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ASX ANNOUNCEMENT

28 January 2026

Q2 FY26 Quarterly Activity Report and Appendix 4C[1]

Highlights:

- **Saluda lists on ASX 5 December 2025, following a A$230.8 million (~US$150 million) IPO.**
- **Global and US commercial momentum achieved in both Q2 FY26 and H1 FY26, including:**
  - **Acceleration in global revenue growth, driven by increase in US trained sales reps and active implanting physicians, including:**
    - **US$21.0 million in Q2 FY26, + 20% vs prior corresponding period (pcp) and +15% vs Q1 FY26; and**
    - **US$39.4 million in H1 FY26, + 17% vs pcp.**
  - **International revenue growth of 29% in Q2 FY26 vs pcp, reflecting increased customer demand;**
  - **US implanted patient growth of 21% in Q2 FY26 vs pcp, driven by an increase in active implanting physicians; and**
  - **US sales force expansion on track to achieve an average of 89 fully trained sales reps in FY26.**
- **Increased FY26 revenue guidance to US$85 million representing 21% year-over-year growth (up from US$81.9 million as set out in the IPO Prospectus).**
- **Company continues to expect H2 revenues to exceed H1 revenues, primarily in the US, driven by the impact of anticipated increase in trained US sales reps in H2.**
- **Strong representation at the January 2026 North American Neuromodulation Society (NANS) annual meeting, with 19 clinical abstracts and 5 oral presentations, showing continued societal and customer interest in closed-loop technology.**
- **Regulatory approval received for EVA™ Sensing Technology in Europe and Australia.**
- **Executed a phased reduction in force of approximately 50 non-commercial positions to support planned decrease in future operating expenses.**
- **Investor webinar today, 28 January at 9:00am AEDT (click to register).**

Saluda Medical, Inc. (ASX:SLD, "Saluda" or the "Company"), a commercial-stage medical device company focused on developing treatments for chronic neurological conditions using its novel closed-loop neuromodulation platform, is pleased to provide this activity report and Appendix 4C for the quarter ended 31 December 2025 (Q2 FY26).

Commenting on the release, Saluda's Chief Executive Officer, Barry Regan, said:

"Having listed on the ASX in December 2025, we are pleased with the momentum within the first six months of FY26.

[1] Financial results, including revenue, have not yet been reviewed by the Company's independent auditors

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We saw continued growth in the active implanting physician base in the US as we expand our US sales force and we remain confident in our ability to build the size and quality of our sales force as planned heading into the new calendar year.

The momentum in our active physician base, the sales force hiring and training activity, and the international revenue performance in the first half of the year has given us the confidence to increase our FY26 revenue guidance.

The strength of our clinical evidence, the scalability of our commercial model, and the dedication of our team positions the Company well to continue to make a significant difference in patient outcomes."

IPO milestone

Saluda completed its initial public offering (IPO), and commenced trading on the ASX on 5 December 2025, reflecting a key milestone for the Company. Having successfully raised ~A$231 million (~US$150 million) from new and existing securityholders, Saluda plans to use the funds raised to, amongst other things, expand its sales team, marketing and commercial support, and product development.

Operational update

Saluda's operational activities generally remained consistent with past quarters including ongoing expansion of the Company's US sales force, continued engagement and training of new physician customers, and a focus on physician education activities to increase awareness and understanding of the clinical value of objective neural data combined with closed-loop spinal cord stimulation. In addition, the Company progressed its product development efforts related to in-process projects.

Global and US commercial momentum

Q2 FY26 global revenue grew 19.9% versus pcp to US$21.0 million, accelerating quarter-on-quarter, delivering H1 FY26 global revenue of US$39.4 million (+17.0% vs pcp). Driven by an expanding number of US active implanting physicians, increased rate of implants per physician and international revenue performance, Saluda's overall global revenue growth exceeded internal expectations for the period. Within FY26, the Company continues to expect H2 revenues to exceed H1 revenues – specifically in the US – driven by the impact of an anticipated increase in trained sales reps in H2 vs H1.

