at least two tissue contacting stimulation electrodes which receive the stimulating electrical output and deliver said output to tissue, wherein the electric output that is produced by the isotropic

implantable receiver-stimulator is substantially insensitive to the relative orientation of the receiver-stimulator to the acoustic source, wherein the transducer assembly comprises a plurality of individual transducer elements and wherein the demodulator circuitry comprises a plurality of individual demodulator circuits, with the electrical signal from each transducer element going to a demodulator circuit which produces an output, further comprising summing circuitry which sums all of the converted electrical signals from all of the demodulator circuits to produce the biologically stimulating electrical output.

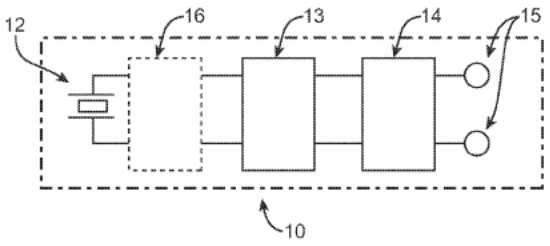


FIG. 1

Claim 1 and Figure 1D of U.S. Patent No. 8,588,926:

1. An implantable receiver-stimulator for harvesting acoustic power from an acoustic field and generating electrical power, comprising:
a hermetically sealed enclosure with an inner and outer surface;
a first plurality of acoustic piezoelectric components which converts the acoustic field to electrical power, each piezoelectric component defined by a thickness and a base with a width and configured with the base mounted to the inner surface;
a plurality of individual rectifiers, where each rectifier is electrically connected to a corresponding piezoelectric component of the first plurality of piezoelectric components such that the electrical power from the piezoelectric components is converted by the rectifiers arranged in a circuit assembly to a biologically stimulating electrical output; and at least two stimulation electrodes which receive the stimulating electrical output and deliver said output to tissue at sufficient electrical energy levels to stimulate the tissue;

wherein the acoustic piezoelectric components are distributed about the inner surface along three axes such that acoustic energy is harvested efficiently from any direction of the propagating acoustic energy field.

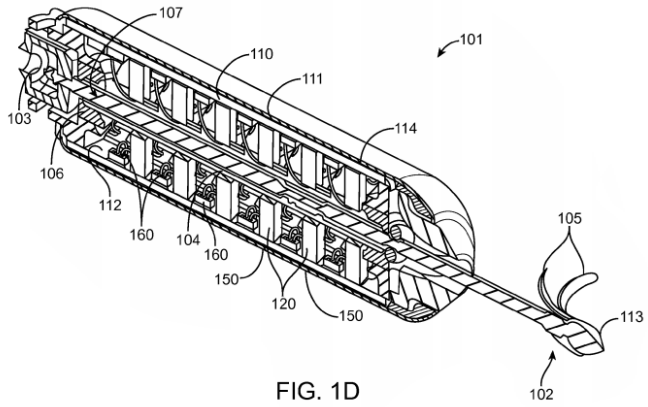


FIG. 1D

EBR intends to make use of a mechanism in the United States, referred to as patent term extension ("PTE"), that grants patentees the ability to extend the period of protection provided by their patents to compensate for time associated with conducting clinical studies and securing regulatory approval from the United States Food and Drug Administration ("USFDA"). PTE is granted by the United States Patent and Trademark Office ("USPTO") based on a formula and can extend the term of a patent by a maximum of five years. In view of the current timeline projected by EBR, PTE is expected to extend the expiry date for one of EBR's patents by approximately four years. Thus, EBR may select one of its earlier issued patents, which have expiration dates ranging from 2026 to 2029, and extend the selected patent's term by an additional four years, or until 2030 to 2033 (depending upon which patent is selected). EBR will be able to file for PTE after WiSE CRT System has been approved by the USFDA, and the total extension of term will be decided by the USPTO based on the specific timing associated with that approval.

EBR continues to innovate its technology as well as related systems and devices, and proactively files patent applications directed toward innovations. For example, U.S. Patent Application Publication No. 2020/000179704 is directed to systems and methods for motion detection of a receiver-stimulator; U.S. Patent Application Publication No. 2021/0060333 is directed to improved systems and methods for pulse detection; and U.S. Patent Application No. 17/404,252

is directed to new engagement mechanisms for anchoring pacing electrodes to endocardial tissue. EBR has also recently filed applications directed to transmitters with rechargeable batteries and systems for stimulating endocardial tissue along the left ventricular septal wall.

EBR's Intellectual Property Portfolio

EBR files patent applications in the United States either directly or as national-stage applications that claim priority to international applications filed under the Patent Cooperation Treaty ("PCT"). EBR also pursues protection of its intellectual property outside of the United States through the prosecution of national stage applications that claim priority to international applications under the PCT. These national stage applications typically share subject matter with related U.S. applications and have been filed in select jurisdictions, namely Europe and Japan. EBR's active issued patents and pending patent applications are listed in Part A of the attached IP Schedule, and EBR's issued and pending trademarks are listed in Part B.

Best regards,

Nicole S. Dunham

NSD:baw

IP Asset Schedule | Part A
U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8001.US07	METHODS AND SYSTEMS FOR VIBRATIONAL TREATMENT OF CARDIAC ARRHYTHMIAS	United States of America	10/869,776	2004-06-15	US2004-0260214A1	2004-12-23	7,006,864	2006-02-28	2024-06-15	Issued
132529-8001.US08	METHODS AND SYSTEMS FOR TREATING ARRHYTHMIAS USING A COMBINATION OF VIBRATIONAL AND ELECTRICAL ENERGY	United States of America	10/869,242	2004-06-15	US2005-0043762A1	2005-02-24	7,184,830	2007-02-27	2025-02-26	Issued
132529-8001.US09	METHODS AND SYSTEMS FOR TREATING ARRHYTHMIAS USING A COMBINATION OF VIBRATIONAL AND ELECTRICAL ENERGY	United States of America	11/627,284	2007-01-25	US2007-0123939A1	2007-05-31	7,809,438	2010-10-05	2025-02-26	Issued
132529-8001.US11	VIBRATIONAL THERAPY DEVICE USED FOR RESYNCHRONIZATION PACING IN A TREATMENT FOR HEART FAILURE	United States of America	10/869,705	2004-06-15	US2005-0131468A1	2005-06-16	7,050,849	2006-05-23	2024-06-21	Issued
132529-8002.US04	LEADLESS TISSUE STIMULATION SYSTEMS AND METHODS	United States of America	11/315,023	2005-12-21	US2006-0136004A1	2006-06-22	7,610,092	2009-10-27	2027-06-18	Issued
132529-8002.US05	IMPLANTABLE TRANSDUCER DEVICES	United States of America	11/315,524	2005-12-21	US2006-0136005A1	2006-06-22	7,606,621	2009-10-20	2028-03-12	Issued

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ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8002.US07	LEADLESS TISSUE STIMULATION SYSTEMS AND METHODS	United States of America	12/554,257	2009-09-04	US2010-0228308 A1	2010-09-09	8,315,701	2012-11-20	2026-06-23	Issued
132529-8002.US08	LEADLESS TISSUE STIMULATION SYSTEMS AND METHODS	United States of America	12/554,234	2009-09-04	US2010-0063562A1	2010-03-11	7,996,087	2011-08-09	2025-12-21	Issued
132529-8002.US09	IMPLANTABLE TRANSDUCER DEVICES	United States of America	12/554,199	2009-09-04	US2009-0319006A1	2009-12-24	7,848,815	2010-12-07	2025-12-21	Issued
132529-8002.US10	IMPLANTABLE TRANSDUCER DEVICES	United States of America	12/554,181	2009-09-04	US2009-0326601A1	2009-12-31	7,890,173	2011-02-15	2025-12-21	Issued
132529-8002.US11	LEADLESS TISSUE STIMULATION SYSTEMS AND METHODS	United States of America	13/657,252	2012-10-22	US2013-0282073A1	2013-10-24	9,008,776	2015-04-14	2025-12-21	Issued
132529-8002.US14	LEADLESS TISSUE STIMULATION SYSTEMS AND METHODS	United States of America	11/535,857	2006-09-27	US2007-0078490A1	2007-04-05	7,558,631	2009-07-07	2026-06-23	Issued
132529-8003.US01	EFFICIENTLY DELIVERING ACOUSTIC STIMULATION ENERGY TO TISSUE	United States of America	11/460,850	2006-07-28	US2007-0027508A1	2007-02-01	8,634,908	2014-01-21	2030-09-30	Issued
132529-8003.US02	EFFICIENTLY DELIVERING ACOUSTIC STIMULATION ENERGY TO TISSUE	United States of America	14/136,321	2013-12-20	US 2014-0107725 A1	2014-04-17	9,014,803	2015-04-21	2026-07-28	Issued

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U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8003.US03	EFFICIENTLY DELIVERING ACOUSTIC STIMULATION ENERGY TO TISSUE	United States of America	14/668,486	2015-03-25	US2015-0196755A1	2015-07-16	9,616,235	2017-04-11	2026-07-28	Issued
132529-8003.US04	EFFICIENTLY DELIVERING ACOUSTIC STIMULATION ENERGY TO TISSUE	United States of America	15/455,707	2017-03-10	US2017-0182316A1	2017-06-29	9,855,429	2018-01-02	2026-07-28	Issued
132529-8003.US05	EFFICIENTLY DELIVERING ACOUSTIC STIMULATION ENERGY TO TISSUE	United States of America	15/837,566	2017-12-11	US2018-0099145A1	2018-04-12	10,576,287	2020-03-03	2026-07-28	Issued
132529-8004.US01	METHODS AND APPARATUS FOR DETERMINING CARDIAC STIMULATION SITES USING HEMODYNAMIC DATA	United States of America	11/351,569	2006-02-10	US2007-0060961A1	2007-03-15	7,702,392	2010-04-20	2027-10-26	Issued
132529-8005.US01	METHODS AND SYSTEMS FOR HEART FAILURE PREVENTION AND TREATMENTS USING ULTRASOUND AND LEADLESS IMPLANTABLE DEVICES	United States of America	11/468,002	2006-08-29	US2007-0055184A1	2007-03-08	7,765,001	2010-07-27	2029-02-20	Issued
132529-8005.US02	METHODS AND SYSTEMS FOR HEART FAILURE TREATMENTS USING ULTRASOUND AND	United States of America	12/829,183	2010-07-01	US2010-0286744A1	2010-11-11	9,333,364	2016-05-10	2027-07-18	Issued

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U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
	LEADLESS IMPLANTABLE DEVICES									
132529-8005.US03	METHODS AND SYSTEMS FOR HEART FAILURE PREVENTION AND TREATMENTS USING ULTRASOUND AND LEADLESS IMPLANTABLE DEVICES	United States of America	15/138,582	2016-04-26	US2016-0235976A1	2016-08-18	10,207,115	2019-02-19	2026-08-29	Issued
132529-8007.US01	ACOUSTICALLY-POWERED WIRELESS DEFIBRILLATOR	United States of America	11/764,546	2007-06-18	US2007-0293895A1	2007-12-20	7,751,881	2010-07-06	2027-06-18	Issued
132529-8008.US06	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS BONE STIMULATION	United States of America	11/764,561	2007-06-18	US2007-0293912A1	2007-12-20	8,078,283	2011-12-13	2027-06-18	Issued
132529-8008.US07	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS SPINE STIMULATION	United States of America	11/764,574	2007-06-18	US2007-0293909A1	2007-12-20	7,899,542	2011-03-01	2027-06-18	Issued
132529-8008.US08	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS GASTROINTESTINAL TISSUE STIMULATION	United States of America	11/764,583	2007-06-18	US2007-0293905A1	2007-12-20	7,899,541	2011-03-01	2027-06-18	Issued

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ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8008.US09	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS NERVE STIMULATION	United States of America	11/764,592	2007-06-18	US2007-0293906A1	2007-12-20	7,894,907	2011-02-22	2027-06-18	Issued
132529-8008.US10	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS BRAIN STIMULATION	United States of America	11/764,602	2007-06-18	US2007-0293908A1	2007-12-20	7,894,904	2011-02-22	2027-06-18	Issued
132529-8008.US11	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS COCHLEAR STIMULATION	United States of America	11/764,611	2007-06-18	US2007-0293913A1	2007-12-20	7,894,910	2011-02-22	2027-06-18	Issued
132529-8008.US12	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS SPINE STIMULATION	United States of America	13/007,419	2011-01-14	US 2011-0166621 A1	2011-07-07	8,494,642	2013-07-23	2027-06-18	Issued
132529-8008.US13	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS BRAIN STIMULATION	United States of America	13/007,432	2011-01-14	US2011-0166620A1	2011-07-07	8,494,639	2013-07-23	2027-06-18	Issued
132529-8008.US14	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS GASTROINTESTINAL TISSUE STIMULATION	United States of America	13/008,521	2011-01-18	US2011-0112600A1	2011-05-12	8,494,637	2013-07-23	2027-06-18	Issued

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U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8008.US15	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS NERVE STIMULATION	United States of America	13/008,433	2011-01-18	US 2011-0118810 A1	2011-05-19	8,494,643	2013-07-23	2027-06-18	Issued
132529-8008.US16	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS COCHLEAR STIMULATION	United States of America	13/008,462	2011-01-18	US2011-0144720A1	2011-06-16	8,498,715	2013-07-30	2027-06-18	Issued
132529-8008.US17	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS BONE STIMULATION	United States of America	13/292,854	2011-11-09	US2012-0059433A1	2012-03-08	8,494,644	2013-07-23	2027-06-18	Issued
132529-8008.US18	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS TISSUE STIMULATION	United States of America	13/922,937	2013-06-20	US2013-0282070A1	2013-10-24	9,452,286	2016-09-27	2027-06-18	Issued
132529-8008.US19	SYSTEMS AND METHODS FOR IMPLANTABLE LEADLESS TISSUE SIMULATION	United States of America	15/250,897	2016-08-29	US2016-0367823A1	2016-12-22	10,143,850	2018-12-04	2027-06-18	Issued
132529-8010.US01	OPTIMIZING SIZE OF IMPLANTABLE MEDICAL DEVICES BY ISOLATING THE POWER SOURCE	United States of America	12/340,395	2008-12-19	US2009-0264965A1	2009-10-22	7,953,493	2011-05-31	2028-07-28	Issued
132529-8011.US01	LOCAL LEAD TO IMPROVE ENERGY EFFICIENCY IN	United States of America	14/979,359	2015-12-22	US2016-0114176A1	2016-04-28	9,731,139	2017-08-15	2028-07-16	Issued

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U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS									
132529-8012.US01	OPERATION AND ESTIMATION OF OUTPUT VOLTAGE OF WIRELESS STIMULATORS	United States of America	12/721,483	2010-03-10	US 2010-0234924 A1	2010-09-16	8,364,276	2013-01-29	2030-04-27	Issued
132529-8012.US02	OPERATION AND ESTIMATION OF OUTPUT VOLTAGE OF WIRELESS STIMULATORS	United States of America	13/648,027	2012-10-09	US2013-0274828A1	2013-10-17	9,981,138	2018-05-29	2029-05-22	Issued
132529-8012.US03	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	13/734,680	2013-01-04	US2013-0197609A1	2013-08-01	8,588,926	2013-11-19	2029-03-25	Issued
132529-8012.US04	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	14/059,228	2013-10-21	US2014-0046420A1	2014-02-13	9,180,285	2015-11-10	2029-03-25	Issued
132529-8012.US05	METHOD OF MANUFACTURING IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	14/883,925	2015-10-15	US2016-0035967A1	2016-02-04	9,343,654	2016-05-17	2029-03-25	Issued

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U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8012.US06	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	15/138,046	2016-04-25	US2016-0310749A1	2016-10-27	10,052,493	2018-08-21	2029-03-25	Issued
132529-8012.US07	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	16/051,338	2018-07-31	US2018-0345026A1	2018-12-06	10,806,938	2020-10-20	2029-03-25	Issued
132529-8012.US09	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	16/250,943	2019-01-17	US2019-0151667A1	2019-05-23	10,512,785	2019-12-24	2029-03-25	Issued
132529-8013.US01	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	United States of America	12/890,308	2010-09-24	US2011-0237967A1	2011-09-29	9,283,392	2016-03-15	2029-05-02	Issued
132529-8013.US02	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	United States of America	15/043,210	2016-02-12	US2016-0158560A1	2016-06-09	9,907,968	2018-03-06	2029-03-23	Issued
132529-8013.US03	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	United States of America	15/878,237	2018-01-23	US2018-0280704A1	2018-10-04	10,688,307	2020-06-23	2029-03-23	Issued

