FOR IMMEDIATE RELEASE

SIMPLIFY MEDICAL CLOSES $21 MILLION SERIES B FINANCING TO SUPPORT INNOVATIVE CERVICAL ARTIFICIAL DISC

SUNNYVALE, Calif. – July 19, 2017 – Simplify Medical Pty Ltd, maker of the Simplify® cervical artificial disc, today announced the closing of a Series B financing of $21 million. LSP (Life Sciences Partners) led the round, with additional investment from Sectoral Asset Management and returning investor M.H. Carnegie. The new funds will be used to complete two ongoing U.S. pivotal clinical trials of the Simplify Disc studying its use in one level of the spine and in two adjacent levels of the spine as a treatment for cervical degenerative disc disease.

"We are gratified by the confidence investors are showing in our Simplify Disc, which is designed to be clearly viewed on MRI without the artifact that can result from metal used in typical spine implants. By avoiding the radiation that would otherwise accompany a computed tomography (CT) scan, we intend to minimize patient exposure to unnecessary radiation risk," said Simplify Medical Chief Executive Officer David Hovda. "The new funds will enable us to develop the rigorous evidence that gets us one step closer to availability for U.S. patients in need."

"We are very impressed with the intelligence of the Simplify Disc technology," said LSP General Partner Dr. Fouad Azzam. "With hospitals being held to higher standards relative to complications and post-operative costs, it is important that innovations minimize patient risk. Not only does the Simplify Disc avoid substantial radiation exposure, it also avoids metal wear that has been problematic for other orthopedic devices. In addition, it offers the lowest-profile device available, opening up a broader patient population for the technology."

While magnetic resonance imaging (MRI) is widely used pre-operatively for surgical planning, spine surgeons often switch to CT post-operatively in order to accommodate metal components, which can make it difficult to view the devices, as well as the facets and adjacent levels. However, CT scans have been shown to expose patients to ionizing radiation that equates to 400 to 550 chest X-rays per scan.

Two Simplify Disc U.S. pivotal trials are currently enrolling. The two-level, prospective pivotal trial will encompass up to 200 patients at up to 15 centers, comparing cervical implantation of the device in two contiguous discs from C3 to C7 with two-level cervical fusion surgery. The other pivotal trial is studying one-level cervical implantation of the device between C3 to C7 with cervical fusion surgery from a historical nonconcurrent control group. For information about eligibility or enrollment in either pivotal trial, please visit http://www.simplifytrial.com/.

The Simplify Disc has received the CE Mark and has been used to treat more than 700 patients outside the U.S. over the last three years. Early clinical data has shown substantial improvement in patient pain scores and functional improvement after treatment.

ABOUT SIMPLIFY MEDICAL

Simplify Medical is focused on cervical spinal disc arthroplasty, using innovative, MRI-friendly materials designed to decrease the need for ionizing radiation and enhance patient options. Simplify Medical is located in Sunnyvale, California. To learn more, visit http://www.simplifymedical.com/.

Caution: The Simplify Disc is an investigational device in the United States and is limited by law to investigational use.

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