	Q2 FY26	Q2 FY25	Growth vs. PCP	H1 FY26	H1 FY25	Growth vs. PCP
US Revenue ($m)	**15.4**	13.2	*16.9%*	**28.4**	25.0	*13.6%*
Int'l Revenue ($m)	**5.6**	4.4	*29.1%*	**11.0**	8.7	*26.8%*
Total Revenue ($m)	**21.0**	17.5	*19.9%*	**39.4**	33.7	*17.0%*
# of US Patients Implanted	**670**	553	*21.2%*	**1,212**	1,039	*16.7%*
US Avg. Quarterly Active Implanting Physicians	**291**	244	*19.3%*	**273**	236	*15.7%*

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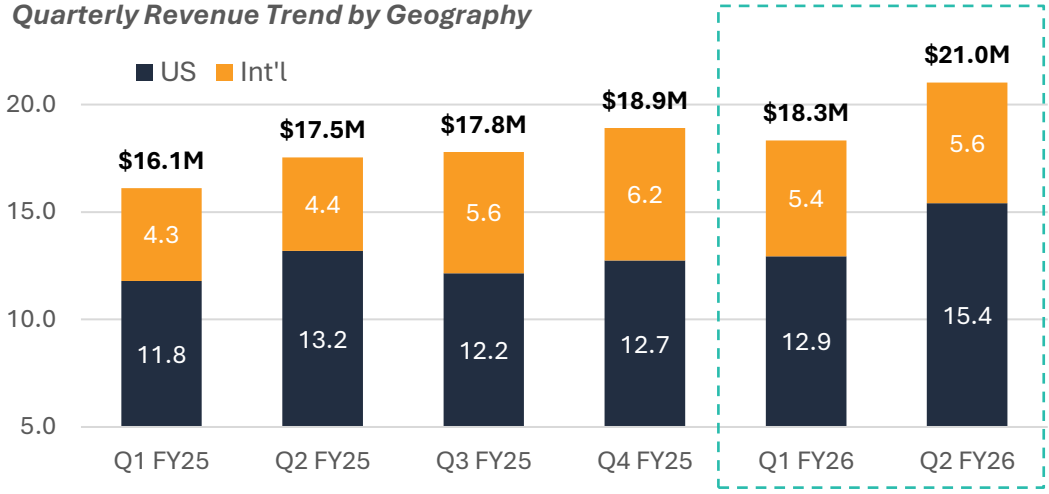
The number of US implanted patients grew 21.2% in Q2 FY26 versus pcp, accelerating quarter-on-quarter to deliver H1 FY26 implanted patient growth of 16.7% versus pcp. Combined with typical sequential seasonality improvements, Saluda's expanding trained US sales force also drove a higher level of active implanting US physicians.

Saluda's US sales force expansion activities, including sales force hiring and training, remained on track in H1 FY26, supporting the projected total US sales reps at the end of FY26 of 154 (including average fully trained US sales reps during FY26 of 89). Saluda has made continued improvements in its hiring, training activities and processes, further supported by the full launch of the EVA™ automated programming platform in the US in July of 2025. The EVA launch further simplifies the programming process, increasing the opportunity for patients to get to an optimised and personalised program earlier in their therapy. Critically, this technology advancement supports continued sales training improvement, increasing the Company's focus on new sales rep productivity.

International revenue growth of 26.8% delivered in H1 FY26 vs pcp was driven by increased customer demand in Europe and growth in patient volume in Australia.



Guidance update

In light of the Company's improved financial performance throughout the December quarter, Saluda increases its FY26 revenue guidance to US$85.0 million (up from US$81.9 million as set out in the Company's IPO Prospectus), representing forecasted growth of 21% vs FY25. H2 of this updated FY26 revenue forecast expects 24% growth vs pcp as the number of trained US sales reps increases during this period.

Strong NANS conference representation

In January 2026, Saluda attended the North American Neuromodulation Society (NANS) conference in Las Vegas, Nevada, an annual conference for physicians specializing in neuromodulation therapy focused on advancements in science, therapies, and technologies. This conference represents an important annual opportunity to further engage with new and existing neuromodulation customers

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through meetings, education events, and training sessions. The continued physician interest in the positive impact the Evoke® System is having on clinical outcomes for chronic pain patients was demonstrated by the quantity and quality of the scientific presentations at the conference, including 19 clinical abstracts and 5 oral presentations.