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IP Asset Schedule | Part A
U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8014.US01	SYSTEMS, DEVICES, AND METHODS FOR SELECTIVELY LOCATING IMPLANTABLE DEVICES	United States of America	14/041,202	2013-09-30	US2014-0094891A1	2014-04-03	9,616,237	2017-04-11	2033-09-30	Issued
132529-8018.US00	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	United States of America	11/752,775	2007-05-23	US2008-0294208A1	2008-11-27	8,718,773	2014-05-06	2030-06-30	Issued
132529-8018.US01	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	United States of America	14/221,040	2014-03-20	US2014-0207210A1	2014-07-24	10,080,903	2018-09-25	2027-05-23	Issued
132529-8018.US02	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	United States of America	16/107,626	2018-08-21	US2018-0353763A1	2018-12-13	10,456,588	2019-10-29	2027-05-23	Issued

SCHEDULE A – Patents and Patent Applications
U.S. Pending Patent Applications

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	STATUS
132529-8005.US04	METHODS AND SYSTEMS FOR HEART FAILURE PREVENTION AND TREATMENTS USING ULTRASOUND AND LEADLESS IMPLANTABLE DEVICES	United States of America	16/249,196	2019-01-16	US2019-0351226A1	2019-11-21	Pending
132529-8012.US10	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United States of America	17/030,846	2020-09-24	US2021-0146143A1	2021-05-20	Pending
132529-8013.US04	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	United States of America	16/879,530	2020-05-20	US2020-0276447A1	2020-09-03	Pending
132529-8015.US01	SYSTEMS, DEVICES, AND METHODS FOR ELECTROMECHANICAL SENSING AND MAPPING	United States of America	16/637,130	2018-08-01	US2020-0179704A1	2020-06-11	Pending
132529-8016.US00	PULSE DELIVERY DEVICE INCLUDING SLEW RATE DETECTOR, AND ASSOCIATED SYSTEMS AND METHODS	United States of America	16/557,367	2019-08-30	US2021-0060333A1	2021-03-04	Pending
132529-8017.US01	DEVICES, SYSTEMS, AND METHODS FOR CARDIAC RESYNCHRONIZATION THERAPY	United States of America	16/773,599	2020-01-27	US2020-0238093A1	2020-07-30	Pending
132529-8018.US03	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	United States of America	16/601,854	2019-10-15	US2020-0230426A1	2020-07-23	Pending
132529-8019.US01	ENDOCARDIAL PACING ELECTRODES WITH TISSUE ENGAGEMENT MECHANISMS	United States of America	17/404,252	2021-08-17			Pending

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SCHEDULE A – Patents and Patent Applications
U.S. Pending Patent Applications

ATTORNEY REF. NO.	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	STATUS
132529-8020.US01	SYSTEMS AND METHODS FOR ENDOCARDIAL CONTACT SENSING WITH A SHEATH BALLOON FOR WIRELESS ENDOCARDIAL PACING ELECTRODES	United States of America	17/404,502	2021-08-17			Pending
132529-8022.US00	SYSTEMS AND METHODS FOR WIRELESS ENDOCARDIAL STIMULATION OF THE LEFT VENTRICULAR SEPTAL WALL	United States of America	63/111,512	2020-11-09			Pending
132529-8023.US00	CARDIAC PACING TRANSMITTER SYSTEMS WITH RECHARGEABLE BATTERIES AND ASSOCIATED DEVICES AND METHODS	United States of America	63/111,540	2020-11-09			Pending

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Non-U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8001.DE30	VIBRATIONAL THERAPY DEVICE USED FOR BI-VENTRICULAR PACING IN A TREATMENT FOR HEART FAILURE	Germany	04755266.6	2004-06-15	1641528		1641528	2010-03-31	2024-06-15	Issued
132529-8001.EP30	VIBRATIONAL THERAPY DEVICE USED FOR BI-VENTRICULAR PACING IN A TREATMENT FOR HEART FAILURE	European Patent Office	04755266.6	2004-06-15	1641528	2006-04-05	1641528	2010-03-31	2024-06-15	Issued
132529-8001.FR30	VIBRATIONAL PACING THERAPY DEVICE	France	04755266.6	2004-06-15	1641528		1641528	2010-03-31	2024-06-15	Issued
132529-8002.DE00	LEADLESS CARDIAC SYSTEM FOR PACING AND ARRHYTHMIA TREATMENT	Germany	2005855143	2005-12-21	EP1835964		EP1835964	2016-03-09	2025-12-21	Issued
132529-8002.DE10	IMPLANTABLE TRANSDUCER DEVICES	Germany	20005855395.9	2005-12-21	1833553		1833553	2015-11-18	2025-12-21	Issued
132529-8002.EP00	LEADLESS CARDIAC SYSTEM FOR PACING AND ARRHYTHMIA TREATMENT	European Patent Office	2005855143	2005-12-21	EP1835964	2007-09-26	EP1835964	2016-03-09	2025-12-21	Issued
132529-8002.EP10	IMPLANTABLE TRANSDUCER DEVICES	European Patent Office	20005855395.9	2005-12-21	1833553	2007-09-19	1833553	2015-11-18	2025-12-21	Issued
132529-8002.FR00	LEADLESS CARDIAC SYSTEM FOR PACING	France	2005855143	2005-12-21	EP1835964	2007-09-26	EP1835964	2016-03-09	2025-12-21	Issued

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ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
	AND ARRHYTHMIA TREATMENT									
132529-8002.FR10	IMPLANTABLE TRANSDUCER DEVICES	France	20005855395.9	2005-12-21	1833553		1833553	2015-11-18	2025-12-21	Issued
132529-8002.GB00	LEADLESS CARDIAC SYSTEM FOR PACING AND ARRHYTHMIA TREATMENT	United Kingdom	2005855143	2005-12-21	EP1835964		EP1835964	2016-03-09	2025-12-21	Issued
132529-8002.GB10	IMPLANTABLE TRANSDUCER DEVICES	United Kingdom	20005855395.9	2005-12-21	1833553		1833553	2015-11-18	2025-12-21	Issued
132529-8002.JP00	LEADLESS CARDIAC SYSTEM FOR PACING AND ARRHYTHMIA TREATMENT	Japan	2007-548461	2005-12-21	2008-52511	2008-07-17	5111116	2012-10-19	2025-12-21	Issued
132529-8002.JP01	LEADLESS CARDIAC SYSTEM FOR PACING AND ARRHYTHMIA TREATMENT	Japan	2011-226036	2005-12-21	2012-11232	2012-01-19	5462848	2014-01-24	2025-12-21	Issued
132529-8002.JP10	IMPLANTABLE TRANSDUCER DEVICES	Japan	2007-548539	2005-12-21	2008-52396	2008-07-10	5153343	2012-12-14	2025-12-21	Issued
132529-8004.DE10	TEMPORARY LEADLESS PACING SYSTEMS AND METHODS	Germany	2007841364	2007-08-24			2069012	2017-05-03	2027-08-24	Issued

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ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8004.EP10	TEMPORARY LEADLESS PACING SYSTEMS AND METHODS	European Patent Office	2007841364	2007-08-24		2009-06-17	2069012	2017-05-03	2027-08-24	Issued
132529-8004.FR10	TEMPORARY LEADLESS PACING SYSTEMS AND METHODS	France	2007841364	2007-08-24			2069012	2017-05-03	2027-08-24	Issued
132529-8004.GB10	TEMPORARY LEADLESS PACING SYSTEMS AND METHODS	United Kingdom	2007841364	2007-08-24			2069012	2017-05-03	2027-08-24	Issued
132529-8010.DE00	OPTIMIZING SIZE OF IMPLANTABLE MEDICAL DEVICES BY ISOLATING THE POWER SOURCE	Germany	2008866258	2008-12-23	2234666		2234666	2015-10-14	2028-12-23	Issued
132529-8010.EP00	OPTIMIZING SIZE OF IMPLANTABLE MEDICAL DEVICES BY ISOLATING THE POWER SOURCE	European Patent Office	2008866258	2008-12-23	2234666	2010-10-06	2234666	2015-10-14	2028-12-23	Issued
132529-8010.FR00	OPTIMIZING SIZE OF IMPLANTABLE MEDICAL DEVICES BY ISOLATING THE POWER SOURCE	France	2008866258	2008-12-23	2234666		2234666	2015-10-14	2028-12-23	Issued
132529-8010.GB00	OPTIMIZING SIZE OF IMPLANTABLE MEDICAL DEVICES BY ISOLATING THE POWER SOURCE	United Kingdom	2008866258	2008-12-23	2234666		2234666	2015-10-14	2028-12-23	Issued

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Non-U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8012.DE00	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	Germany	2009725884	2009-03-25	2268352		2268352	2013-07-31	2029-03-25	Issued
132529-8012.DE01	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	Germany	2012151794.0	2009-03-25	2452721		2452721	2013-11-13	2029-03-25	Issued
132529-8012.DE10	OPERATION AND ESTIMATION OF OUTPUT VOLTAGE OF WIRELESS STIMULATORS	Germany	2011754116	2011-03-10	2544761		2544761	2016-03-09	2031-03-10	Issued
132529-8012.EP00	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	European Patent Office	2009725884	2011-03-10	2268352	2011-01-05	2268352	2013-07-31	2029-03-25	Issued
132529-8012.EP01	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	European Patent Office	2012151794.0	2011-03-10	2452721	2012-05-16	2452721	2013-11-13	2029-03-25	Issued
132529-8012.EP10	OPERATION AND ESTIMATION OF OUTPUT	European Patent Office	2011754116	2011-03-10	2544761	2013-01-16	2544761	2016-03-09	2031-03-10	Issued

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Non-U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
	VOLTAGE OF WIRELESS STIMULATORS									
132529-8012.FR00	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	France	2009725884	2009-03-25	2268352		2268352	2013-07-31	2029-03-25	Issued
132529-8012.FR01	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	France	2012151794.0	2009-03-25	2452721		2452721	2013-11-13	2029-03-25	Issued
132529-8012.FR10	OPERATION AND ESTIMATION OF OUTPUT VOLTAGE OF WIRELESS STIMULATORS	France	2011754116	2011-03-10	2544761		2544761	2016-03-09	2031-03-10	Issued
132529-8012.GB00	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United Kingdom	2009725884	2009-03-25	2268352		2268352	2013-07-31	2029-03-25	Issued
132529-8012.GB01	IMPLANTABLE WIRELESS ACOUSTIC STIMULATORS WITH HIGH ENERGY CONVERSION EFFICIENCIES	United Kingdom	2012151794.0	2009-03-25	2452721		2452721	2013-11-13	2029-03-25	Issued

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Non-U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
132529-8012.GB10	OPERATION AND ESTIMATION OF OUTPUT VOLTAGE OF WIRELESS STIMULATORS	United Kingdom	2011754116	2011-03-10	2544761		2544761	2016-03-09	2031-03-10	Issued
132529-8013.DE00	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	Germany	09725046.8	2009-03-23	EP2265166		2265166	2020-08-05	2029-03-23	Issued
132529-8013.EP00	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	European Patent Office	09725046.8	2009-03-23	EP2265166	2010-12-29	2265166	2020-08-05	2029-03-23	Issued
132529-8013.FR00	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	France	09725046.8	2009-03-23	EP2265166		2265166	2020-08-05	2029-03-23	Issued
132529-8013.GB00	TEMPORARY ELECTRODE CONNECTION FOR WIRELESS PACING SYSTEMS	United Kingdom	09725046.8	2009-03-23	EP2265166		2265166	2020-08-05	2029-03-23	Issued
132529-8018.DE00	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	Germany	2008755507.4	2008-05-15	EP2148640		2148640	2015-06-24	2028-05-15	Issued
132529-8018.EP00	OPTIMIZING ENERGY TRANSMISSION IN A	European Patent Office	2008755507.4	2008-05-15	EP2148640	2010-02-03	2148640	2015-06-24	2028-05-15	Issued

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Non-U.S. Issued Patents

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPECTED EXPIRATION DATE	STATUS
	LEADLESS TISSUE STIMULATION SYSTEM									
132529-8018.FR00	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	France	2008755507.4	2008-05-15	EP2148640		2148640	2015-06-24	2028-05-15	Issued
132529-8018.GB00	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	United Kingdom	2008755507.4	2008-05-15	EP2148640		2148640	2015-06-24	2028-05-15	Issued
132529-8018.JP00	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	Japan	2010-509453	2008-05-15	10-527699	2010-08-19	5572088	2014-07-04	2028-05-15	Issued
132529-8018.JP01	OPTIMIZING ENERGY TRANSMISSION IN A LEADLESS TISSUE STIMULATION SYSTEM	Japan	2013-87244	2008-05-15	2013-165983	2013-08-29	5519056	2014-04-11	2028-05-15	Issued

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IP Asset Schedule | Part A
Non-U.S. Pending Patent Applications

ATTORNEY REF. NO.	TITLE	JURISDICTION	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	STATUS
132529-8014.EP00	SYSTEMS, DEVICES, AND METHODS FOR SELECTIVELY LOCATING IMPLANTABLE DEVICES	European Patent Office	13842369.4	2013-09-30	2900318	2015-08-05	Pending
132529-8015.EP00	SYSTEMS, DEVICES, AND METHODS FOR ELECTROMECHANICAL SENSING AND MAPPING	European Patent Office	18843742.0	2018-08-01	3664891	2020-06-17	Pending
132529-8016.EP00	PULSE DELIVERY DEVICE INCLUDING SLEW RATE DETECTOR, AND ASSOCIATED SYSTEMS AND METHODS	European Patent Office	20193483.3	2020-08-28	3785761	2021-03-03	Pending
132529-8017.AU00	DEVICES, SYSTEMS, AND METHODS FOR CARDIAC RESYNCHRONIZATION THERAPY	Australia	2020216305	2020-01-27			Pending
132529-8017.EP00	DEVICES, SYSTEMS, AND METHODS FOR CARDIAC RESYNCHRONIZATION THERAPY	European Patent Office	20748871.9	2020-01-27			Pending
132529-8017.WO00	DEVICES, SYSTEMS, AND METHODS FOR CARDIAC RESYNCHRONIZATION THERAPY	PCT	PCT/US20/15247	2020-01-27	WO2020/159886	2020-08-06	Pending
132529-8019.WO00	ENDOCARDIAL PACING ELECTRODES WITH TISSUE ENGAGEMENT MECHANISMS	PCT	PCT/US21/46376	2021-08-17			Pending
132529-8020.WO00	SYSTEMS AND METHODS FOR ENDOCARDIAL CONTACT SENSING WITH A SHEATH BALLOON FOR WIRELESS ENDOCARDIAL PACING ELECTRODES	PCT	PCT/US21/46310	2021-08-17			Pending

IP Asset Schedule | Part B
Trademarks

EBR Systems Inc Status Report

Trademark Name	*Country Name*	*Status*	*Classes*	*Filing Date*	*Appl No.*	*Reg. Date*	*Reg. No.*
EBR SYSTEMS	Australia	Pending	10	Sep 22 2021	2212887		
EBR SYSTEMS	China	Pending	10	Sep 29 2021			
EBR SYSTEMS	EUTM	Pending	10	Sep 22 2021	18564067		
EBR SYSTEMS	Japan	Pending	10	Sep 24 2021	2021118645		
EBR SYSTEMS	United Kingdom	Pending	10	Sep 22 2021	UK00003698958		
EBR SYSTEMS	United States of America	Pending	10	May 7 2021	90696412		
WICS	United States of America	Registered	10	Oct 19 2006	77024960	Oct 6 2009	3692984
WiCS Wireless Cardiac Stimulation	United States of America	Registered	10	May 6 2016	87027832	Jan 10 2017	5118101
WISE	Australia	Registered	10	Aug 27 2018	1951115	Nov 20 2019	1951115
WISE	EUTM	Registered	10	Dec 19 2019	18169605	Feb 5 2021	18169605
WISE	Japan	Pending	10	Dec 16 2019	2019157311		
WISE	United Kingdom	Registered	10	Feb 8 2021	UK00003592127	Feb 8 2021	00003592127
WISE	United States of America	Pending	10	Dec 11 2017	87716299		
WISE	United States of America	Pending	10	Jun 27 2019	88492386		

Section 11.

Taxation

The taxation consequences of investing in CDIs (or the underlying Shares) will depend on your particular circumstances. It is your responsibility to satisfy yourself of the particular taxation treatment that applies to you by consulting your own professional tax advisers before investing in CDIs. Neither EBR nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of the taxation consequences connected with an investment in CDIs.

