ASX ANNOUNCEMENT **26 April 2023**

Q1 2023 Quarterly Activity Report & Appendix 4C

Key Highlights:

- Finalising data analysis for pivotal SOLVE-CRT ("SOLVE") trial, with headline results to be presented at the Heart Rhythm Society conference in May 2023
- Strengthened management team with the appointment of Dr. Rick Kuntz (former Chief Medical Officer and Chief Scientific Officer at Medtronic) as consulting Chief Scientific Officer
- WiSE® technology continues to feature in the media and in leading global conferences, including the 2023 Emergence Conference where EBR presented to over 30,000 industry leaders and investors
- Strong cash position of US$56.5 /A$84.3[1] million as at 31 March 2023 including cash and short-term investments, with no exposure to Silicon Valley Bank collapse

Sunnyvale, California; 26 April 2023: 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 release its Quarterly Activity Report and Appendix 4C for the March quarter (**"Q1 2023"**).

John McCutcheon, EBR Systems' President & Chief Executive Officer said:

"We are honoured to be presenting our SOLVE trial data at the prestigious 2023 Heart Rhythm Society conference in front of esteemed medical professionals and practitioners. This is the culmination of several years of hard work from the team and the Board thanks them for their efforts.

During the quarter, we were delighted to appoint Dr. Rick Kuntz as the consulting Chief Scientific Officer, His advice and counsel will be invaluable as we near completion of the SOLVE trial and undertake subsequent regulatory activities.

Our cash position is strong, and we continue to feature in the media and at leading conferences, leaving us well placed to capitalise on a positive result and pave the pathway to FDA approval and commercialisation."

Finalising data analysis in pivotal SOLVE trial

EBR completed the 6-month follow up for the final patient in the pivotal SOLVE trial during the quarter and began analysing and verifying patient data. Data analysis is an essential step for any trial. This ensures results are certified and statistically rigorous. The Company is advancing through the data analysis process and is aiming to announce the results at the prestigious 2023 Heart Rhythm Society Conference. EBR's abstract titled *"Safety and Efficacy of a Leadless Ultrasound-Based Cardiac Resynchronisation Pacing System in Heart Failure – Results from the SOLVE-CRT Study"* was accepted into the conference during the quarter (announced 21 March 2023) which demonstrates the significance of the Company's technology and its role in solving a major health problem.

Achieving the SOLVE clinical endpoints represents a major milestone that would enable the Company to accelerate towards obtaining pre-market approval ("PMA") from the US Food and Drug Administration ("FDA"). The FDA approval process remains on track for 2024, with the Company having already submitted to the FDA the majority of modules required for PMA approval and is expecting to finalise its PMA submission in Q1 2024.

Management team strengthened

EBR appointed Dr. Rick Kuntz as its consulting Chief Scientific Officer (announced 22 February 2023), strengthening the senior management team with the addition of a highly credentialed and proven healthcare

[1] Assumes an A$:US$0.6695 exchange rate

leader. Dr. Kuntz has over 15 years of experience in the medical industry including positions as Senior Vice President, Chief Medical and Scientific Officer of Medtronic and founding CEO of the Harvard Clinical Research Institute. Dr. Kuntz also has extensive experience leading clinical trials which will be instrumental as the pivotal SOLVE trial nears completion and for ongoing regulatory activities.

WiSE technology features in media and conferences

EBR continues to feature at prominent global conferences and in the media. During the quarter, EBR was invited to present at the 2023 Wholesale Investor Emergence Conference to over 30,000 investors across Australia, New Zealand, Singapore, and the UK (announced 22 March 2023). In the media, EBR's WiSE technology featured on Channel 9 News where a patient implanted with the WiSE device spoke to his drastically improved quality of life after receiving the implant. The broadcast demonstrated the impact of the WiSE device and highlighted the positive effect it can have on patients.

During the quarter, EBR's leadership team conducted a two-week roadshow in Australia, visiting Perth, Adelaide, Melbourne, Brisbane, and Sydney. President and CEO, John McCutcheon and Senior Vice President, Andrew Shute were able to meet with new and existing retail investors, to speak about the future of the Company and highlight the upcoming release of SOLVE trial data.

Corporate Update

During the quarter, EBR had net operating cash outflows of US$8.2/A$12.3[2] million, mostly relating to clinical and regulatory costs, staff costs, and the purchase of manufacturing materials.

As of 31 March 2023, EBR holds a cash balance of US$22.1/A$33.0[2] million and US$34.4/A$51.3[2] million in short-term investments which will become cash or cash equivalents in the future. Investments are made in fixed income instruments, have a weighted average maturity of 2.9 months, and have a minimum credit rating of A-2/P-2/F2 by at least two of three Nationally Recognised Statistical Rating Organisations, specifically Standard & Poor's, Moody's or Fitch.

