

EBR Systems secures US\$50m growth capital facility

Sunnyvale, California; 1 July 2022: EBR Systems, Inc. (ASX: “EBR”, “EBR Systems”, or the “Company”), developer of the world’s only wireless cardiac pacing system for heart failure, is pleased to announce it has executed an agreement for a 5-year US\$50m growth capital facility with a leading venture debt provider, Runway Growth Capital, LLC. Funds raised from the facility provide EBR with funding flexibility and will be used to support growth and commercialisation activities over the medium term.

John McCutcheon, President and CEO of EBR Systems said:

“We are incredibly pleased with our partnership with Runway Growth Capital and the confidence they are showing in EBR Systems and the future of our WiSE® technology. We have reached a huge milestone with the conclusion of recruitment in our pivotal SOLVE trial, and we are progressing at full speed to deliver headline data by 1Q 2023 and preparations for FDA submission. In conjunction with EBR’s existing cash reserves this new facility provides EBR with funding flexibility, through the FDA approval process and commercialisation of the WiSE® system.

Given the current macroeconomic conditions globally including rising inflation, increasing interest rates, indicators of a recession, volatility in global equity capital markets falling market indices, this debt facility provides EBR with the additional balance sheet flexibility to protect shareholder value as the company progresses through its clinical and commercial milestones.

The facility is structured in such a way that the Company can choose to draw on future tranches after meeting specific milestones. We see that growth capital facilities similar to this are increasingly being used by US based growth healthcare companies as a component of their funding capital structures.

Consistent with past guidance, EBR is targeting FDA approval in H2 2023 followed by commercial launch focusing on the adoption of WiSE® at key, high-volume CRT procedure sites in the US.

We are better placed than ever to deliver on our goals, which remain on track.”

Igor DaCruz, Managing Director, Life Sciences, Runway Growth Capital said:

“We are excited to support EBR Systems with flexible, non-dilutive growth capital to support the Company’s ongoing pivotal trial. We share EBR’s vision for cardiac rhythm disorder treatments that help patients live longer and better lives, and we take great pride in being a steady partner as the company pursues its future FDA approval in the coming years.”

Key facility terms

Financier:	Runway Growth Finance Corp. (Runway)
Facility size:	Up to US\$50,000,000.
Tranches:	<p>Tranche 1: US\$20,000,000 available immediately (subject to satisfaction of customary conditions precedent).</p> <p>Tranche 2: Up to US\$20,000,000 available through 30 June 2023, with a minimum draw of US\$15,000,000 – contingent on positive data from the pivotal SOLVE trial (sufficient to proceed with PMA submission to FDA).</p> <p>Tranche 3: Up to US\$20,000,000 available through 30 June 2024, with a minimum draw of US\$10,000,000 (and subject to overall US\$50,000,000 maximum facility size) – contingent on FDA approval.</p>
Total term:	60 months.
Repayment:	Interest-only payments made monthly and the entire principal amount outstanding will be due at maturity.
Interest rate:	The Wall Street Journal Prime Rate (floating, subject to floor of 4.00%) + margin (4.90%).

Warrants:	None.
Covenants:	EBR to maintain unrestricted cash and cash equivalents of US\$2,500,000 plus other customary affirmative and negative covenants.
Collateral:	First ranking security over all assets of EBR and subsidiaries.
Fees:	A success fee of 3.00% of principal funded is to be paid to Runway if there is a liquidity event in respect of EBR (which includes a merger or sale of EBR). Other customary fees apply (e.g., for early prepayment).
Events of default:	Customary events of default, including a failure to make a payment under the facility when due and payable, subject, in certain instances, to a grace period.

ENDS

This announcement has been authorised for release by the EBR Board.

For more information, please contact:

Company

Frank Hettmann
Chief Financial Officer
P: +1 408 720 1906
E: info@ebrsystemsinc.com

Investors

Nina Lo
Vesparum Capital
P: +61 3 8582 4800
E: EBRSystems@vesparum.com

About EBR Systems (ASX: EBR)

Silicon Valley-based EBR Systems (ASX: EBR) is dedicated to superior treatment of cardiac rhythm disease by providing more physiologically effective stimulation through wireless cardiac pacing. The patented proprietary 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 disease management. The initial product is designed to eliminate the need for coronary sinus leads to stimulate the left ventricle in heart failure patients requiring Cardiac Resynchronisation Therapy (CRT). Future products potentially address wireless endocardial stimulation for bradycardia and other non-cardiac indications.

EBR Systems' WiSE® Technology

EBR Systems' WiSE technology is the world's only wireless, endocardial (inside the heart) pacing system in clinical use for stimulating the heart's left ventricle. This has long been a goal of cardiac pacing companies since internal stimulation of the left ventricle is thought to be a potentially superior, more anatomically correct pacing location. WiSE technology enables cardiac pacing of the left ventricle with a novel cardiac implant that is roughly the size of a large grain of rice. The need for a pacing wire on the outside of the heart's left ventricle – and the attendant problems – are potentially eliminated. WiSE is an investigational device and is not currently available for sale in the US.

About Runway Growth Capital LLC

Runway Growth Capital LLC is the investment advisor to investment funds, including Runway Growth Finance Corp. (Nasdaq: RWAY), a business development company, and other private funds, which are lenders of growth capital to companies seeking an alternative to raising equity. Led by industry veteran David Spreng, these funds provide senior term loans of \$10 million to \$75 million to fast-growing companies based in the United States and Canada. For more information on Runway Growth Capital LLC and its platform, please visit our website at www.runwaygrowth.com.

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions, and expectations and on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the Company's control (including but not limited to the COVID-19 pandemic), subject to change without notice and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to commercialize our products including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialize new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated

regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position.

Management believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Given the current uncertainties regarding the impact of the COVID-19 on the trading conditions impacting the Company, the financial markets and the health services world-wide, investors are cautioned not to place undue reliance on the current trading outlook.

EBR does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. EBR may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

Foreign Ownership Restriction

EBR's CHES Depository Interests (CDIs) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers or sales which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. The holders of EBR's CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. Hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.