11.1. Australian Taxation

The Australian taxation information provided below is a summary of certain relevant Australian income tax, GST and stamp duty considerations arising from investing under the Offer. The summary is general in nature and is not intended to be a complete statement of all potential tax implications for each investor or to be relied upon as tax advice.

The precise implications of ownership or disposal of the CDIs will depend upon each investor's specific circumstances. Investors should seek their own independent professional tax advice on the taxation implications of holding and disposing of the CDIs, taking into account their specific circumstances.

The information in this taxation summary has been prepared on the basis that investors are Australian tax residents who hold a portfolio interest in the Company (broadly, direct or indirect entitlements to distributions of profits or capital of, and voting rights in, the Company totalling less than 10%) and hold their CDIs on capital account for Australian income tax purposes.

The information does not address the tax consequences that arise for non-Australian tax resident investors, or if an investor holds their CDIs on revenue account, carries on a business of trading in shares, or as trading stock, and does not cover the consequences for Australian tax resident investors who are exempt from Australian income tax or who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements (**TOFA**) regime), the Investment Manager Regime or a concessional tax regime.

The information does not address the Australian tax consequences that arise if an Australian tax resident investor has a taxable presence in the U.S. This summary assumes that the Company and each of its subsidiaries will not be considered a "controlled foreign company" for the purpose of applying Australia's CFC regime.

The following summary is based on the relevant Australian taxation and stamp duty laws as at the date of this Prospectus. These laws, and their interpretation by the courts, are subject to change from time to time, including a change with retrospective effect. To the maximum extent permitted by law, the Company, its officers, and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs issued under this Prospectus.

This Section 11 does not constitute financial product advice as defined in the Corporations Act and is confined to Australian income tax, withholding tax, GST and stamp duty issues only. Taxation is only one of the matters investors need to consider when making a decision about their investments. Investors should consider taking advice from a licenced advisor, before making a decision about their investments.

11.1.1 Tax residence of the Company

The Company is incorporated in the U.S. and it is intended that the Company is a foreign resident for Australian tax purposes. The Company is not expected to be a tax resident of Australia on the basis that the Company will not have its central management and control in Australia and will not carry on a business in Australia. The issue of CDIs in the Company as a result of the IPO should not change the residency status of the Company for tax purposes.

11.1.2 Dividends

(a) Australian resident individuals and complying superannuation entities

Dividends paid to Australian tax resident CDI holders will constitute assessable income of that CDI holder. Australian tax resident CDI holders who are individuals or complying superannuation entities are required to include the dividend in their assessable income (subject to the application of exemptions) in the year the dividend is paid.

On the basis that the Company is not an Australian tax resident company, dividends paid will be unfranked, even if the Company has been subject to tax on any Australian source income. Accordingly, franking credits will not attach to any dividend paid by the Company to Australian resident individuals and complying superannuation entities, and such CDI holders will generally be taxed at their marginal rate on the dividend received with no franking credit tax offset.

Where the dividend has been subjected to withholding tax in the U.S. and included in the CDI holder's assessable income, the amount included in the assessable income of an Australian tax resident CDI holder should be the gross amount of the dividend, (that is the amount received, grossed up for the amount of withholding tax paid).

A foreign income tax offset may be available to an Australian tax resident CDI holder for the U.S. withholding tax deducted and remitted to the U.S. tax authorities, subject to certain limits. Foreign income tax offsets are generally limited to the greater of A$1,000, or the Australian income tax that would be payable (subject to certain assumptions) on the net income on which foreign tax is paid.

CDI Holders should seek their own independent professional tax advice as to whether any tax offset for U.S. withholding tax deducted in relation to the dividend paid may be obtained.

(b) Australian corporate investors

Australian tax resident CDI holders who are corporate entities will be required to include any dividend income in their assessable income (subject to the application of exemptions) in the year in which the dividend is paid.

On the basis that the Company is not an Australian tax resident company, dividends paid will be unfranked, even if the Company has been subject to tax on any Australian source income. Franking credits will not attach to any dividend paid by the Company to Australian resident corporate entities. Accordingly, Australian tax resident CDI holders who are corporate entities will be taxed at their applicable company income tax rate on the dividend received with no franking credit tax offset.

Where the dividend has been subject to withholding tax in the U.S. and included in the CDI holder's assessable income, the amount included in the assessable income of an Australian tax resident CDI holder should be the gross amount of the dividend (that is, the amount received, grossed up for the amount of withholding tax paid in the U.S.).

A foreign income tax offset may be available to an Australian tax resident CDI holder for the U.S. withholding tax deducted in relation to the dividend paid. Where available, the amount of the foreign income tax offset should be equivalent to the withholding tax deducted and remitted to the U.S. tax authorities, subject to certain limits. Foreign income tax offsets are generally limited to the greater of A$1,000, or the Australian income tax that would be payable (subject to certain assumptions) on the net income on which foreign tax is paid.

CDI holders should seek their own independent professional tax advice as to whether any tax offset for US withholding tax deducted in relation to the dividend paid may be obtained.

(c) Trusts and partnerships

CDI holders who are trustees (other than trustees of complying superannuation entities or trusts that are treated in a similar manner to companies for Australian income tax purposes) or partnerships should include the dividend in determining the net income of the trust or partnership in the year in which the dividend is paid. The relevant beneficiary or partner may be required to include in their assessable income their share of the "net income" of the trust or partnership where that net income includes the dividend.

Franking credits will not attach to any dividend paid by the Company to an Australian trust or partnership.

Where the dividend has been subjected to withholding tax in the U.S., the amount included in the net income of the trust or partnership in the year should be the gross amount of the dividend (that is, the amount received, grossed up for the amount of withholding tax paid in the U.S.).

The relevant beneficiary or partner may be entitled to a foreign income tax offset for the U.S. withholding tax deducted in relation to the dividend paid. Where available, the amount of the foreign income tax offset should be equivalent to the beneficiary or partner's share of the withholding tax deducted and remitted to the U.S. tax authorities, subject to certain limits. Foreign income tax offsets are generally limited to the greater of A$1,000, or the Australian income tax that would be payable (subject to certain assumptions) on the net income on which foreign tax is paid.

CDI holders, and relevant beneficiaries and partners, should seek their own independent professional tax advice as to whether any tax offset for U.S. withholding tax deducted in relation to the dividend paid may be obtained.

11.1.3 Disposal of CDIs

The disposal of CDIs by a CDI holder who holds the CDIs on capital account will be a capital gains tax event (**CGT event**) in the year in which the CDI holder enters into the contract for the disposal, or where there is no contract, the year of disposal.

A capital gain will arise to the extent the capital proceeds on disposal exceed the cost base of the CDI. Broadly, the cost base of the CDI will be the amount paid to acquire the CDI plus any transaction costs incurred in relation to the acquisition or disposal of the CDI (e.g. brokerage and legal fees). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDIs.

A capital loss will be realised where the reduced cost base of the CDI exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the CDI holder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

If a CDI holder is required to pay tax in another jurisdiction in respect of the disposal of their CDIs, that CDI holder should seek their own independent professional tax advice as to the Australian income tax implications, including whether any tax offset paid may be obtained.

11.1.4 CGT discount

A CGT discount may be available to reduce the net capital gain where the CDI holder is an individual, complying superannuation entity or trustee, and the CDIs have been held for more than 12 months prior to the CGT event. Companies are not entitled to the CGT discount. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by 50% after offsetting any available current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by **33 $\frac{1}{3}$ %**, after offsetting any available current year or prior year capital losses. The discount may be reduced for any part of the ownership period that the CDI Holder is a foreign or temporary resident.

11.1.5 GST considerations

Australian GST should not be payable in respect of the issue, acquisition, disposal or transfer of the CDIs, or in respect of dividends. However, GST may be payable on brokerage fees.

11.1.6 Stamp duty considerations

CDI Holders should not be liable for stamp duty in any Australian State or Territory on the issue or allotment of the CDIs as part of the Offer, nor the acquisition of CDIs that are quoted on the ASX and received under the Offer. Under current stamp duty legislation, no stamp duty would ordinarily be payable by CDI holders on any subsequent transfer or disposal of the CDIs.

11.2. U.S. taxation

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of Shares acquired in this offering by Non-U.S. Holders (as defined below). The tax consequences for Non-U.S. Holders in respect of CDIs are generally the same as for Shares. Accordingly, references to Shares should also be read herein as a reference to CDIs in respect of the Shares. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, and does not deal with foreign, state and local tax consequences that may be relevant to Non-U.S. Holders, nor does it address any U.S. federal tax consequences (such as gift and estate taxes) other than income taxes. Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Internal Revenue Code of 1986, as amended (the Code), such as financial institutions, insurance companies, tax-exempt organisations, brokers, dealers and traders in securities, certain former U.S. citizens or long-term residents, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, corporations organised outside of the United States, any state thereof or the District of Columbia that are nonetheless treated as United States income taxpayers for United States federal tax purposes, persons that hold Shares as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or integrated investment or other risk reduction strategy, persons who acquire Shares through the exercise of an option or otherwise as compensation, persons subject to the alternative minimum tax, the federal Medicare contribution tax on net investment income or the special tax accounting rules under Section 451(b), "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds, partnerships and other pass-through entities or arrangements, and investors in such pass-through entities or arrangements. Such Non-U.S. Holders are urged to consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, Treasury regulations promulgated thereunder, rulings and judicial decisions, in each case as of the date hereof, and such authorities may be repealed, revoked or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the U.S. Internal Revenue Service (the IRS) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions. This discussion assumes that the Non-U.S. Holder holds Shares as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment).

Persons considering the purchase of Shares pursuant to this offering should consult their tax advisors concerning the U.S. federal income, estate and other tax consequences of acquiring, owning and disposing of Shares in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local or foreign tax consequences.

For the purposes of this discussion, a "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of Shares that is neither a U.S. Person, nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes regardless of its place of organisation or formation). A "U.S. Person" means any person that is, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organised in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more "United States persons" (within the meaning of Code Section 7701(a)(30))have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

In the case of a holder of Shares that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a person treated as a partner in such partnership for U.S. federal income tax purposes generally will depend on the status of the partner, the activities of the partner and the partnership and certain determinations made at the partner level. A person treated as a partner in a partnership or who holds Shares through another pass-through entity should consult his, her or its tax advisor regarding the tax consequences of the ownership and disposition of Shares through a partnership or other pass-through entity, as applicable.

11.2.1 Distributions

Distributions, if any, made on Shares to a Non-U.S. Holder to the extent made out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, subject to the discussions below regarding backup withholding and foreign accounts. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us or our paying agent with a properly executed IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), or other appropriate form, including a U.S. taxpayer identification number, or in certain circumstances, a foreign tax identifying number, and certifying the Non-U.S. Holder's entitlement to benefits under that treaty. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically. In the case of a Non-U.S. Holder that is an entity, Treasury regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty and you do not timely file the required certification, you may be able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that such holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent) prior to the payment of such dividends. In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net income basis at the regular rates applicable to U.S. Persons. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

To the extent distributions on Shares, if any, exceed our current and accumulated earnings and profits, they will first reduce the Non-U.S. Holder's adjusted basis in Shares, but not below zero, and then will be treated as capital gain to the extent of any excess, and taxed in the same manner as gain realised from a sale or other disposition of Shares as described in the next section.

11.2.2 Gain on disposition of shares

Subject to the discussions below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realised on a sale or other disposition of Shares unless (a) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that such holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met or (c) we are or have been a "United States real property holding corporation" (**USRPHC**) within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. In general, we would be a USRPHC if the aggregate fair market value of our "United States real property interests" (within the meaning of Code Section 897(c)(1)) (**USRPIs**) equals or exceeds fifty percent (50%) of the combined fair market value of our USRPIs, non-U.S. real property interests and our other business assets. We believe that we have not been and we are not, and do not anticipate becoming, a USRPHC. Even if we are or were to become a USRPHC, gain realised by a Non-U.S. Holder on a disposition of Shares will not be subject to U.S. federal income tax so long as (1) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than five percent of Shares at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (2) Shares is "regularly traded," as defined by applicable Treasury regulations, on an established securities market. There can be no assurance that we are not and will not become a USRPHC or that Shares will qualify as regularly traded on an established securities market.

If you are a Non-U.S. Holder described in (a) above, you will be required to pay tax on the net gain derived from the sale or other taxable disposition at regular U.S. federal income tax rates applicable to U.S. Persons, and corporate Non-U.S. Holders described in (a) above may, in addition, be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, as adjusted for certain items. A Non-U.S. Holder described in (b) above will be subject to U.S. federal income tax at a flat 30% rate, or such lower rate as may be specified by an applicable income tax treaty, on gain realised upon the sale or other taxable disposition which gain may be offset by certain U.S.-source capital losses of the Non-U.S. Holder (even though you are not considered a resident of the U.S.), provided that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

11.2.3 Information reporting and backup withholding tax

Generally, we must report information to the IRS with respect to any distributions we pay on Shares (even if the payments are exempt from withholding), including the amount of any such distributions, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such distributions are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Distributions to a Non-U.S. Holder that are classified as dividends paid by us (or our paying agents) may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-ECI, or otherwise establishes an exemption. Notwithstanding the foregoing, backup withholding may apply if the applicable withholding agent has actual knowledge, or reason to know, that the holder is a U.S. Person who is not an exempt recipient.

U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a sale or other taxable disposition of Shares effected by or through a U.S. office of any broker, U.S. or foreign, except that information reporting and such requirements may be avoided if the Non-U.S. Holder provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or otherwise meets documentary evidence requirements for establishing non-U.S. Person status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the U.S. through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. Person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against the U.S. federal income tax liability of a Non-U.S. Holder subject to backup withholding, provided that the required information is timely furnished to the IRS.

11.2.4 Shareholders may be subject to withholding under FATCA

Sections 1471 through 1474 of the Code (commonly referred to as FATCA) impose a U.S. federal withholding tax of 30% on certain payments to a foreign financial institution (as defined in the Code) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities certain information regarding U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). FATCA also generally imposes a federal withholding tax of 30% on certain payments to a non-financial foreign entity (as defined in the Code) unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding substantial direct and indirect U.S. owners of the entity. An intergovernmental agreement between the United States and an applicable foreign country may modify those requirements. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in Shares.

The withholding provisions described above generally applies to payments of dividends. Under proposed Treasury regulations, the preamble to which states that taxpayers may rely on them until final Treasury regulations are issued, this withholding tax does not apply to payments of gross proceeds from a sale or other disposition of Shares.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF SHARES, INCLUDING THE CONSEQUENCES OF ANY CHANGES IN APPLICABLE LAW SUBSEQUENT TO THE DATE HEREOF.

Section 12.

Additional Information

12.1. Incorporation and registration as foreign company

EBR was incorporated on 25 April 2003 in Delaware, United States.

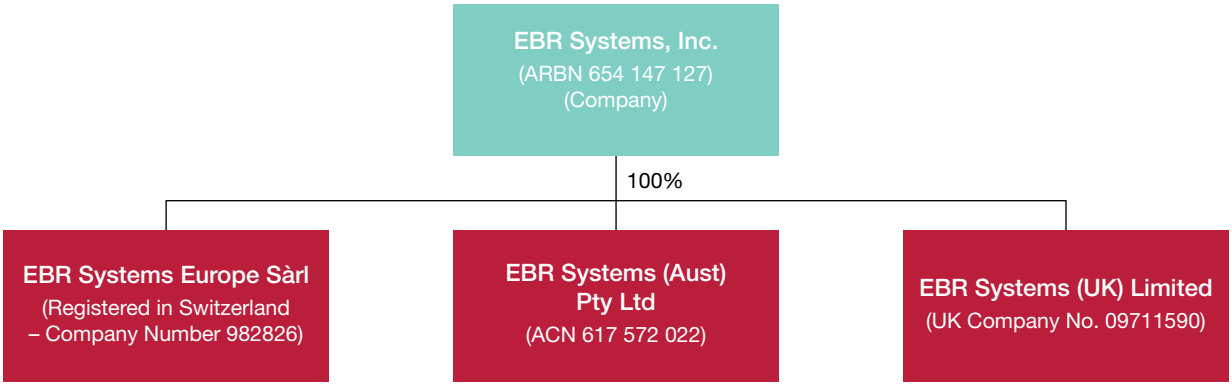
On 1 October 2021, EBR was registered as a foreign company in Australia under the Corporations Act and in accordance with the requirements of Listing Rule 12.6A.

