Boston Scientific

Boston Scientific Announces Agreement to Acquire Apama Medical

Acquisition to Strengthen Company's Electrophysiology Portfolio and Expand into "Single-Shot" Balloon Pulmonary Vein Isolation Treatments for Patients with Atrial Fibrillation

MARLBOROUGH, Mass., Oct. 2, 2017 /PRNewswire/ -- Boston Scientific Corporation (NYSE: BSX) today announced a definitive agreement to acquire Apama Medical Inc., a privately-held company that is developing the Apama Radiofrequency (RF) Balloon Catheter System for the treatment of atrial fibrillation (AF). The transaction consists of $175 million in cash up-front and a maximum of $125 million in contingent payments over the period of 2018-2020 based on achievements of clinical and regulatory milestones.

AF, a common heart rhythm disorder estimated to affect more than 33 million people worldwide[1], is commonly treated with anti-arrhythmic drugs as well as cardiac ablation – the process of delivering energy to the areas of the heart muscle causing an abnormal rhythm. The standard of care in AF ablations is pulmonary vein isolation (PVI) – the application of energy to create lines of scar tissue around the pulmonary veins in the left atrium to block unwanted electrical signals that trigger AF. PVI is currently performed using two different technologies: point-by-point RF-based ablation and single-shot balloon-based ablation.

The Apama RF balloon – a single-shot, multi-electrode technology – is designed to combine the primary benefits of both RF point-by-point and balloon-based ablation approaches, notably the ability to deliver differentiated levels of energy and shortened procedure times. The technology incorporates built-in digital cameras with LED lights and sensing electrodes on the balloon which allow for real-time visualization and assessment of catheter electrode contact. This is intended to provide physicians with higher confidence of effective energy delivery and the ability to customize the amount of energy delivered around the circumference of the balloon, while further reducing procedure times when compared to existing balloon technologies.

"The acquisition of Apama further advances our continued investment in the electrophysiology category, and, upon commercialization, would broaden our portfolio of differentiated arrhythmia solutions," said Joe Fitzgerald, president of Rhythm Management, Boston Scientific. "We are also excited about the ability to integrate the Apama RF balloon system with our RHYTHMIA HDx™ Mapping System to provide physicians with an unprecedented visualization of the heart during ablation procedures."

Initial results of AF-FICIENT, a first-in human study presented at the AF Symposium Annual Meeting in January, 2017, demonstrated the Apama RF balloon met the safety and efficacy study endpoints, achieving successful PVI in patients with paroxysmal AF.

"Study results reinforce the Apama RF balloon is an advancement in single-shot technology for PVI and can provide physicians with greater control and efficiency when performing AF ablations," said Kenneth Stein, M.D., senior vice president and chief medical officer, Rhythm Management and Global Health Policy, Boston Scientific. "We look forward to continuing the development and commercialization of this novel ablation solution to treat both paroxysmal and persistent AF."

The Apama RF balloon is currently being studied in clinical trials inEurope to serve as the basis for CE mark approval, which is expected in late 2018.

Apama is based in Campbell, California, with approximately 40 employees.

The acquisition is projected to close during the fourth quarter of 2017, subject to customary closing conditions.

On an adjusted basis, the transaction is expected to be immaterial to Boston Scientific adjusted earnings per share for 2017 and 2018. The transition is expected to be more dilutive on a GAAP basis, due to amortization expense, transaction, and integration related costs.

The Apama RF Balloon Catheter System is a concept device and not available for sale.

About Boston Scientific
Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 35 years, we advance science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. For more information, visit **www.bostonscientific.com** and connect on **Twitter** and **Facebook**.

Cautionary Statement Regarding Forward-Looking Statements
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding the closing of the acquisition, the financial and business impact of the transaction, product launches and product performance and impact. If our

underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences include, among other things: future economic, competitive, reimbursement and regulatory conditions; new product introductions; demographic trends; the closing and integration of acquisitions; intellectual property; litigation; financial market conditions; and future business decisions made by us and our competitors. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control. For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A – *Risk Factors* in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A – *Risk Factors* in Quarterly Reports on Form 10-Q we have filed or will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

Use of Non-GAAP Financial Measures
To supplement our consolidated financial statements presented on a GAAP basis, we disclose certain non-GAAP financial measures including adjusted earnings per share. Adjusted earnings per share excludes goodwill and intangible asset impairment charges; acquisition-, divestiture-, litigation- and restructuring-related charges and credits; certain discrete tax items and amortization expense. Non-GAAP measures such as adjusted earnings per share are not in accordance with generally accepted accounting principles in the United States. The GAAP financial measure most directly comparable to adjusted earnings per share is GAAP earnings per share. The difference between our estimated impact of the acquisition on our GAAP and adjusted earnings per share relates to amortization expense on acquired intangible assets and acquisition-related net charges, which primarily include exit costs and other fees. These amounts are excluded by the Company for purposes of measuring adjusted earnings per share.

Management uses adjusted earnings per share along with other supplemental non-GAAP measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess its performance relative to its competitors, and to establish operational goals and forecasts that are used in allocating resources. Non-GAAP financial measures, including adjusted earnings per share, should not be considered in isolation from or as a replacement for GAAP financial measures. We believe that presenting non-GAAP financial measures in addition to GAAP financial measures provides investors greater transparency to the information used by our management for its financial and operational decision-making and allows investors to see our results "through the eyes" of management. We further believe that providing this information better enables our investors to understand our operating performance and to evaluate the methodology used by management to evaluate and measure such performance.

CONTACTS:
Trish Backes
Media Relations
(651) 582-5887 (office)
Trish.Backes@bsci.com

Susie Lisa, CFA
Investor Relations
(508) 683-5565 (office)
investor_relations@bsci.com

[1] *Circ.* 2014; 129:837-847.

SOURCE Boston Scientific Corporation

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