European regulatory approval received

As announced on 22 December 2025, Saluda's next-generation EVA™ Sensing Technology received CE certification for commercialisation in Europe with recognition of this approval in Australia. This follows FDA approval of EVA in December 2024. A limited commercial release in Europe and Australia will begin in Q3 of FY26, followed by a full commercial release later in the year.

Cashflows from operations

Cash on hand at the end of Q2 FY26 was US$151.4 million compared to US$54.5 million at the end of Q4 FY25. Cash used in operations during Q2 FY26 was US$27.4 million compared to US$31.8 million in Q1 of FY26. The Company had less staff costs in Q2 compared to Q1 as Q1 included the payment of variable incentive program amounts. Q2 of FY26 also had less research and development payments than Q1partially offset by a larger amount of administrative and corporate costs.

As foreshadowed in the prospectus, the Company communicated and executed a phased reduction in force of approximately 50 non-commercial full-time positions to support plans to reduce portions of the Company's future operating expenses. The Company used benchmark data to identify opportunities for reduction, representing approximately 20% of non-commercial headcount, while working to minimise business disruption.

Cash from financing activities included US$167.4 million in proceeds from our IPO as well as a bridge financing prior to the IPO. These proceeds were offset by US$9.7 million of transaction costs related to these two equity financings.

Cash used in operations during H1 of FY26 was in line with the Company's expectations and Saluda ended Q2 with total available funding of US$201.4 million, made up of US$151.4 million in cash combined with US$50 million of unused financing facilities (of which US$25 million is available to be drawn now and through to 30 June 2026, and a further tranche of US$25 million is available, subject to certain conditions, through to 31 December 2026).

Appendix 4C item 6.1 includes US$0.2 million of payments to related parties for executive and non-executive directors' fees and salary paid to the CEO and directors in their capacity in these roles.

Use of funds

In accordance with Listing Rule 4.7C.2, below is a comparison of actual expenditure since the Company's admission date through the end of Q2 FY26 to the use of funds statement included in the Company's prospectus.

	Per prospectus	% of funds raised	Use of funds for the period *	% of funds used
	(US$m)		(US$m)	
Expansion of sales teams	62,900	41.9%	2,804	15.7%
Marketing and commercial support	17,700	11.8%	701	3.9%
Product development related activities	13,300	8.9%	835	4.7%
Clinical, regulatory & quality	8,600	5.7%	381	2.1%
Costs of the Offer and the U.S. Private Placement	9,300	6.2%	9,716	54.6%
General & Administrative Costs	21,500	14.3%	1,797	10.1%
Interest expense on debt	7,100	4.7%	390	2.2%
Working Capital	9,600	6.4%	1,183	6.6%
	150,000		17,806	

* Use of funds from IPO proceeds is from admission date (3 December 2025) through the end of the second quarter (31 December 2025).

The Company considers that the use of funds is on track with the disclosure in the Prospectus.

Quarterly investor webinar

Saluda will host an investor webinar to discuss its Q2 FY26 results, today – Wednesday, 28 January 2026 at 9:00am AEDT. The webinar will be hosted by Saluda's Chief Executive Officer, Barry Regan, and Chief Financial Officer, James Erickson. Register and/or access webinar replay via the link below:

https://us02web.zoom.us/webinar/register/WN_2qBG8x4vRWGSLRFF-ggDnw

This announcement has been authorised for release by Saluda Medical's Board of Directors.