Mr Brendan Case has been appointed as the local agent of EBR pursuant to the Corporations Act and has been engaged to act as the person responsible for communications with the ASX under Listing Rule 12.6.

Mr Case has also been appointed as EBR's Australian company secretary. Mr John Sellers is EBR's company secretary based in the United States.

12.2. Corporate structure

The current corporate structure of the Group is set out below.



The following table summarises the companies in the Group.

Company name	Place of incorporation	Nature of business
EBR Systems, Inc. (ARBN 654 147 127)	U.S.	Parent entity with 100% control over the Group and the preparer of the consolidated group financial statements.
EBR Systems (Aust) Pty Ltd (ACN 617 572 022)	Australia	Operating and contracting company for Australia.
EBR Systems Europe Sàrl (Registered in Switzerland – Company Number 982826) (**EBR Switzerland**)	Switzerland	EBR Switzerland was established in 2010 as a requirement of the Swiss Competent Authority to act as local sponsor of the first in-human clinical study. As this legacy requirement has now been fulfilled, there is no need to maintain EBR Switzerland. Consequently, EBR entered into liquidation proceedings to close the entity and avoid ongoing legal fees to maintain EBR Switzerland.
EBR Systems (UK) Limited (UK Company No. 09711590)	United Kingdom	Operating and contracting company for the UK.

12.3. Convertible notes

Between 25 June and 4 October 2021, the Company and EBR Systems (Aust) Pty Ltd issued convertible promissory notes with an aggregate principal amount of approximately US$17.4 million (approximately A$23.5 million) (**Convertible Notes**).[1]

The Convertible Notes accrue simple interest at 10% per annum calculated daily. Immediately before the allotment of the CDIs under the Offer, the principal and accrued interest on the Convertible Notes will convert into shares of EBR's preferred stock at a rate of US$0.8245 per share (the **Note Conversion**), which will in turn convert into the same number of Shares as part of the subsequent steps in the Restructuring (see Section 12.6).

If the Allotment Date is 19 November 2021 (as is currently scheduled), then a total of 21,692,195 Shares (equivalent to the same number of CDIs) will be issued pursuant to the Note Conversion (and the subsequent parts of the Restructuring). If the Note Conversion occurs on a different date, the number of Shares (and the equivalent number of CDIs) will be different, reflecting the effect of the interest accruing on a daily basis.

1. This includes certain Convertible Notes issued to Australian investors by EBR Systems (Aust) Pty Ltd on terms achieving the same economic effect as the Notes. These notes will indirectly convert into Shares issued by EBR as part of the Restructuring.

12.4. Options

As at the date of this Prospectus, the Company has the following Options on issue:

Expiry Date	Exercise price(s) per Share (range) (US$)	No. of Options
20 August 2022	$0.16	61,382
14 August 2023	$0.16	4,000
19 December 2023	$0.16	4,000
10 June 2025	$0.16	277,266
13 September 2025	$0.16	2,800
28 March 2026	$0.16	66,500
13 September 2026	$0.16	7,000
27 December 2027	$0.16	5,287,042
20 February 2028	$0.16	514,962
2 May 2028	$0.16	1,065,489
24 July 2028	$0.16	1,406,893
10 September 2028	$0.16	400,000
13 November 2028	$0.16	215,000
30 April 2029	$0.16	930,000
12 November 2029	$0.14	8,401,718
29 June 2030	$0.12	1,848,746
3 August 2030	$0.12	45,000
19 August 2030	$0.12	30,000
27 October 2030	$0.12	3,417,164
6 December 2030	$0.12	370,000
27 January 2031	$0.12	1,190,184
5 April 2031	$0.12	180,000
31 August 2031	$0.10	2,871,640
TOTAL		**28,596,786**

The Options are subject to a range of time-based vesting conditions, but most commonly: 25% vesting on the one year anniversary of the grant, with the remainder vesting in equal monthly tranches over the following three years. Certain grants also subject to or performance vesting conditions. The Options have all been issued under the 2013 Plan (see Section 7.7.4).

Following completion of the Offer, the Company also intends to issue an additional 976,340 Options to Directors (or their nominee) as described in Section 7.7.2, as well as an additional 1,511,607 Options to other staff under the 2021 Plan, with exercise prices equal to the U.S. dollar equivalent of the Offer Price. The term of the Options will be no more than ten years after the grant date.

12.5. Warrants

As at the date of this Prospectus, the Company has the following Warrants on issue:

Expiry date	Exercise price per Share (US$)	No. of Warrants
28 November 2022	$11.50	21,649
29 October 2027	$0.41225	1,950,607
24 March 2030	$0.14	441,500
Multiple dates ranging from 2025 to 2031	U.S. dollar equivalent of A$0.81	17,397,272

Each Warrant is exercisable at any time up until the expiry date.

The figures above include 3,086,515 warrants issued by EBR Systems (Aust) Pty Ltd, a wholly-owned subsidiary of the Company. On exercise of these warrants, the shares in the subsidiary are immediately exchanged for Shares in EBR. Each of these warrants is exercisable at any time up until the expiry date.

12.6. Restructuring

The Group intends to complete the Restructuring between the Closing Date and Listing. The Restructuring comprises the following steps:

(a) **Note Conversion:** The principal and accrued interest on the Convertible Notes will convert into Shares as described in Section 12.3.

(b) **Conversion of preferred shares and preferred stock warrants:** Each of the shares of preferred stock in EBR will convert into one Share,[2] and each of the preferred stock warrants issued by EBR will convert into one Warrant.[3]

The Restructuring will result in the pre-allotment capital and ownership structure described in Section 8.5 (subject to the matters noted in that Section).

2. This includes certain convertible notes issued to Australian investors by EBR Systems (Aust) Pty Ltd on terms achieving the same economic effect as holding shares of the preferred stock in EBR. As part of the Restructuring, these notes will be indirectly converted into Shares issued by EBR.
3. This includes certain warrants issued to Australian investors by EBR Systems (Aust) Pty Ltd on terms achieving the same economic effect as holding preferred stock warrants. As part of the Restructuring, such warrants will become exchangeable for Shares in EBR rather than preferred stock.

12.7. CHESS Depositary Interests

EBR is incorporated in Delaware. To enable companies such as EBR to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI Holders receive the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on the ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI holders. Shareholders of the Company cannot trade their directly held Shares on the ASX without first converting their Shares into CDIs.

Rights and specific features (including key differences) attaching to CDIs

What is the nature of CDIs?	In order for interests in the Shares to trade electronically on the ASX, EBR intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the U.S. whose corporate laws do not recognise CHESS as a method of electronic transfer of legal title to their securities. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, EBR intends to issue (through an Australian depository nominee, CDN) depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities, such as the Shares, on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee, CDN. CDI Holders receive all direct economic and other benefits of the Shares.
Who is the depositary nominee and what do they do?	EBR will appoint CDN, a subsidiary of ASX Settlement to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of CDI Holders. CDN will receive no fees for acting as the depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by CDI Holders.
What registers will be maintained recording your interests?	On Listing, EBR will operate three registers for the Shares and CDIs: In the U.S.: o an uncertificated principal register of Shares; In Australia: o an uncertificated issuer-sponsored sub-register of CDIs; and o an uncertificated CHESS sub-register of CDIs. The register of Shares will be the register of legal title. The Shares will be uncertificated unless a Shareholder requests a stock certificate from the Registry denoting the number of Shares owned. EBR must ensure that at all times the total number of CDIs on the issuer sponsored sub-register of CDIs and CHESS sub-register of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register. EBR will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.

Rights and specific features (including key differences) attaching to CDIs	
How is local and international trading in CDIs effected?	CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.
What is the CDI: Share ratio?	One CDI will represent an interest in one Share. To obtain one Share, an investor will need to convert one CDI.
What will CDI Holders receive on acceptance of their Applications?	Each CDI Holder will receive a holding statement or allotment confirmation notice which sets out the number of CDIs held by the CDI Holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.
How do CDI Holders convert from a CDI holding to a direct holding of Shares?	A CDI Holder may either leave their holding in the form of CDIs (so that legal title remains in the name of CDN) or transmute the CDIs to Shares and hold legal title in their own right. Only CDIs can be traded on the ASX. The Shares are not currently quoted on any other securities exchange. The Shares will bear applicable restrictive legends on the register to assist with compliance with applicable U.S. Securities laws. CDI Holders who wish to convert their ASX listed CDIs to Shares to be held on the U.S. principal register can do so by instructing EBR's Registry either: o directly in the case of CDIs on the issuer sponsored sub-register operated by EBR. CDI Holders will be provided with a form for completion and return to EBR's Registry; or o through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to EBR's Registry. EBR's Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new holding statement will be issued. This will cause the Shares to be registered in the name of the holder on the U.S. principal register and trading on the ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any market in the U.S. or elsewhere. EBR's Registry will not charge a security holder or EBR a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Registry is in receipt of a duly completed and valid cancellation form. However, no guarantee can be given about the time for this conversion to take place. Such Shares are 'restricted securities' (as defined under Rule 144 of the U.S. Securities Act). As a result, the Shares will be subject to the restrictions that will prevent the holder from transferring those Shares until they have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 of the U.S. Securities Act or another exemption from the registration requirements of such Act. The contact details for the Registry are set out in the Corporate Directory.

Rights and specific features (including key differences) attaching to CDIs	
How do shareholders convert from a direct shareholding to a CDI holding?	Holders may hold their interests in EBR in the form of CDIs (which may facilitate trading of those interests on the ASX) or in Shares (which are not tradeable on the ASX). If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Registry in the U.S. The Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants). A holder that transmutes its Shares into CDIs must comply with the restrictions set forth in the Share Legend during the Distribution Compliance Period until it is removed by EBR. As CDIs represent a beneficial interest in the underlying Shares, holders of CDIs transmuted from Shares will be bound by the restrictions set forth in the Share Legend to the extent that they relate to their beneficial interest until that Share Legend is removed by EBR. For more information, see Section 12.13.9.
What is the 'Foreign Ownership Restriction' designation on the ASX?	Under Rule 144 of the U.S. Securities Act, the CDIs and underlying Shares will be 'restricted securities' that will be subject to an initial one-year Distribution Compliance Period from the date of issue of the CDIs, which period may be extended by the Company in its discretion. This means that during the Distribution Compliance Period you will not be permitted to sell the CDIs sold to you in the Offer or the underlying Shares into the U.S. or to, or for the account or benefit of, a U.S. Person, unless the resale of the CDIs is, or the underlying Shares are, registered under the U.S. Securities Act (which EBR is not obligated to do) or an exemption from such registration is available. If you are to sell CDIs or underlying Shares in such circumstance pursuant to an exemption from registration, you would need to establish the availability of such an exemption at your expense. EBR has requested that, during the Distribution Compliance Period, all CDIs issued or transferred under the Offer bear a designation on the ASX in order to enforce the above restrictions. This designation is intended to prevent any CDIs from being sold on the ASX during the Distribution Compliance Period, to persons that are in the U.S. or to, or for the account or benefit of, U.S. Persons. EBR cannot provide any assurances as to when this designation will be lifted from the CDIs. For more information, see Section 8.13. The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of EBR. Any CDIs that are acquired and subsequently resold by such affiliates will be subject to a new Distribution Compliance Period. Because it would not be possible to distinguish such CDIs resold by such affiliates of EBR from the other CDIs, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of EBR's CDIs.

Rights and specific features (including key differences) attaching to CDIs	
What are the voting rights of a CDI Holder?	CDI Holders may attend and vote at EBR's general meetings. Under the Listing Rules and the ASX Settlement Operating Rules, EBR as an issuer of CDIs must allow CDI Holders to attend any meeting of the holders of Shares unless relevant U.S. law at the time of the meeting prevents CDI Holders from attending those meetings. In order to vote at such meetings, CDI Holders may: o instruct CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to EBR's Registry prior to the meeting; or o inform EBR that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or o convert their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI Holder wishes to sell their investment on the ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process. One of the above steps must be undertaken before CDI Holders can vote at Shareholder meetings. As each CDI represents one Share, a CDI Holder will be entitled to one vote for every one CDI they hold. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI Holders by EBR. Since CDN is the member of EBR but the holders of CDIs are not members themselves as they merely hold a beneficial interest in the applicable shares, the holders of CDIs do not have any directly enforceable rights under EBR's Certificate of Incorporation or Bylaws.
What dividend and other distribution entitlements do CDI Holders have?	Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, including dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have force of law by virtue of the Corporations Act), rather than the U.S. Exchange Act or the DGCL. Given one CDI will represent an interest in one Share, dividends and other entitlements which attach to each Share will simply flow through to the corresponding CDI and hence to the CDI Holder. Whilst EBR does not anticipate declaring any dividends in the foreseeable future, should it do so, EBR will declare any dividends in US$. EBR will pay any dividends to CDI Holders in A$. If a CDI Holder wishes to receive dividends in US$ they must complete an appropriate election form and return it to EBR's Registry, no later than the close of business on the dividend record date. Holders of CDIs trading on the ASX will receive an equivalent amount in Australian currency based on the exchange rate on the record date.

Rights and specific features (including key differences) attaching to CDIs	
What corporate action entitlement (such as rights issues and bonus issues) do CDI Holders have?	Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI Holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include the right to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than the U.S. Exchange Act or the DGCL. EBR must administer all corporate actions (including bonus issues, rights issues, reconstructions and mergers) that result in the issue of additional or replacement Shares so that the benefits are generally distributed to CDI Holders on the same terms as Shareholders as though the CDI Holders are the holders of the relevant corresponding number of Shares.
What rights do CDI Holders have in the event of a takeover?	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In the event CDI Holders instruct it to do so, CDN must ensure that the offeror processes the takeover acceptance. These rights exist only under the ASX Settlement Operating Rules, rather than the U.S. Exchange Act or the DGCL.
What notices and announcement will CDI Holders receive?	CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from EBR. These rights exist only under the ASX Settlement Operating Rules and EBR's Bylaws, rather than the U.S. Exchange Act or the DGCL.
What rights do CDI Holders have on liquidation or winding up?	In the event of EBR's liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as Shareholders receive on the Shares they hold. These rights exist only under the ASX Settlement Operating Rules, rather than the U.S. Exchange Act or the DGCL.
Will CDI Holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?	A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares. CDN will not receive any fees from investors for acting as the depositary for the CDIs.

Rights and specific features (including key differences) attaching to CDIs	
Where do I find further information about transferring CDIs?	If your CDIs are held on the CHESS sub-register, contact your sponsoring participant (usually your broker). If your CDIs are held on the issuer-sponsored sub-register, contact the Registry. The transfer of CDIs may be effected by a proper transfer (defined as a Proper ASTC Transfer in the *Corporations Regulations 2001* (Cth)). Upon receipt of a proper transfer and subject to the *Corporations Regulations 2001* (Cth), Listing Rules and ASX Settlement Operating Rules, EBR will approve registration of a transferee named in the transfer as a holder of CDIs. The transferor will be deemed to remain the holder of the CDIs until a proper transfer has been effected or the name of the transferee is entered in the CHESS sub-register or the issuer-sponsored sub-register (as applicable) as the holder of the CDIs. EBR may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by the ASX Settlement Operating Rules.
Divestment of nonmarketable parcel of CDIs	Subject to certain restrictions and procedures, EBR may, after giving written notice to a CDI holder, sell a CDI holder's CDIs if the CDI holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures). The CDI holder will receive the proceeds of any such sale.
Where can further information be obtained?	For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled: (a) "Understanding CHESS Depository Interests" at: www2.asx.com.au/content/asx/search.html?q=CHESS_Depositary_Interests; and (b) ASX Guidance Note 5 at: www2.asx.com.au/about/regulation/rules-guidance-notes-and-waivers/asx-listing-rules-guidance-notes-and-waivers, or contact your stockbroker or the EBR Offer Information Line.
Stamp duty	As at the Prospectus Date, no duties should be payable under U.S. or Australian federal or state laws on the transfer of Shares or CDIs. Transfers of Shares or CDIs involving a change in beneficial ownership may be subject to taxation under U.S. or Australian federal or state laws (or the laws of other applicable jurisdictions). Securityholders should seek professional advice from their accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest or deal in securities.

12.8. Certificate of incorporation, bylaws and rights attaching to shares

As EBR is incorporated under the laws of Delaware in the U.S., rights attaching to the Shares will be governed by Delaware law, U.S. federal securities laws, EBR's Certificate of Incorporation and its Bylaws. Once listed on the ASX, EBR will also become subject to the Listing Rules.