Following the closure of Silicon Valley Bank ("SVB"), EBR was able to confirm that its operations account with SVB held approximately 0.2% of the Company's cash. Further, the US Federal Government and Treasury Department have guaranteed all deposits in the bank, so this small exposure is secure. EBR's senior management team continues to remain vigilant over any sudden changes in market conditions or significant developments to financial institutions in key economies.

Payments made to related parties as described in Items 6.1 of the Appendix 4C were for Executive Director renumeration.

Use of Funds (Listing Rule 4.7C.2)

In section 8.4 of the Replacement Prospectus dated 28 October 2021 and released on the ASX Market Announcements Platform on 23 November 2021, the Company provided a proposed use of funds statement to demonstrate that it expected to have sufficient working capital to carry out its business objectives as stated below to at least mid-2024. The table below shows the use of funds from the date of admission to the ASX, 24 November 2021, while the Appendix 4C covers the period 1 January 2023 to 31 March 2023.

Use of Proceeds	Total per the Prospectus (US$/A$[2] million)	Actual expenditure 24/11/21 to 31/3/2023 (US$/A$[2] million)
Capital expenditure towards manufacturing	4.2/6.2	0.9/1.3
Sales and Marketing	17.9/26.8	1.8/2.7

[2] Assumes an A$:US$0.6695 exchange rate

Regulatory and Clinical	13.6/20.3	23.1/34.5
Research and Development	16.1/24.0	8.0/11.9
Costs of the Offer and U.S. Private Placement	5.4/8.1	5.1/7.6
General and Administrative Costs and Working Capital	16.5/24.6	11.7/17.5
Totals	**73.7/110.0**	**50.6/75.5**

ENDS

This announcement has been authorised for release by the EBR Systems Finance Disclosure Committee, a committee of the Board of Directors.

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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, effectiveness 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.

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 CHESS Depositary 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
EBR Systems, Inc.	
ABN	**Quarter ended ("current quarter")**
654 147 127	March 31, 2023

Consolidated statement of cash flows			Current quarter US$'000	Year to date (3 months) US$'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	research and development	(1,719)	(1,719)
	(b)	product manufacturing and operating costs	(1,634)	(1,634)
	(c)	advertising and marketing	(79)	(79)
	(d)	leased assets	(132)	(132)
	(e)	staff costs	(4,570)	(4,570)
	(f)	administration and corporate costs	(259)	(259)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		324	324
1.5	Interest and other costs of finance paid		(624)	(624)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		468	468
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(8,225)**	**(8,225)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(147)	(147)
	(d)	investments	(7,012)	(7,012)
	(e)	intellectual property	-	-

Consolidated statement of cash flows		Current quarter US$'000	Year to date (3 months) US$'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	22,000	22,000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**14,841**	**14,841**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	12	12
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**12**	**12**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	15,456	15,456
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,225)	(8,225)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14,841	14,841

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (3 months) US$'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12	12
4.5	Effect of movement in exchange rates on cash held	(16)	(16)
4.6	**Cash and cash equivalents at end of period**	**22,068**	**22,068**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter US$'000**	**Previous quarter US$'000**
5.1	Bank balances	22,068	22,068
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**22,068**	**22,068**

6.	**Payments to related parties of the entity and their associates**	**Current quarter US$'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	77
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments represent remuneration paid to executive directors.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end US$'000**	**Amount drawn at quarter end US$'000**
7.1	Loan facilities	50,000	20,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	50,000	20,000

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

On 30 June 2022, the Company entered into a loan and security agreement with Runway Growth Finance Corp, whereby the Company has the availability to borrow up to $50m USD. As of 31 March 2023, the Company has borrowed $20m USD. The Company has not met certain other requirements, which will allow the Company to borrow the remaining $30m USD. The loan accrues interest at the Prime Rate plus 4.90%. Interest is payable on the 15th calendar day of each month, and the loan matures on 15 June 2027.

8.	**Estimated cash available for future operating activities**	**US$'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(8,225)
8.2	Cash and cash equivalents at quarter end (item 4.6)	22,068
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	22,068
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.7

The Company has $34.4m USD in short-term investments in addition to the $22.1m cash and cash equivalents shown above. With $56.5m in cash and short-term investments, the Company has 6.9 quarters of funding available. Investments are made in fixed income instruments, have a weighted average effective maturity of 2.9 months, and have a minimum credit rating of A-2/P-2/F2 by at least two of three Nationally Recognised Statistical Rating Organizations, specifically Standard & Poor's, Moody's or Fitch.

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2023

Authorised by: the EBR Systems Finance Disclosure Committee, a committee of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.