



## Orchestra BioMed™ Announces Completion of \$41 Million Financing

November 15, 2018

*Capital proceeds to support late-stage clinical development of lead cardiovascular product candidates for artery disease and hypertension*

*Financing structure provides for up to an additional \$23 million in follow-on financing from existing investors*

New Hope, PA – Orchestra BioMed, Inc., (“Orchestra BioMed” or the “Company”), a biomedical innovation company developing advanced therapeutic solutions to address major unmet medical needs, today announced the successful final closing of a \$41 million private equity financing, which also included the conversion of outstanding debt to equity. Proceeds from the financing will support continued late-stage clinical development of Orchestra BioMed’s lead product candidates, which include the Virtue® Sirolimus-Eluting Balloon (SEB) for the treatment of artery disease and the BackBeat® Cardiac Neuromodulation Therapy (CNT) for the treatment of hypertension.

“This successful financing marks a significant milestone for Orchestra BioMed as we look to implement our innovative business model which aims to more efficiently advance high impact, high value, evidence-based therapeutic device solutions for large, established, procedure-based medical markets like interventional cardiology and electrophysiology,” commented David Hochman, Chairman and Chief Executive Officer of Orchestra. “Within these mature markets, we believe the key to continued product improvements is for technology innovators to forge and leverage long-term strategic partnerships with global market leaders to optimize clinical impact, commercial penetration and the health-economic value of their products. Orchestra BioMed’s mission is to be a leader in creating products and partnerships that help shape the future of medicine.”

Orchestra BioMed’s lead product candidates target significant areas of unmet cardiovascular need that also represent large potential commercial market opportunities. BackBeat CNT is a patented implantable cardiac stimulation-based treatment for hypertension that has been shown to substantially and chronically reduce systolic blood pressure to levels associated with significantly reduced risk of heart attack and stroke. BackBeat CNT can be readily incorporated into existing cardiac rhythm management devices such as pacemakers, making it rapidly adaptable to the existing paradigm of care for hypertensive patients that already require a pacemaker as well as applicable to patients with severe hypertension that do not require a pacemaker. These target patient populations represent an annual global market opportunity for BackBeat CNT of over \$5 billion. Virtue SEB is a novel, first in-class drug/device combination product that delivers delayed-release bioabsorbable particle encapsulated Sirolimus, the proven gold-standard drug for preventing restenosis, to the artery during balloon angioplasty for treatment of atherosclerosis without the need for a permanent implant. Key target clinical indications for Virtue SEB such as coronary in-stent restenosis, small vessel disease, below-the-knee lesions and others, represent an aggregate annual global market opportunity of over \$4 billion.

“Our Virtue SEB and BackBeat CNT technologies each offer an exciting new way to treat some of today’s most challenging medical conditions while taking full advantage of techniques and technologies that are familiar and broadly acceptable by interventionalists in cardiology and electrophysiology,” said Darren R. Sherman, President and Chief Operating Officer of Orchestra BioMed. “This recent financing will help support the final stages of development of these promising programs while also allowing us to explore many new options to expand our product pipeline.”

In addition to the Virtue SEB and BackBeat CNT product platforms, Orchestra BioMed operates a wholly-owned subsidiary, [FreeHold Surgical](#), a commercial-stage advanced surgical accessory device product line. Orchestra BioMed also owns significant strategic equity positions in other therapeutic device companies that were originally founded, financed and developed with assistance from the principals of Orchestra BioMed. These include large minority interests in [Motus GI® Holdings, Inc.](#) (NASDAQ:MOTS), which is currently focused on the commercial launch of its Pure-Vu® System for intraprocedural cleansing during colonoscopy, and [Vivasure Medical Ltd.](#), which recently initiated the commercial launch of PerQSeal®, the world’s first fully absorbable, patch-based large-bore percutaneous closure device.

SternAegis Ventures acted as the exclusive Placement Agent for Orchestra BioMed’s financing, which was fully oversubscribed as well as expanded beyond its original maximum target amount. “We believe the strong investor response to this heavily oversubscribed offering speaks volumes about the enormous potential of Orchestra BioMed’s product pipeline as well as its innovative business model which applies proven value creation strategies from the biotech sector to the medtech arena,” said Adam Stern, CEO of SternAegis Ventures. “The innovative structure of this round provides strong investor incentives to provide an additional \$23 million in future follow-on capital, further complementing Orchestra BioMed’s business strategy and growth plans.”

### **About Orchestra BioMed™**

*Orchestra BioMed, Inc. is a biomedical innovation company focused on developing high impact, high value, evidence-based therapeutic solutions for procedures that address major medical conditions. The Company’s core innovation and product development expertise are in the areas of drug delivery, interventional devices, bioelectronics and neuromodulation with a primary focus on cardiovascular disease. Orchestra BioMed’s business strategy is to leverage partnerships with established global market leaders to optimize the clinical impact and commercial value of its products, with potential for long-term, high margin cash flow from royalties, revenue sharing, and licensing and development payments. The Company’s lead product candidates include Virtue® Sirolimus-Eluting Balloon® (SEB), a novel, first-in-class drug-eluting angioplasty balloon that delivers delayed-release bioabsorbable particle encapsulated Sirolimus, and BackBeat® Cardiac Neuromodulation Therapy (CNT), a patented implantable cardiac neuromodulation treatment for hypertension. Orchestra BioMed also has significant strategic ownership in other therapeutic device companies that were originally founded, financed and developed with the assistance from the principals of Orchestra BioMed. These include one wholly-owned subsidiary ([FreeHold Surgical®](#)) and two large minority interests in other therapeutic device companies ([Motus GI®](#), [Vivasure® Medical](#)).*

### **About SternAegis Ventures**

*SternAegis Ventures is the management team within Aegis Capital Corp. that is responsible for venture capital and private equity financing. For additional information, please visit: [www.sternaegis.com](http://www.sternaegis.com).*

### **Forward Looking Statements**

*Some of the statements made herein constitute forward-looking statements. These statements relate to future financial and other performance or anticipated plans and are identified by words such as “may,” “will,” “should,” “expect,” “could,” “scheduled,” “plan,” “intend,” “anticipate,” “believe,” “estimate,” “potential,” “propose” and “continue” or negative variants of such terms. These and similar forward-looking statements discuss the Company’s future expectations and plans. The Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time. Given these risks and uncertainties, the Company cautions against placing undue reliance on these forward-looking statements. These statements are only estimates of future performance. Actual performance or events may not meet such expectations or estimates and may, in fact, differ materially.*

*Although the Company believes that the expectations reflected in the forward-looking statements made herein are reasonable, the Company cannot and does not guarantee future results, levels of activity, performance or achievements. Moreover, the Company does not assume any responsibility for the accuracy and completeness of such forward-looking statements in the future. The Company does not plan and, subject to applicable law, undertakes no obligation to update any of the forward-looking statements made herein after the date hereof in order to conform such statements to actual results.*

### **Investor and Media Contact:**

Jenene Thomas Communications, LLC  
Jenene Thomas  
(833) 475-8247  
[obio@jtcir.com](mailto:obio@jtcir.com)

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