The following is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only of the rights attaching to the Shares.

If you would like to read EBR's Certificate of Incorporation or Bylaws, these documents will be made available free of charge upon written request to:

Attn: Chief Financial Officer

EBR Systems, Inc.
480 Oakmead Pkwy
Sunnyvale, California 94085
United States of America
Telephone: +1 408 720 1906
www.ebrsystemsinc.com

You should consult with your own legal adviser if you require further information.

Rights of holders of Shares in EBR	
Rights attaching to Shares	
Share capital	Following the completion of the Offer, the Company's authorised capital stock will consist of 600,000,000 shares in common stock (i.e. Shares) and 10,000,000 shares of undesignated preferred stock. **Preferred stock** Following the completion of the Offer, the Board will have the authority, without further action by Shareholders, to issue shares of preferred stock in one or more series. The Board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference and the number of shares constituting any series. The issuance of preferred stock could have the effect of restricting dividends on Shares, diluting the voting power of Shares, impairing the liquidation rights of Shares, or delaying or preventing a change of control. Even the ability to issue preferred stock could delay or impede a change of control. Immediately after the closing of the Offers, no shares of preferred stock will be outstanding, and the Company currently has no plan to issue any shares of preferred stock.
Purchase of own shares	Under Delaware law, the Directors may be able to cause EBR to buy-back its outstanding shares out of funds legally available without needing to obtain Shareholder approval. A company generally is not permitted to buy back its shares if its liabilities exceed its assets. In addition, share buy-backs are subject to US securities laws.
Acquisition/ transfer of shares	Under Delaware law, shares are freely transferable, subject to applicable U.S. federal and state securities laws, unless a transfer restriction is imposed by a company's certificate of incorporation, bylaws or an agreement signed with the holder of the shares at issue. Accordingly, a company is obligated to register a transfer of shares unless such transfer would violate federal or state securities laws or a valid transfer restriction would be imposed as described above. Once listed on the ASX, the Directors must not in any way prevent, delay or interfere with the registration of a transfer of quoted securities in EBR unless permitted by the Listing Rules or the ASX Settlement Operating Rules.

Dividends and distributions	Under Delaware law, the Directors may declare and pay dividends generally out of: o the surplus of the Company, which is defined to be the Company's net assets less capital; or o if no surplus exists, out of the net profits of the Company for the financial year in which the dividend is declared and/or the preceding financial year.
Variation of class rights and amendments to incorporating documents	Under Delaware law, any amendment to EBR's Certificate of Incorporation that would alter or change the special rights, powers or preferences of one or more classes or series of stock so as to affect them adversely must, in addition to any other vote required by law or under the Certificate of Incorporation, be approved by the adversely affected class or series by a majority of all votes entitled to be cast by the Shareholders of that class or series. Except as otherwise provided in EBR's Certificate of Incorporation, the issuance of shares of any series of common stock or preferred stock (assuming there were a sufficient number of authorised and unissued shares of such series) would not require a separate vote of any class or series of stock of EBR. However, an amendment increasing the number of authorised shares of a class or series of stock must be approved by the holders of a majority of the votes entitled to be cast by the Shareholders of that class or series, unless EBR's Certificate of Incorporation provides that such vote is not necessary. Under Delaware law and EBR's Certificate of Incorporation, amendments to EBR's Bylaws can be made with Board or Shareholder approval. The Board is authorised to amend EBR's Bylaws at any time by a vote of the majority of the authorised number of Directors. In order for the Shareholders to amend EBR's Bylaws, the amendment must be approved by the holders of at least $66\frac{2}{3}\%$ of the then-outstanding voting stock.
Capital raising	
Issue of Shares	See the description of EBR's ability to issue Shares and preferred stock contained in the "Share Capital" section above.
Listing Rules	Once listed on the ASX, EBR will be subject to the annual limit on security issuances found in the Listing Rules in relation to issuances of equity securities.
Directors	
Directors' liability	Under Delaware law, a company may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the company or its Shareholders for monetary damages for breach of fiduciary duty as a director. However, the provision may not eliminate liability for breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, unlawful payment of dividends, unlawful purchases or redemptions of the Company's stock, or any transaction from which the director derived an improper personal benefit. EBR's Certificate of Incorporation provides that the liability of the Directors for monetary damages is eliminated to the fullest extent under applicable law.

Nomination of Directors	Under EBR's Bylaws, for nominations for the election to the Board to be properly brought before an annual meeting by a Shareholder, the Shareholder must deliver written notice, which contains the information required by EBR's Bylaws, to the Secretary of EBR no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that, in the event that the date of the annual meeting is advanced or delayed by more than 30 days of the anniversary of the preceding year's annual meeting, notice by the Shareholder to be timely must be received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Under Delaware law and EBR's Bylaws, there is plurality voting for the election of Directors at annual meetings, which does not apply under Australian law. (In plurality voting, successful candidates are those that receive the highest number of votes at that meeting, irrespective of whether any such candidate has received a majority of the votes cast by Shareholders at the meeting, as is required in Australia. Under this mechanism, Shareholders are effectively not given the option to vote 'against' the proposed resolution.)
Casual vacancies	Unless the Board determines by resolution that vacancies will be filled by the Shareholders, vacancies on the Board will be filled only by the affirmative vote of a majority of the Directors then in office, even though less than a quorum of the Board, and not by the Shareholders. Any Director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the Director for which the vacancy was created or occurred and until such Director's successor will have been elected and qualified. EBR has received 'in-principle' advice from ASX that it will provide a waiver from Listing Rule 14.4 to permit this to occur.
Removal of Directors	Subject to the rights of holders of any series of preferred stock to elect additional directors under specified circumstances neither the Board nor any individual Director may be removed without cause. EBR's Certificate of Incorporation provides that, subject to any limitation imposed by applicable law, any individual Director or Directors may be removed with cause by the approval of the holders of at least $66\frac{2}{3}\%$ of the then-outstanding voting stock.
Shareholder meetings	
Annual meeting	Under Delaware law, EBR is required to have an annual meeting of Shareholders and, if more than 13 months have passed since the last annual meeting, a Shareholder or Director may petition the court for an order compelling the holding of the annual meeting.
Notice of Shareholder meetings	Under EBR's Bylaws, notice of a meeting of EBR's Shareholders must generally be given to Shareholders entitled to vote at the meeting not less than 10 days, and not more than 60 days, prior to the date of the meeting.
Calling meetings	Under EBR's Bylaws, notice of a meeting of EBR's Shareholders must generally be given to Shareholders entitled to vote at the meeting not less than 10 days, and not more than 60 days, prior to the date of the meeting.

Voting at meetings	At a meeting of EBR, every holder of Shares present in person or by proxy is entitled to one vote for each Share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Under EBR's Bylaws, the presence at the meeting (in person, by remote communication or represented by proxy) of the holders of a majority of the outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business. Except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of Shares present in person, by remote communication or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the Shareholders. Directors will be elected by a plurality of the votes of the Shares (present in person, by remote communication or represented by proxy at the meeting) and entitled to vote on the election of Directors.
Transactions requiring Shareholder approval	The types of transactions that require Shareholder approval are governed by Delaware law and EBR's Certificate of Incorporation and Bylaws. Generally speaking, the following types of transactions will require Shareholder approval by a majority of votes: o amending the Certificate of Incorporation; and o fundamental corporate changes such as a merger or acquisition, the sale of all or substantially all of EBR's assets, or the dissolution of EBR. Under EBR's Certificate of Incorporation and Bylaws, the removal of Directors or the amendment of either the Bylaws or certain articles of the Certificate of Incorporation requires the affirmative vote of the holders of at least $66\frac{2}{3}\%$ of the Shares entitled to vote on such matters.
Quorum	Under EBR's Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorised, of the holders of a majority of the outstanding Shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of Shareholders may be adjourned, from time to time, either by the chairperson of the meeting or by vote of the holders of a majority of the Shares represented thereat, but no other business shall be transacted at such meeting.
Relationship between the Company and its Shareholders	
Relief from oppression	Unlike the Corporations Act, there is no statutory provisions under Delaware law allowing a Shareholder to bring an action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as Shareholder, or themselves in a capacity other than as a Shareholder. However, judicial remedies may be available to Shareholders in comparable circumstances.
Derivative actions	Under Delaware law, a Shareholder may bring a derivative action on behalf of the Company where those in control of the Company have failed to assert a claim belonging to the Company. A Shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff has been a Shareholder of the Company at the time of the act of which the plaintiff complains and a requirement that the plaintiff maintain his or her status as a Shareholder throughout the course of the litigation. A derivative plaintiff must also have made a demand on the Directors of EBR to assert the corporate claim, unless such a demand would have been futile.

Forum selection	Under EBR's Certificate of Incorporation and Bylaws, unless EBR consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (a) any derivative claim or cause of action brought on behalf of EBR; (b) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of EBR, to EBR or EBR's Shareholders; (c) any claim or cause of action against EBR or any current or former director, officer or other employee of EBR, arising out of or pursuant to any provision of the Delaware General Corporation Law, EBR's Bylaws (as each may be amended from time to time); (d) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of EBR's Bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (e) any claim or cause of action as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; and (f) any claim or cause of action against EBR or any current or former director, officer or other employee of EBR, governed by the internal-affairs doctrine or otherwise related to EBR's internal affairs, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants.
Takeovers	
Takeovers	EBR is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including provisions that relate to substantial holdings and takeovers. The acquisition of securities in EBR is subject to Delaware law and applicable US securities laws. The ASX usually requires a foreign entity admitted to the Official List of the ASX to undertake to give information to the ASX (for release to the market) about the ownership of its securities. The usual undertakings are to tell the market: o immediately the entity becomes aware of any person becoming a substantial holder within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holding of which the entity is aware; and o of subsequent changes in the substantial holdings of which the entity becomes aware. Section 203 of the Delaware General Corporation Law generally prohibits a Delaware company from engaging in any business combinations with any Shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested Shareholder, for a period of three years following the date on which the Shareholder became an interested Shareholder, subject to certain exceptions. Section 203 of the Delaware General Corporation Law will not initially apply to EBR unless it decides to opt-in to the provision, until it has at least 2,000 Shareholders, or it becomes listed on a U.S. national stock exchange.

Takeovers ***continued***	In addition, under Delaware law, the Board will have the ability to implement a broader range of takeover defence mechanisms than what is currently permitted under Australian takeovers legislation and policy. The availability of these mechanisms may be regarded as a potential disadvantage to the extent that they enable management to discourage or defeat a takeover bid which Shareholders would otherwise like to consider. However, such actions may also advantage Shareholders by providing protections against a takeover that is not in the short or long term interests of the company. Defensive mechanisms could include, amongst other things: (i) adoption of a Shareholders rights plan (or so-called 'poison pill') and (ii) issuance of stock (including preferred stock having disproportionate or blocking voting rights) to friendly hands. While the Board will have substantial discretion to implement such provisions, its exercise of that discretion must comply with its fiduciary duties of loyalty and care. Under Delaware case law, in any litigation by Shareholders challenging the adoption of 'defensive' provisions such as those described above, the Board will have the initial burden of demonstrating that it had reasonable grounds for believing that a threat to corporate policy and effectiveness existed and that the action taken was reasonable in relation to the threat posed.
Winding up	
Winding up	Under Delaware law, the Board can decide whether it is advisable to dissolve the company, or sell any or all of its assets, and submit a resolution to approve dissolution or a sale of all or substantially all assets for Shareholder approval. A majority of the shares outstanding must approve such resolution for it to be adopted. Dissolution may also be authorised without Director action if all the Shareholders entitled to vote consent in writing and a certificate of dissolution is filed with the Secretary of State of Delaware. In the event of EBR's liquidation or dissolution, holders of common stock are entitled to share in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of the outstanding preferred stock, if any. Holders of EBR's common stock have no pre-emptive, subscription, redemption or conversion rights.
Other	
'Two strikes' rule	Under Delaware law, the Board can decide whether it is advisable to dissolve the company, or sell any or all of its assets, and submit a resolution to approve dissolution or a sale of all or substantially all assets for Shareholder approval. A majority of the shares outstanding must approve such resolution for it to be adopted. Dissolution may also be authorised without Director action if all the Shareholders entitled to vote consent in writing and a certificate of dissolution is filed with the Secretary of State of Delaware. In the event of EBR's liquidation or dissolution, holders of common stock are entitled to share in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of the outstanding preferred stock, if any. Holders of EBR's common stock have no pre-emptive, subscription, redemption or conversion rights.

12.9. Differences between Australian and U.S. Law

EBR was incorporated in the State of Delaware, and its corporate affairs are governed by (among other things) its Certificate of Incorporation, Bylaws and the DGCL. It operates subject to the DGCL and, in particular, is not subject to certain aspects of Australian company law. Set out below is a table summarising some of the key differences between Australian company law and the DGCL (as well as provisions of U.S. federal securities laws that are not currently applicable to EBR).

	Delaware Law and U.S. Federal Law	Australian Law
Transactions that require Shareholder approval	The DGCL and EBR's Certificate of Incorporation and Bylaws govern the type of transactions that require Shareholder approval. Generally, the following types of transactions will require Shareholder approval: o Amendments to the Certificate of Incorporation; and o Material corporate transactions such as a merger or acquisition, the sale of all or substantially all of EBR's assets or the dissolution of EBR. EBR's Certificate of Incorporation provides that EBR's Bylaws may be amended by an affirmative vote of a majority of the Board. EBR's Bylaws provide that the Bylaws may also be amended by at least $66\frac{2}{3}\%$ of the Shareholders that are entitled to vote on the matter.	Under the Corporations Act, the principal transactions or actions requiring Shareholder approval include: o adopting or altering the constitution of the Company; o appointing or removing a Director or auditor; o certain transactions with related parties of the Company; o putting the Company into liquidation; o changes to the rights attached to shares; and o shareholder approval is also required for certain transactions affecting share capital (for example, share buybacks and share capital reductions). Under the Listing Rules, Shareholder approval is required for matters including: o increases in the total amount of Directors' fees; o Directors' termination benefits in certain circumstances; o certain transactions with related parties; o certain issues of shares; and o if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.

	Delaware Law and U.S. Federal Law	Australian Law
Shareholders' right to request or requisition a general meeting	Pursuant to EBR's Bylaws, special meetings of EBR's Shareholders may be called at any time by the Board, the Chair of the Board or by EBR's Chief Executive Officer.	The Corporations Act requires the Directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	At a meeting of EBR's Shareholders, every holder of Shares of EBR's common stock (present in person or by proxy) is entitled to one vote for each Share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Under EBR's Bylaws, the presence at the meeting (in person or represented by proxy) of the holders of a majority of the outstanding Shares of stock entitled to vote will constitute a quorum for the transaction of business. All elections for directors shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively. Pursuant to section 216 of the DGCL and except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of Shares present in person, by remote communication or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the Shareholders.	The position is comparable under the Corporations Act.

	Delaware Law and U.S. Federal Law	Australian Law
Changes in the rights attaching to shares	The DGCL allows a majority of the Shares of a class or series of Shares, or such other number of Shares as set out in a Company's Certificate of Incorporation, to amend the rights attaching to such class or series (as applicable) of Shares.	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: o a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or o a written consent of members with at least 75% of the votes in the class.
Statutory Shareholder protections against oppressive conduct	There are no statutory provisions under the DGCL that specifically provide for a Shareholder cause of action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as a Shareholder, or themselves in a capacity other than as a Shareholder.	Under the Corporations Act, Shareholders have statutory remedies for oppressive or unfair conduct of the Company's affairs and the court can make any order as it sees appropriate

	Delaware Law and U.S. Federal Law	Australian Law
Shareholders' rights to bring or intervene in legal proceedings on behalf of EBR	Under the DGCL, a Shareholder may bring a derivative action on behalf of the Company to assert a claim belonging to the Company. A Shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff is a Shareholder of the Company at the time of the act of which the plaintiff makes the complaint and a requirement that the plaintiff maintain his or her status as a Shareholder throughout the course of the litigation. The plaintiff in a derivative action must also have made a demand on the Directors of the Company to assert the corporate claim before the plaintiff filed a formal derivative action, unless such a demand would have been futile.	The Corporations Act permits a Shareholder to apply to the court for leave to bring proceedings on behalf of the Company, or to intervene in proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings. The court must grant the application if it is satisfied that: o it is probable that the Company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them; o the applicant is acting in good faith; o it is in the best interests of the Company that the applicant be granted leave; o if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and o either at least 14 days before making the application, the applicant gave written notice to the Company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.
Changes to rights attaching to Shares	Any changes to the rights of stockholders set forth in the Certificate of Incorporation would require the approval of the holders of a majority of the voting power of Shares entitled to vote on such matter; provided, however, that any amendment to Article V, VI, VII or VIII of the Certificate of Incorporation would require the approval of the holders of at least $66\frac{2}{3}\%$ of the voting power of Shares entitled to vote on such matter. Any rights of Shareholders set forth in the Bylaws may be amended by the Board without Shareholder approval.	The Corporations Act allows a Company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: o a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or o a written consent of members with at least 75% of the votes in the class.