For more information, please contact:

Investors
James Erickson
Chief Financial Officer
investors@saludamedical.com

Sam Wells
NWR Communications
+61 (0) 427 630 152
sam@nwrcommunications.com.au

Media
Matt Wright
NWR Communications
+61 (0) 451 896 420
matt@nwrcommunications.com.au

About Saluda Medical

Saluda Medical, Inc. (ARBN 691 140 360) is a commercial-stage medical device company focused on developing treatments for chronic neurological conditions using its novel neuromodulation platform. The Company's closed-loop, dose-control platform senses and measures neural responses to stimulation and automatically adjusts therapy based on real-time neurophysiological feedback. The

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Company's first product, the Evoke® System, is indicated as an aid in the management of chronic intractable pain of the trunk and/or limbs, including unilateral or bilateral pain associated with failed back surgery syndrome, intractable low back pain, and leg pain, and is designed to treat chronic neuropathic pain by providing spinal cord stimulation (SCS) therapy that senses and measures neural activation to optimize therapy and reduce patient and clinician burden. 12-month results from the EVOKE study, the first and only prospective, multi-center, parallel-arm, double blind, randomized controlled pivotal study with a voluntary crossover arm in SCS, that demonstrated clinically superior pain relief to open-loop therapy, were published in The Lancet Neurology, 24-month results were published in JAMA Neurology, and 36-month data, that demonstrated sustained pain relief, were published in Regional Anesthesia and Pain Medicine. To learn more, including risks and important safety information, visit www.saludamedical.com/us/safety/. Saluda and Evoke are registered trademarks owned by Saluda Medical Pty Ltd.

Foreign Ownership Restriction

Saluda's CHESS Depositary Interests (CDIs) are issued in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), and a no-action letter issued by the staff of the U.S. Securities and Exchange Commission. Accordingly, the Company's CDIs have not been, and will not be, registered under the U.S. Securities Act (except pursuant to an effective registration statement) or the securities laws of any state or other jurisdiction in the United States. The holders of Saluda's CDIs may not offer, sell, pledge, or otherwise transfer the CDIs into the United States or to, or for the account or benefit of, a "U.S. Person" (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) for a period of at least 12 months from the allotment date under the IPO, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption from registration is available.

Appendix 4C

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

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Name of entity	
Saluda Medical, Inc.	
ABN	**Quarter ended ("current quarter")**
691 140 360	31 December 2025

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (6 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	20,931	39,343
1.2	Payments for		
	(a) research and development	(2,607)	(6,238)
	(b) product manufacturing and operating costs	(7,947)	(16,087)
	(c) advertising and marketing	(1,644)	(3,274)
	(d) leased assets	(474)	(1,157)
	(e) staff costs	(23,069)	(49,570)
	(f) administration and corporate costs	(10,642)	(18,033)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	437	756
1.5	Interest and other costs of finance paid	(2,329)	(4,638)
1.6	Income taxes paid	(27)	(344)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(27,371)**	**(59,152)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(90)	(1,826)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $US'000	Year to date (6 months) $US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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**	**(90)**	**(1,826)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	167,356	167,356
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9,705)	(9,723)
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**	**157,651**	**157,633**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	21,068	54,500
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(27,371)	(59,152)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(90)	(1,826)

Consolidated statement of cash flows		Current quarter $US'000	Year to date (6 months) $US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	157,651	157,633
4.5	Effect of movement in exchange rates on cash held	167	270
4.6	**Cash and cash equivalents at end of period**	**151,425**	**151,425**

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	11,847	11,294
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Money Market Funds	139,578	9,774
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**151,425**	**21,068**

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	170
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.

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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	125,000	75,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	125,000	75,000

7.5	**Unused financing facilities available at quarter end**	50,000

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.

Perceptive term loan facility of US$125,000,000. US$75,000,000 is drawn and bears interest at 7.5% plus the greater of (x) one-month Term SOFR and (y) 3.5%. The facility has maturity date of March 14, 2030, and is secured by substantially all of the assets of the Company.

8.	**Estimated cash available for future operating activities**	**$US'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(27,371)
8.2	Cash and cash equivalents at quarter end (item 4.6)	151,425
8.3	Unused finance facilities available at quarter end (item 7.5)	50,000
8.4	Total available funding (item 8.2 + item 8.3)	201,425

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	7.4

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?

Answer:

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?

Answer:

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?

Answer:

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.

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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: .....28 January 2026.....

Authorised by: .....Board of Directors.....
(Name of body or officer authorising release – see note 4)

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.

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