	Delaware Law and U.S. Federal Law	Australian Law
"Two Strikes" rule in relation to remuneration reports	In the U.S., the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (U.S.) requires all 'reporting companies' to have an advisory Shareholder vote on pay (a "say-on-pay" vote) at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year. EBR will be required to register as a U.S. reporting company pursuant to section 12(g) of the U.S. Securities Exchange Act of 1934, as amended, or the 'U.S. Exchange Act,' if, among other things: it has (i) assets of more than US$10 million on the last day of its fiscal year, and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. If EBR qualifies as an 'emerging growth company' at the time it becomes a reporting company, then it will not be required to hold say-on-pay vote on pay until it is no longer an emerging growth company.	The Corporations Act requires that a company's annual report must include a report by the Directors on the company's remuneration framework (called a remuneration report). A resolution must be put to Shareholders at each annual general meeting of the company's Shareholders (**AGM**) seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of Shareholders vote against the remuneration report at two consecutive AGMs (that is, two strikes), an ordinary (50.1%) resolution must be put to Shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the Directors who approved the second remuneration report must resign and stand for re-election.
Emerging growth company	EBR will be an emerging growth company for the first five fiscal years after it completes an initial public offering under the Securities Act of 1933, as amended, or, if earlier the earliest of: (i) the last day of the first fiscal year in which EBR's annual gross revenues equal or exceed US$1.07 billion, (ii) the date that EBR becomes a 'large accelerated filer' as defined in Rule 12b-2 under the U.S. Exchange Act, which would occur if the market value of EBR's Shares that is held by non-affiliates exceeds US$700 million as of the last business day of EBR's most recently completed second fiscal quarter, or (iii) the date on which EBR has issued more than US$1.0 billion in non-convertible debt during the preceding three year period.	N/A

	Delaware Law and U.S. Federal Law	Australian Law
Large accelerated filer	A company becomes a large accelerated filer if it meets the following conditions as of the end of its fiscal year: (i) it has an aggregate worldwide market value of the voting and non-voting common equity held by non-affiliates of US$700 million or more as of the last business day of its second fiscal quarter; (ii) it has been subject to the requirements of section 13(a) or 15(d) of the U.S. Exchange Act for at least 12 months; (iii) it has filed at least one annual report pursuant to section 13(a) or 15(d) of the U.S. Exchange Act; and (iv) it is not eligible to rely on the requirements for smaller reporting companies for its annual and quarterly reports.	N/A

	Delaware Law and U.S. Federal Law	Australian Law
Disclosure of substantial holdings	Section 16 of the U.S. Exchange Act requires the reporting of beneficial ownership of a reporting company's equity securities by (i) directors, (ii) officers, and (iii) stockholders owning more than 10% of the company's common stock. In addition, the U.S. Exchange Act requires every person who acquires beneficial ownership of 5% or more of a U.S. reporting company's equity securities to disclose: o how many securities are beneficially owned by the filing person; o whether there is a movement of at least 1% in their beneficial ownership; and o whether they have intent to control or influence control of the company. These requirements will apply if EBR becomes a public reporting company under the U.S. Exchange Act.	The Corporations Act requires every person who is a substantial holder to notify the listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if: o the person begins to have, or ceases to have, a substantial holding in the company; o the person has a substantial holding in the company and there is a movement of at least 1% in their holding; or o the person makes a takeover bid for securities of the company. Under the Corporations Act a person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended. These provisions do not apply to EBR as an entity established outside Australia. However, EBR will be required to release to the ASX any substantial holder notices that are filed in the U.S. To the extent required by the ASX, EBR will inform the market, to the best of its knowledge, if it becomes aware of substantial holdings that would require disclosure under the Corporations Act as if it applied to EBR.

	Delaware Law and U.S. Federal Law	Australian Law
How takeovers are regulated	The acquisition of securities in EBR is subject to the DGCL and applicable U.S. federal securities laws. Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in any business combinations with any Shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested Shareholder, for a period of three years following the date on which the Shareholder became an interested Shareholder, subject to certain exceptions. Section 203 of the DGCL will not initially apply to EBR unless it decides to opt-in to the provision, until it has at least 2,000 Shareholders, or it becomes listed on a U.S. national stock exchange. In addition, under the DGCL, the Board will have the ability to implement a broader range of takeover defence mechanisms. Under U.S. federal securities law, certain "tender offers" to acquire shares of a company are subject to regulations that require that such offers comply with certain terms, notices, timing and other procedures.	The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to the prohibition apply (for example, Acquisitions with Shareholder approval, 3% creep over six months and rights issues that satisfy prescribed conditions). Substantial holder notice requirements apply (as discussed above under the heading 'Disclosure of substantial holdings'). Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company. The Australian takeovers regime will not apply to EBR as a foreign company.

	Delaware Law and U.S. Federal Law	Australian Law
Dissenter's rights	Section 262 of the DGCL provides rights of appraisal to Shareholders of record of Shares of a company if the company is party to a merger or consolidation, subject to specified exceptions and compliance with specified procedural requirements. In order for a Shareholder to demand appraisal of its Shares under section 262, the Shareholder: o must have continuous record ownership of the Shares from the date of the demand for appraisal through the effective date of the merger or consolidation; o must deliver a written demand for appraisal prior to the Shareholders' vote on the merger or consolidation; o must not vote in favour of the merger or consolidation or consent to it in writing; and o must file a petition with the Delaware Court of Chancery within 120 days after the effective date of the merger or consolidation. Appraisal rights under section 262 are not available in various circumstances, including when the merger or consolidation does not require the approval of the Shareholders.	The Corporations Act does not contain general appraisal rights remedies, however a Shareholder may be entitled to have the company or a bidder acquire the Shareholder's shares for a fair value where: o an act or omission by majority shareholders is determined by a court to be oppressive or unfairly prejudicial to, or unfairly discriminatory against, a minority shareholder; or o a bidder under a takeover bid acquires more than 90% of the shares in a target company, but chooses not to proceed to compulsory acquisition (however, the price paid will be the price paid under the takeover bid and there is no separate assessment of fair value).

The above summary table only attempts to provide general guidance and may be subject to differing interpretation by Australian and U.S. courts.

12.10. Dividend policy

EBR currently intends to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for the foreseeable future following the Listing. The payment and amount of any potential future dividends declared by EBR are subject to the discretion of the Directors and will depend upon, among other things, EBR's earnings, financial position, tax position and capital requirements.

Whilst EBR does not anticipate declaring any dividends in the foreseeable future, should it do so, EBR will declare any dividends in US$. EBR will pay any dividends to CDI Holders in A$. If a CDI Holder wishes to receive dividends in US$ they must complete an appropriate election form and return it to EBR's Registry, no later than the close of business on the dividend record date. Holders of CDIs trading on the ASX will receive an equivalent amount in Australian currency based on the exchange rate on the record date.

12.11. Litigation

As at the date of this Prospectus, so far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which EBR is directly or indirectly concerned and which are likely to have a material adverse impact on the business or financial position of EBR.

12.12. Escrow arrangements

EBR has a number of securities that certain Existing Holders will be restricted from dealing in. These restrictions are either imposed by the ASX or have been agreed to voluntarily.

In the case of ASX imposed restrictions, the ASX requires that certain persons such as related parties and promoters enter into restriction deeds under which they are restricted from dealing in a specified number of securities in EBR held by them. The restriction deeds will be in the form required by the Listing Rules. The restrictions will apply to the securities and for the periods determined by the ASX and will restrict the ability of the relevant holders to dispose of, create any security interest in or transfer effective ownership or control of the securities. The ASX also requires that similar restrictions be imposed on other Existing Holders in reliance upon a provision in EBR's Bylaws, which may be advised to the Existing Holders by EBR using a restriction notice under the Listing Rules.

A number of Existing Holders have also agreed to voluntary restrictions on some or all of the Shares or CDIs, Options and Warrants they hold at Listing (other than CDIs acquired under the Offer or U.S. Private Placement). The voluntary restrictions are on similar terms to the ASX restriction agreements.

The table below sets out the periods during which Existing Holders are expected to be restricted from dealing in their Shares or CDIs, Options and Warrants (as applicable) pursuant to ASX restrictions and voluntary restrictions. Where an Existing Holder's securities are subject to the ASX mandatory escrow and voluntary escrow, those securities are counted in the table twice.

Escrowed party	Type of escrow	End of escrow period	Indicative number of securities held in escrow[1]		
			CDIs[2]	Options	Warrants
Directors and their associates	Voluntary	24 months after Listing	8,227,224	11,546,742	1,104,030
	ASX	24 months after Official Quotation	5,786,892	11,242,023	1,104,030
Other investors	ASX	11 February 2022	–	–	1,706,595
	ASX	24 June 2022	4,591,477	–	3,063,365
	ASX	3 October 2022	–	–	3,063,365
	ASX	12 months after the Allotment Date	550,181	–	–
	Voluntary	12 months after Listing	45,537,901	–	–
	Voluntary	24 months after Listing	105,994,702	10,450,666	17,382,718

1. The figures stated are indicative only and, in the case of ASX-imposed escrow, are based on the 'in principle' confirmation regarding ASX escrow.
2. Number of CDIs and Shares is equivalent as a result of each CDI representing an interest in one Share. Figures for CDIs and Shares issued on conversion of interest on Convertible Notes are based on the assumption that Note Conversion will occur on the scheduled Allotment Date.

The Company expects that on Listing, approximately 159,871,574 CDIs (or Shares), and 200,489,258 securities in total (i.e. also including Options and Warrants) will be subject to escrow arrangements, being approximately: 96% of all Shares and CDIs and 92% of all securities not issued under the Offer and the U.S. Private Placement, and approximately 60% of all Shares and CDIs and 63% of all securities following the Offer and the U.S. Private Placement. These figures are subject to the qualifications in the footnotes to the above table.

Final details of the escrow arrangements will be announced to the ASX prior to the CDIs commencing trading on the ASX.

12.13. Resale Restrictions, U.S. Securities Act and Regulation S

12.13.1 Introduction

The Offer is being made available to non-U.S. investors in reliance on the exemption from registration contained in Regulation S (relating to offshore offerings) of the U.S. Securities Act and a no action letter issued by the staff of the SEC. Accordingly, the CDIs to be issued under the Offer have not been, and will not be, registered under the U.S. Securities Act or the laws of any state or other jurisdiction in the U.S.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the offer will be 'restricted securities' under Rule 144 of the U.S. Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the U.S. or to a U.S. Person for a period of at least 12 months from the Allotment Date, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption from registration is available. Accordingly, the market for CDIs is likely to be limited to the ASX and purchasers of CDIs will be unable to sell the CDIs into the U.S. or to U.S. Persons due to the restrictions on the transfer of CDIs unless an exemption from registration is available.

EBR has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions. This designation is intended to automatically prevent any CDIs from being sold on the ASX to U.S. Persons. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a U.S. Person, or pursuant to an exemption from registration. If you sell CDIs or underlying Shares pursuant to an exemption from registration, you would need to establish the availability of such an exemption at your expense. The Company cannot provide any assurances as to when this designation will be lifted from the CDIs.

12.13.2 Regulation S and No Action Letter

An offer or sale of securities made in accordance with Regulations S will not be subject to U.S. registration requirements. The staff of the SEC issued the 7 January 2000 No Action Letter (the "**No Action Letter**") to ASX to provide technical relief from CHESS compliance with certain requirements of Regulation S as follows:

- Offshore transaction: No offers or sales of securities may be made to a person in the United State or to U.S. Persons;
- No directed selling efforts: EBR, the Joint Lead Managers, any of their Affiliates or any person acting on behalf of any of the foregoing must not engage in activities such as publishing or advertising in the U.S. which could have the effect of conditioning the market for the CDIs or the underlying Shares;
- Offering restrictions: The Joint Lead Managers must agree in writing to a range of restrictions to ensure compliance with Regulation S and offering materials and documents used in connection with the Offering must contain certain disclosures;
- Distribution compliance period: Offers and sales may not be made to U.S. Persons or for the account or benefit of U.S. Persons for one year after the Offer; and
- Compliance with No Action Letter: EBR and brokers must comply with certain additional obligations imposed under the No Action Letter, including without limitation:
  - restricting the ability for brokers to execute a transaction involving U.S. Persons;
  - including restrictive legends on any certificated Shares issued to Shareholders;
  - identifying the Shares and CDIs as restricted securities;
  - sending confirmations to purchasers of Shares that their Shares are subject to Regulation S; and
  - restricting the ability to transfer Shares that are not in compliance with Regulation S.

12.13.3 Applicant representations regarding non-U.S. status

As required by Regulation S and the No Action Letter, each non-U.S. Applicant will be deemed to have represented and agreed as follows:

- The Applicant is not a U.S. Person and is not acting for the account or benefit of a U.S. Person.
- The Applicant understands and agrees that, if in the future it decides to resell, pledge or otherwise transfer any CDIs (or underlying Shares), it will do so only:
  - outside the U.S. in an offshore transaction in compliance with Rule 904 under the U.S. Securities Act;
  - pursuant to an effective registration statement under the U.S. Securities Act; or
  - pursuant to an available exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with all applicable securities laws.
- The Applicant agrees not to engage in hedging transactions with regard to CDIs (or underlying Shares) unless in compliance with the U.S. Securities Act.
- The Applicant acknowledges that EBR, the Joint Lead Managers and others will rely upon the truth and accuracy of these acknowledgments, representations and agreements, and agree that if any such acknowledgments, representations or warranties deemed to have been made by virtue of its purchase of CDIs are no longer accurate, it must promptly notify EBR and the Joint Lead Managers.

12.13.4 Purchaser representations of CDIs in the secondary market

The No Action Letter requires that purchasers of CDIs in the secondary market make similar certifications and agreements to the ones that Applicants make in the Offer as to whether the purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person.

12.13.5 On-market transfers of CDIs in the secondary market

During the Distribution Compliance Period, CDIs may be reoffered and resold in standard (regular) brokered transactions on the ASX where neither the seller nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the U.S. or is, or is acting for the account or benefit of, a U.S. Person in accordance with Regulation S. Such reoffers and resales must also otherwise be conducted in compliance with the applicable Offer and secondary market procedures described below.

12.13.6 Requirements of the ASX and CUSIP Global Services

The No Action Letter requires that the ASX and entities like CUSIP Global Services take certain actions in order to comply with the provisions of the No Action Letter:

- Whether in the Offer or in secondary trading, neither the Joint Lead Managers nor any other ASX Participants may execute a transaction on the ASX in Regulation S securities if that broker knows that the purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person;
- In connection with any purchase of CDIs, whether in the Offer or in secondary trading, the Joint Lead Managers and any other ASX Participants must make all reasonable efforts to ascertain whether a purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person, and implement measures designed to assure reasonable compliance with this requirement;
- The confirmation sent to each Applicant in the Offer and each purchaser of CDIs in the secondary market trading will include a notice that the CDIs are subject to the restrictions of Regulation S; and
- Any information provided by the Joint Lead Managers to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions under Regulation S.

12.13.7 Requirements of the Joint Lead Managers and ASX Participating Organisations

The No Action Letter requires that the Joint Lead Managers and ASX Participating Organisations (brokers that are members of the ASX) must take certain actions in order to comply with applicable laws in connection with the Offer, a summary of which is set out below:

- whether in the Offer or in secondary trading, ASX Participating Organisations must not execute a transaction on the ASX in Regulation S securities if that broker knows that the purchaser is a U.S. person or is acting for the account or benefit of a U.S. Person;
- in connection with any purchase of CDIs, whether in the Offer or any secondary trading, ASX Participating Organisations must make reasonable efforts to ascertain whether a purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person, and implement measures designed to assure reasonable compliance with these requirements;
- the confirmation sent to each purchaser of CDIs either in the Offer or in any secondary market trading must include a notice that the CDIs are subject to the restrictions of Regulation S; and
- any information provided by the Joint Lead Managers to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions under Regulation S.

12.13.8 Requirements of EBR

EBR is also required to take the following actions:

- EBR undertakes to provide notification of the Regulation S status of its CDIs in Shareholders communications such as annual reports, periodic interim reports, and notices of Shareholders meetings.
- During the distribution compliance period, EBR undertakes that any information provided by EBR to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions under Regulation S.
- No securities subject to the restrictive legend required by Regulation S may be transferred by EBR's transfer agent without a favourable opinion of counsel or other assurance that the transfer complies fully with the U.S. Securities Act.

The Bylaws provide that EBR will refuse to register any transfer of CDIs (or the underlying Shares) that would result in a contravention of or failure of any applicable law. This would include any transfer not made:

- in accordance with the provisions of Regulation S (Rule 901 through Rule 905, and preliminary notes);
- pursuant to registration under the U.S. Securities Act; or
- pursuant to an available exemption from registration.

12.13.9 Legending requirements

Global securities, certificates into which global securities may be subdivided and any physical certificate representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the U.S. Securities Act and the regulations promulgated under the U.S. Securities Act. No Shares bearing the required restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion or counsel or the assurance that the transfer complies fully with the U.S. Securities Act.

12.13.10 Possible Extension of Distribution Compliance Period

Due to the nature of the ASX trading system, the restricted stock identifier and associated transfer restrictions will remain on the CDIs during the Distribution Compliance Period, which is expected to last until one year after the Settlement Date. The CDIs will no longer bear such restricted stock identifier and associated transfer restrictions after the Distribution Compliance Period ends, subject to approval by the ASX and delivery of certain opinions, and unless requested by EBR. EBR can provide no assurance that the restricted stock identifier will be removed following completion of the Distribution Compliance Period. If that is the case, the restrictions imposed during the Distribution Compliance Period will continue indefinitely.

In addition, the Distribution Compliance Period may restart if, among other reasons, EBR determines to issue additional CDIs, or following the Offer an affiliate of EBR sells CDIs pursuant to Regulation S. If this were to occur, the Distribution Compliance Period would restart as at the date of such offer and sale of CDIs. Any such extension or continuation of the Distribution Compliance Period could have an adverse effect on your ability to resell the CDIs or the liquidity of, or trading price for, the CDIs on the ASX.

12.13.11 U.S. periodic reporting requirements

Under applicable federal securities laws in the U.S., even if EBR's securities are not traded on a U.S. securities exchange, EBR in the future may be required to:

- file a Form 10 with the SEC; and
- become subject to regulation under the U.S. Exchange Act, including filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K.

EBR will be required to do so when it has either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. Further, any ongoing U.S. reporting requirements may be subject to legislative change from time to time.

EBR's U.S. periodic reporting requirements would be in addition to its periodic disclosure requirements under the Listing Rules, unless appropriate waivers can be obtained from the ASX and would impose additional administrative and compliance obligations on EBR with their associated costs.

12.13.12 Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by EBR to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

12.14. Offer expenses

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses are currently estimated to be approximately US$6.0 million (A$8.1 million).

12.15. Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to in the table below has not authorised or caused the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to such party's name and any statement or report included in this Prospectus with the consent of that party as described below.

Name of entity	Named as	Reports or statements
Bell Potter Securities Limited	Financial Advisor, Joint Lead Manager and Underwriter	
Morgans Corporate Limited	Joint Lead Manager and Underwriter	
Wilsons Corporate Finance Limited	Joint Lead Manager and Underwriter	
Grant Thornton	Australian Investigating Accountant	Investigating Accountant's Report (Section 6)
Altum Partners, LLP	U.S. Tax Advisor	
Price, Kong, & Co., C.P.A.'s P.A.	U.S. Auditor	
SingerLewak LLP	U.S. Auditor of the historical consolidated financial statements of the Company for FY2019	
Johnson Winter & Slattery	Australian Legal Advisor	Summary of the Australian tax implications in Section 11.1
Cooley LLP	U.S. Legal Advisor	Summary of the U.S. tax implications in Section 11.2
Perkins Coie LLP	Patent Attorney	Patent Attorney's Report (Section 10)
Computershare Investor Services Pty Limited	CDI Registry	
Computershare Trust Company, N.A.	Share Registry	

The Company has included statements in this Prospectus made by, attributed to or based on statements made by various parties, including MarketsAndMarkets, Cardiac Resynchronization Therapy Market, Global Forecast to 2024.

The inclusion of statements made by, attributed to or based on statements made by these parties has not been consented to by the relevant party for the purpose of section 729 of the Corporations Act and are included in this Prospectus by the Company on the basis of ASIC Corporations (Consent to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

12.16. ASIC relief

ASIC has made a declaration under subsection 741(1)(b) of the Corporations Act to modify subsections 707(3) and 707(4) so that a modified form of subsection 707(3) applies to sale offers, within 12 months of issue, of CDIs issued:

(a) as a result of the conversion of the Company's preferred stock;

(b) upon the conversion of Convertible Notes issued by the Company, and as a result of the conversion of Convertible Notes issued by EBR Systems (Aust) Pty Ltd;

(c) to holders of Options issued at or on or about Listing on the exercise of those Options;

(d) to holders of Warrants issued by the Company prior to Listing on the exercise of those Warrants;

(e) to holders of Warrants issued by EBR Systems (Aust) Pty Ltd as a result of the exercise of those Warrants; and

(f) to accredited investors as part of the U.S. Private Placement.

The effect of the declaration is that sale offers of such CDIs within 12 months after their issue would not need disclosure under Chapter 6D of the Corporations Act.

The Company intends to seek relief from ASIC in respect of section 601CK of the Corporations Act in relation to the obligations for the Company to prepare its financial statements in the way required for Australian-incorporated public companies, in addition to preparing its financial statements under USGAAP.

12.17. ASX waivers and confirmations

EBR has received 'in principle' advice from ASX that it will provide the confirmations and waivers described below on receipt of EBR's application for admission to the Official List of the ASX:

- a waiver from condition 12 of Listing Rule 1.1 to allow the Company to have on issue Options and Warrants which have an exercise price of less than 20 cents cash at the time of Listing;
- a waiver from Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit EBR to have Options on issue under the 2013 Plan which do not comply with those Listing Rules;
- a waiver from Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit EBR to have Warrants on issue which do not comply with those Listing Rules;
- a waiver from Listing Rule 10.18 to the extent necessary to permit EBR to provide certain termination benefits to certain existing employees on a change of control pursuant to the terms of the Company's contract with those employees, as further described in Section 7.4.6;
- a waiver from Listing Rule 14.2.1 to the extent necessary to permit EBR not to provide in the proxy form for meetings, an option for CDI Holders to vote against a resolution to elect a Director or to ratify the appointment of an auditor;
- a waiver from Listing Rule 14.4 to the extent necessary to permit EBR to comply with the statutory requirements imposed under Delaware law and the Bylaws with respect to the appointment of a Director to fill a casual vacancy on the Board or as an additional Director;
- a confirmation that the terms of the Shares, Warrants and Options are appropriate and equitable pursuant to Listing Rule 6.1;
- a confirmation that EBR may, for the purposes of Listing Rule 14.3, accept nominations for the election of Directors in accordance with the timetable set out in the Bylaws and the General Corporation Law of the State of Delaware;
- a confirmation, for the purposes of Listing Rule 19.11A, that EBR may prepare its financial accounts in accordance with USGAAP and only in U.S. dollars, and may have its financial accounts reviewed and audited in accordance with U.S. Auditing Standards; and
- certain determinations with respect to the mandatory ASX escrow requirements for certain Shareholders.

The Company has also applied for a waiver from Listing Rule 10.14 to permit the Company to grant Options to Directors following completion of the Offer as described in Section 7.7.2.

12.18. Electronic Prospectus

The use of electronic disclosure documents is permitted under Chapter 6D of the Corporations Act. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Registry and the Registry will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

EBR reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

12.19. Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

12.20. Statement of Directors

The Directors report that after due inquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of EBR, other than as disclosed in this Prospectus.

Each Director has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

Appendix A:

Summary of the Company's Significant Accounting Policies

Basis of presentation

The consolidated financial information included in the Prospectus has been prepared in accordance with U.S. generally accepted accounting principles, or USGAAP.

Principles of consolidation

The consolidated financial information include the Company's accounts and those of its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Foreign currency translation

The Company translates the foreign currency financial statements into U.S. dollars using the year or reporting period end or average exchange rates in accordance with the requirements of Financial Accounting Standards Board ("**FASB**") Accounting Standard Codification ("**ASC**") subtopic 830-10, Foreign Currency Matters. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average rates in effect for the periods presented. The cumulative translation adjustment is included in the accumulated other comprehensive gain (loss) within stockholders' deficit.

In the first quarter of 2020, the Company concluded that the functional currency of EBR Systems (AUST) Pty. Ltd. changed from the U.S. dollar to the Australian dollar. The primary reason for the change in functional currency is due to a change in EBR Systems (AUST) Pty. Ltd. operations, whereby the majority of its operating expenses are anticipated to be in Australian dollar. The Company believes that the change in functional currency was necessary as it reflects the primary economic environment in which EBR Systems (AUST) Pty. Ltd. operates. The change in functional currency is accounted for prospectively from January 1, 2020, and prior year financial statements have not been restated for the change in functional currency.

Use of estimates

The preparation of the consolidated financial information in conformity with USGAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in the consolidated financial information. Actual results could differ materially from those estimates. Significant estimates and assumptions made by management include the estimated lives of long-lived assets, the fair value of stock-based awards issued, clinical trial accruals, and the valuation of the derivative liability.

Fair value of financial instruments

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritises the inputs used in measuring fair value as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Our financial instruments include cash equivalents, trade receivables, other assets, accounts payable and accrued expenses. Fair value estimates of these instruments are made at a specific point in time, based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. The carrying amount of cash equivalents, account receivable, other assets, accounts payable and accrued expenses are generally considered to be representative of their respective values because of the short-term nature of those instruments. The fair value of the Company's embedded derivative liability was valued using the Monte Carlo Simulation (Level 3).

Derivative liability

The Company's convertible notes issued in 2019 (the **2020 Notes**) contain certain features that meet the definition of being embedded derivatives requiring bifurcation from the 2020 Notes as a separate compound financial instrument. The derivative liability is initially measured at fair value on issuance and is subject to remeasurement at each reporting period with changes in fair value recognised in other income (expense) in the consolidated statements of operations and comprehensive loss.

Beneficial conversion feature

From time to time, the Company may issue convertible notes that may have conversion prices that create an embedded beneficial conversion feature pursuant to FASB ASC Subtopic 470-20, Debt with Conversion and Other Options. A beneficial conversion feature (**BCF**) exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible is in excess of the conversion price. In accordance with this guidance, the intrinsic value of the BCF is recorded as a debt discount with a corresponding amount to common stock. The debt discount is amortised to interest expense over the life of the note using the effective interest method.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents. All of the Company's cash and cash equivalents are primarily held at one U.S. financial institution that management believes is of high credit quality. Such deposits may, at times, exceed federally insured limits.

Cash and cash equivalents

EBR considers all highly liquid instruments with an initial maturity date of 90 days or less when purchased to be cash equivalents. All investments are considered cash equivalents.

Non-trade receivables

Non-trade receivables are recorded for amounts due to the Company related to reimbursements of clinical trials expenses. These receivables are evaluated to determine if any reserve or allowance should be established at each reporting date.

Property and equipment

Property and equipment is carried at acquisition cost less accumulated depreciation. The cost of normal, recurring, or periodic repairs and maintenance activities related to property and equipment are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. The estimated useful lives by asset classification are generally as follows:

Software/Licenses	3 years
Office Equipment	5 years
Computer Equipment	5 years
Lab Equipment	7 years
Leasehold Improvements	Lesser of 15 years or the remainder of the lease

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for potential impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognised to the extent that carrying value exceeds fair value. Fair value is determined using various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, depending on the nature of the asset.

Revenue Recognition

The Company will recognise revenues from the sale of products (a) the service has been performed; (b) the prices are fixed and determinable and not subject to refund or adjustment; and (c) collection of the amounts due is reasonably assured. To date the Company's sole product is in the late stages of FDA approval, as such no revenue has been recorded from the sale of products.

Research and development

Research and development costs are expensed when incurred. Research and development costs include costs of other research, engineering, and technical activities to develop a new product or service or make significant improvement to an existing product or manufacturing process. Research and development costs also include pre-approval regulatory and clinical trial expenses.

Stock-based compensation

The Company recognises stock-based compensation expense in the Statements of Operations and Comprehensive Loss for all stock-based payments to employees, non-employees and directors. The Company records compensation expense over an award's requisite service period, or vesting period, based on the award's fair value at the date of grant. Awards generally vest over four years for employees. The Company generally uses the Black-Scholes option-pricing model to determine the fair value of each option grant as of the date of grant. The Black-Scholes option pricing model requires inputs for risk-free interest rate, dividend yield, expected stock price volatility and expected term of the options. The fair value of the options is recognised as expense on a straight-line basis over the requisite service period. The Company recognises the impact of forfeitures on stock-based compensation expense as forfeitures occur. The Company applies the straight-line method of expense recognition to all awards with only service-based vesting conditions.

Other Income

The Company periodically receives reimbursements of clinical trial expenses, which are recorded as other income in the statement of operations.

Income taxes

The asset and liability approach is used for the financial reporting for income taxes. Deferred income balances reflect the effects of temporary differences between the financial reporting and income tax bases of the Company's assets and liabilities and are measured using enacted tax rates expected to apply when taxes are actually paid or recovered. In addition, deferred tax assets are recorded for the future benefit of utilising net operating losses, or NOLs, and research and development credit carryforwards and are measured using the enacted tax rates and laws that will be in effect when such items are expected to reverse.

A valuation allowance is provided against deferred tax assets if it is more likely than not that some portion or all of the deferred tax asset will not be realised. In making such determination, the Company considers all available positive and negative evidence, including taxable income in available carryback periods, future reversals of existing taxable temporary differences, tax planning strategies, and future taxable income exclusive of reversing temporary differences and carryforwards.

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognise lease assets and lease liabilities on the balance sheet for all leases with longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The new standard is effective for fiscal years beginning after 15 December 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the new standard and its possible impacts on the Company's financial statements.

Appendix B:

Statutory Consolidated Historical Statement of Operations

Financial Information Reconciliation Tables

Table 1: Statutory Consolidated Historical Statement of Operations

US$'000	Audited 31 December 2019	Audited 31 December 2020	Reviewed 30 June 2021	Reviewed 30 June 2020
Sales	1,293	–	–	–
Total revenues	1,293	–	–	–
Costs and operating expenses				
Cost of goods sold	7,074	–	–	–
General and administrative	2,260	2,335	1,136	1,314
Research and development	11,053	8,006	2,959	6,222
Selling and marketing	6,295	4,799	3,077	2,856
Clinical and regulatory	–	5,441	3,065	3,220
Total operating expenses	26,682	20,581	10,237	13,612
Loss from operations	(25,389)	(20,581)	(10,237)	(13,612)
Interest and other income (expense), net				
Interest income	123	18	–	17
Gain on extinguishment of debt	1,554		1,243	–
Interest and other expenses	(1,101)	(7,861)	(9,107)	(3,434)
Gain on change in fair value of derivative liability	–	1,381	1,938	(251)
Other income	–	627	258	403
Loss before provision for income tax	(24,812)	(26,416)	(15,906)	(16,877)
Income tax benefit	–	698	–	698
Net loss	**(24,812)**	**(25,718)**	**(15,906)**	**(16,179)**

Notes to reconcile the FY2019 Statutory Financial Information (above) to the Pro Forma Financial Information in Section 5.6

- Sales is reallocated to Other Income
- Depreciation and amortisation is included in Total Operating Expenses
- Cost of Goods Sold is reallocated to Research and Development and Clinical and Regulatory
- Interest and other expenses includes the R&D tax offset reallocated to Income Tax Benefit

Glossary

Technical glossary

Term	Meaning
Acoustic Energy	a general term for energy in sound waves
AIMD	active implantable medical device
APC	Ambulatory Payment Classification
ARTG	Australian Register of Therapeutic Goods
ASP	Average selling price
BDD	Breakthrough Device Designation
BiV	Biventricular pacing
CAGR	compound annual growth rate
CE	Conformité Européenne
CHD	Coronary heart disease
CMS	Centers for Medicare & Medicaid Services
CPT®	Current Procedural Terminology
CRM	Cardiac Rhythm Management
CRT	Cardiac Resynchronisation Therapy
CRT-D	Cardiac Resynchronisation Therapy – defibrillation
CRT-P	Cardiac Resynchronisation Therapy – pacing
CS	Coronary sinus
DRG	Disease Related Group
FDA	United States Food and Drug Administration
HRU	High Risk Upgrades
ICD	Implantable Cardioverter-Defibrillator
IDE	Investigational Device Exemption
IP	Intellectual Property
IPG	Implantable Pulse Generator
LF	Lead Failures
LV	Left Ventricle
MS-DRG	Medicare Severity – Disease Related Group
NHS	National Health Service
NP	Not Published
NR	Non-Responders
NTAP	New Technology Add-on Payment
NUB	neue untersuchungs und behandlungsmethoden

Term	Meaning
NYHA	New York Heart Association – Classification of Heart Failure
OUS	Outside United States
PLAC	Prostheses List Advisory Committee
PMA	Premarket approval
PPM	Permanently implanted pacemaker
PTE	Patent Term Extension
SAE	Serious adverse event
TGA	Australian Therapeutic Goods Administration
TPT	Transitional Pass-Through Payment
Ultrasonic Energy	Energy in sound waves that is above the frequency range of human hearing, i.e. > 20 kHz
USPTO	United States Patent and Trademark Office
WiSE®	Wireless Stimulation Endocardially

General glossary

Term	Meaning
A$**, **$ or **Australian dollar**	The lawful currency of Australia
AIFRS	Australian equivalents to International Financial Reporting Standards
AEDT	Australian Eastern Daylight Time
Allotment Date	The date on which CDIs are allotted under the Offer, currently expected to be 19 November 2021
Applicant	A person who submits a valid Application
Application	An application to subscribe for CDIs under this Prospectus which is made on an Application Form and accompanied by the relevant Application Monies
Application Form	An application form attached to or accompanying this Prospectus (including any online Application Form)
Application Monies	The aggregate amount of money payable by an Applicant for CDIs applied for under the Offer
Ascension Ventures	CHV III, L.P.
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth)
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires

Term	Meaning
ASX Corporate Governance Principles and Recommendations	The *Corporate Governance Principles And Recommendations* of the ASX Corporate Governance Council
ASX Participant	A 'Participant' within the meaning of the ASX Settlement Operating Rules
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement
Bell Potter	Bell Potter Securities Limited (ACN 006 390 772)
Board or **Board of Directors**	The board of Directors of EBR
Brandon Capital Partners	Brandon Capital Partners Pty Ltd and its related bodies corporate
Brandon Clients	Investors advised by Brandon Capital Partners in relation to EBR including, where applicable, funds for the benefit of (and controlled by) such investors, the trustee of which is a company controlled by Brandon Capital Partners (acting at the direction of the underlying investors)
Broker Firm Offer	The invitation to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker to acquire CDIs under this Prospectus
Bylaws	EBR's Bylaws described at Section 12.8
CDIs or **CHESS Depositary Interest**	A unit of beneficial ownership of Shares, the rights of which are summarised in Section 8.8
CDI Holder	A holder of CDIs
CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506 and Australian Financial Services Licence Number: 254514)
CEO	Chief Executive Officer
Certificate of Incorporation	The Company's amended and restated certificate of incorporation which will be adopted with effect on the Allotment Date
CFO	Chief Financial Officer
CGT	Capital Gains Tax
Chair	The Chair of the Board
CHESS	Clearing House Electronic Subregister System
CIRTEC	CIRTEC Medical Systems, LLC
CIRTEC Agreement	The supply agreement dated 21 December 2009 between the Company and CIRTEC pursuant to which CIRTEC agrees to supply to the Company the CIRTEC Products
CIRTEC Products	CIRTEC's WiCS-LV system, which includes certain subassemblies, being the Receiver Electrode, the Model 3100 and the Model 4100
Closing Date	The date on which the Offer closes, currently expected to be 5.00pm (AEDT) on 9 November 2021

Term	Meaning
Company or **EBR**	EBR Systems, Inc., a company incorporated in Delaware, United States and registered in Australia as a foreign company (ARBN 654 147 127)
Convertible Note	Convertible promissory notes issued by EBR and described in Section 12.3
Corporations Act	*Corporations Act 2001* (Cth)
CTO	Chief Technology Officer
CUSIP Global Services	The body that administers the CUSIP and CUSIP International Numbering Systems for identifying investment instruments
Delaware General Corporation Law or **DGCL**	Chapter 1 of Title 8 of the Delaware Code, which governs corporations incorporated in the U.S. State of Delaware
Director	A director of EBR
Distribution Compliance Period	The 12-month period from the date of issue of the CDIs during which the CDIs cannot be resold to any U.S. Person or for the account or benefit of a U.S. Person, unless the resale is subsequently registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available, which period may be extended under the circumstances described in Section 12.13
E.U.	European Union
Existing Holder	A person holding Shares or other securities in EBR immediately prior to completion of the Offer
Exposure Period	The period between the date of this Prospectus and seven days after that date, or such later date (not exceeding 14 days after the date of this Prospectus) as ASIC may require
FASB	The Financial Accounting Standards Board in the United States
FATCA	*Foreign Account Tax Compliance Act* of 2010 (U.S.), as amended to date
FCPA	*Foreign Corrupt Practices Act* of 1977 (U.S.), as amended to date
Financial Information	Has the meaning given in Section 5
FMSA	The U.K. Financial Services and Markets Act 2000, as amended
Fourth Edition	The 4th edition of the ASX Corporate Governance Principles and Recommendations released in February 2019
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005
Grant Thornton	Grant Thornton Corporate Finance Pty Ltd
Group	All of the Group Members
Group Members	The entities listed in Section 12.2
GST	Goods and Services Tax
Independent Limited Assurance Report	The report set out in Section 6

Term	Meaning
Indicative Exchange Rate	A$1.00 = US$0.74, being the exchange rate relied upon when preparing this Prospectus
Institutional Investor	An investor to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which EBR is willing to comply with), including: o in Australia, persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act; o in Hong Kong, to "professional investors" (as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong); o in New Zealand, to "wholesale investors"(as defined in Schedule 1 to the Financial Markets Conduct Act 2013); o in Singapore to "institutional investors" and "accredited investors" (as such terms are defined in the Securities and Futures Act, Chapter 289 of Singapore); and o in the United States, to "institutional accredited investors" (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the U.S. Securities Act)
Institutional Offer	The invitation to certain Institutional Investors in Australia, New Zealand, Singapore, Hong Kong and the United Kingdom to acquire CDIs under this Prospectus and the United States under the U.S. Offering Circular
Intellectual Property Report	The report set out in Section 10
IRS	The U.S. Internal Revenue Service
Joint Lead Managers	Bell Potter, Morgans and Wilsons
Key Managers	The CEO and senior management team of EBR
Landlord	Oakmead Properties, L.L.C.
Listing	Acceptance on the Official List
Listing Rules	The official listing rules of the ASX, as amended from time to time
M.H. Carnegie & Co.	M.H. Carnegie & Co. Pty Ltd and its related bodies corporate
Morgans	Morgans Corporate Limited
MSEI	Micro Systems Engineering, Inc
MSEI Agreement	Supply agreement dated 24 October 2017 between the Company and MSEI pursuant to which MSEI agrees to supply to the Company the MSEI Products
MSEI Products	Certain custom components manufactured by MSEI in accordance with the Company's specifications under the MSEI Agreement
New CDIs	CDIs offered for subscription by the Company over newly issued Shares under the Prospectus
Nextern	Nextern Innovation, Inc
Nextern Agreement	Product development agreement dated 9 January 2019 between Nextern and the Company pursuant to which Nextern agrees to certain product development, product management, parts/product manufacturing and distribution services

Term	Meaning
Non-executive Director	A Director who is not a Key Manager
Note Conversion	The conversion of the Convertible Notes into shares in EBR, as described in Section 12.3
Oakmead Lease	Lease of the Company's headquarters at 480 Oakmead Parkway in Sunnyvale, California at 480 between the Company and the Landlord dated 30 March 2017
Offer	The Broker Firm Offer and the Institutional Offer
Offer Documents	Has the meaning given in Section 9.6.2
Offer Period	The period from the Opening Date to the Closing Date (inclusive)
Offer Price	A$1.08 per CDI, being the amount payable in respect of each CDI under this Prospectus
Official List	The official list of entities that the ASX has admitted and not removed from listing on the ASX
Official Quotation	The official quotation of the CDIs by the ASX
Opening Date	The date on which the Offer opens, currently expected to be 9.00 am (AEDT) on 1 November 2021
Option	An option to acquire Shares (in this Prospectus, references to a particular number of Options are references to Options to acquire that number of Shares)
Original Prospectus	The prospectus dated 15 October 2021 and lodged with ASIC on that date, which this Prospectus replaces.
Original Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 15 October 2021.
Prospectus	This document, dated 28 October 2021, for the issue of 101,851,851 CDIs, including both hard copy and electronic versions, and any supplementary or replacement document
Q1, **Q2**, **Q3** or **Q4**	The first, second, third or fourth quarter (as applicable) of a calendar year
R&D	Research and development
Registry	Computershare Investor Services Pty Limited, or any other person that EBR appoints to maintain the register of CDIs, and in relation to Shares, includes any of its related bodies corporate responsible for the maintenance of the Share register
Regulation S	Regulation S promulgated under the U.S. Securities Act
Retail Investor	An investor who is not an Institutional Investor
Sarbanes-Oxley Act	The U.S. *Sarbanes-Oxley Act* of 2002 (as amended to date and the rules and regulations promulgated thereunder)
SEC	The U.S. Securities and Exchange Commission
Settlement Date	The date of settlement of the CDIs the subject of the Offer occurring under the Underwriting Agreement
SFA	*Securities and Futures Act*, Chapter 289 of Singapore

Term	Meaning
SFO	*Securities and Futures Ordinance* (Cap. 571) of the Laws of Hong Kong
Share	A fully paid share of the common stock in the capital of EBR with a par value of US$0.0001 per share, the terms of which are set out in the Certificate of Incorporation
Shareholder	A holder of Shares
Sophisticated Investors	Investors who are persons in Australia who are 'sophisticated investors' or 'professional investors' under sections 708(8) and 708(11) of the Corporations Act
Split Rock Partners	Split Rock Partners, LP and SPVC VI, LLC
Successful Applicant	An Applicant who is allotted CDIs under the Offer
SVB	Silicon Valley Bank
SVB Agreement	Loan and Security Agreement dated 25 March 2020 by and between the Company, SVB as a lender and in its capacity as administrative and collateral agent for the lenders party, and the financial institutions who are or who become parties as lenders
TGA	The Australian Therapeutic Goods Administration
Underwriting Agreement	The underwriting agreement dated 15 October 2021 between EBR and the Joint Lead Managers under which the Joint Lead Managers has agreed to underwrite the Offer (including the U.S. Private Placement)
U.S. or **United States**	The United States of America, its territories and provinces, any state of the United States of America and the District of Columbia
US$ or **U.S. dollar**	The lawful currency of the U.S.
U.S. Exchange Act	*U.S. Securities Exchange Act* of 1934 (as amended to date and the rules and regulations promulgated thereunder)
U.S. Offering Circular	The offering circular that must accompany any distribution of the Prospectus in the United States to Institutional Investors
U.S. Person	Has the meaning given to it in Rule 902(k) under Regulation S
U.S. Private Placement	The private placement of CDIs by the Company to certain accredited investors in the U.S. described in Section 8.3
U.S. Securities Act	*U.S. Securities Act of 1933* (as amended to date and the rules and regulations promulgated thereunder)
USGAAP	Accounting principles generally accepted in the United States of America
Warrant	A warrant to acquire Shares (in this Prospectus, references to a particular number of Warrants are references to Warrants to acquire that number of Shares), and as the context requires, includes warrants issued by EBR Systems (Aust) Pty Ltd, which on exercise, are automatically exchanged for the issue of new Shares in EBR
Wilsons	Wilsons Corporate Finance Limited

Application Form

EBR Systems, Inc.

ARBN 654 147 127

Broker Firm Offer Application Form

This is an Application Form for CHESS Depositary Interests (**CDIs**) in EBR Systems, Inc. under the Broker Firm Offer on the terms set out in the prospectus dated 28 October 2021 (**Prospectus**), which replaces a prospectus dated 15 October 2021 (**Original Prospectus**). This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisers without delay. You should read the Prospectus and any relevant Supplementary Prospectus (if applicable) carefully before completing this Application Form. This Application Form and your Application Monies must be received by your stockbroker by the deadline set out in their offer to you.

The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

CDIs at $1.08 per CDI or such lesser number of CDIs which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name Telephone Number - Business Hours

( )

F **CHESS Holder Identification Number (HIN) (if applicable)**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued as a result of the Offer will be held on the issuer sponsored subregister.

G **Payment details - Please follow the payment instructions provided to you by your stockbroker. If paying by cheque, provide your cheque details below.**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques should be drawn up according to the instructions provided by your stockbroker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and the declarations/statements on the reverse of this Application Form;
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate; and
- I/we agree to be bound by the constituent documents of EBR Systems, Inc.

See overleaf for completion guidelines ➔

How to complete this Application Form

A **Number of CDIs applied for**
Enter the number of CDIs you wish to apply for. The Application must be for a minimum of 1852 CDIs (A$2,000.16).

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of CDIs applied for in Step A by the Issue Price of $1.08.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the incorrect form of names may be rejected. Clearing House Electronic Subregister System (**CHESS**) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold CDIs issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by EBR Systems, Inc. and allocated a Securityholder Reference Number (**SRN**).

G **Payment**
You should ask your stockbroker for information about how and when to lodge this Application Form, and lodge this Application Form and your payment with your stockbroker in accordance with their instructions.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for CDIs in EBR Systems, Inc. is upon and subject to the terms of the Prospectus and the constituent documents of EBR Systems, Inc., agrees to take any number of CDIs that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Your stockbroker must receive your completed Application Form and Application Monies in time to arrange settlement on your behalf by the closing date for the Offer. Applicants should allow sufficient time for this to occur and are therefore encouraged to submit their Applications as early as possible.

Privacy Notice

The personal information you provide on this form is collected by Computershare (**CIS**), as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold CDIs. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the issuer. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Corporate Directory

U.S. Office and Headquarters

EBR Systems, Inc.
480 Oakmead Pkwy
Sunnyvale, CA 94085 United States

Telephone: +1 408 720 1906
www.ebrsystemsinc.com

Registered Address in Australia

c/- Case Governance Pty Ltd
Level 13, 41 Exhibition Street,
Melbourne VIC 3000 Australia

Board Members

Allan Will
Executive Chair

John McCutcheon
Chief Executive Officer

Christopher Nave PhD
Non-executive Director

Trevor Moody
Non-executive Director

Bronwyn Evans PhD
Non-executive Director

David Steinhaus MD
Non-executive Director

Karen Drexler
Non-executive Director

Management Team

John McCutcheon
Chief Executive Officer

Frank Hettmann
Chief Financial Officer

Parker Willis PhD
Chief Technology Officer

Spencer Kubo MD
Chief Medical Officer

Andrew Shute
Senior Vice President, Global Field Operations

Madhuri Bhat
Senior Vice President of Regulatory

John Sam
Vice President of Engineering and Operations

Local Agent and Australian Company Secretary

Brendan Case

Offer Website

www.EBRoffer.com.au

Offer Information Line

1300 161 429 (within Australia) or
+61 3 9415 4055 (outside Australia)
between 8.30am and 5.00pm (AEDT)
Monday to Friday

ASX Code

ASX: EBR

Financial Advisor and Joint Lead Manager

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Melbourne VIC 3000 Australia

Telephone: 1300 023 557
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Joint Lead Managers

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Wilsons Corporate Finance Limited
Level 32, Governor Macquarie Tower
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Palo Alto, CA 94304-1130 United States

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U.S. Auditor

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Phoenix, AZ 85012
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Telephone: +1 602 776 6300
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CDI Registry

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GPO Box 2975
Melbourne Victoria 3001 Australia

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+61 3 9415 5000 (outside Australia)
www.computershare.com

Share Registry

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150 Royall Street
Canton, Massachusetts 02021
United States of America

www.computershare.com

Australian Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000 Australia

Telephone: +61 2 8297 2400
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