

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION
(CSIRO)

MS22-001435

CSIRO Reference C2022/3131

To: Minister for Industry and Science (For Decision)

CLOSED LOOP MEDICAL PTY LTD HOLDINGS CONVERTED TO SHARES IN SALUDA
MEDICAL PTY LTD

Timing: Routine

Recommendations: That you

1. **Sign** and **date** the notification at Attachment B, pursuant to section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Signed / Not signed

2. **Agree** to the tabling in Parliament of the notification at Attachment B.

Agreed / Not agreed

Minister:

Date:

Comments:

27/10/22

Clearing Officer: Sent 6/9/2022	Tom Munyard	Chief Operating Officer, CSIRO	Ph: 02 6276 6356 Mob: 0475 966 623
Contact Officer:	Laura Methorst	A/g Manager, Ministerial Liaison Office, CSIRO	Ph: 02 6276 6231 Mob: 0476 841 475

Key Points:

1. Under section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the PGPA Rule, responsible Ministers are required to inform Parliament of certain events relating to the involvement in a company by non-corporate or corporate Commonwealth entities.
2. This section 72 notification is to report CSIRO's acquisition in November 2021 of 75,354 additional shares in Saluda Medical Pty Ltd (Saluda) via re-acquiring Closed Loop Medical Pty Ltd (CLM). Further background on the transaction is at Attachment A.

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3. Saluda is a global medical device company, and its first device, 'Evoke', is the only spinal cord stimulation technology that is capable of measuring and recording each patient's unique response to stimulation and makes real-time adjustments, providing superior long-term pain relief for users.
4. The PGPA Rule requires that CSIRO report this activity to you as Minister, and that you table a notification of this activity in Parliament. CSIRO has prepared a form (see Attachment B) related to this activity for tabling. Subject to your agreement, CSIRO will work with your office to arrange tabling of this notification.

Data referenced:

5. Section 72 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 26 of the PGPA Rule.
6. Department of Finance, Duties of Accountable Authorities, Resource Management Guide (RMG) 200.

Consultation: NIL

ATTACHMENTS

- A: Background – Transaction Details
- B: Section 72 Notification - Closed Loop Medical Pty Ltd

Background – Transaction Details

- In November 2021, Saluda Medical Pty Ltd (Saluda) re-acquired Closed Loop Medical Pty Ltd (CLM) for stock consideration, issuing 3.05868 ordinary Saluda shares for every 1 ordinary share of Closed Loop Medical Pty Ltd (CLM) stock.
- Via this acquisition process, CSIRO acquired 75,354 additional Saluda shares, which were been valued on the basis of the June 2019 'last round' price (\$15.98).
- Saluda is pursuing a listing on the NASDAQ in the next 24 months and the re-integration of the Closed Loop Medical platform was viewed by as being aligned Saluda's IPO objectives.

Saluda Medical Pty Ltd

- Saluda was spun out of Data61 in 2013 and 1,245,000 ordinary shares were issued to NICTA Intellectual Property Reservoir (NIPR) as consideration for licensing and assigning the Company's core Intellectual Property. These shares were initially valued at \$7,818,600 or \$6.28 per share.
- In 2017, NIPR sold 622,500 of these shares at \$6.28 per share, realising \$3,909,300.


Closed Loop Medical Pty Ltd

- CLM was spun out from an existing NICTA portfolio company, Saluda in August 2019 (and by virtue of NICTA's ownership stake in Saluda, NICTA was also granted shares in the newly formed company).
- The purpose of the spun-out entity was to develop Saluda's neuromodulation applications for the treatment of chronic pain (outside of spinal cord stimulation). The company's initial focus was on sacral nerve simulation as a possible treatment for urinary and faecal incontinence.
- CSIRO subscribed for 24,636 ordinary shares at the time of spin out, with an initial overall valuation of \$264.46 (i.e., \$0.01 per share).

NOTICE UNDER SECTION 72 OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY ACT 2013

I, Ed Husic, Minister for Industry and Science:

- (a) give notice of an event as required under section 72 of the *Public Governance, Performance and Accountability Act 2013*; and
- (b) provide particulars of the event and a short statement about the event as required under section 26 of the *Public Governance, Performance and Accountability Rule 2014*.

Nature of, and reasons for, the event	
Corporate Commonwealth Entity (CSIRO) acquires shares in a company (s72(1)(d)) - CSIRO acquired 75,354 shares in Saluda Medical Pty Ltd (Saluda) as a result of Saluda's acquisition of Closed Loop Medical Pty Ltd for stock consideration.	
Consequences of the event:	
Dollar value of any consideration paid or received by the Commonwealth or corporate Commonwealth entity	No funds paid by CSIRO as a result of this transaction
Obligations or liabilities or duties (whether actual, contingent, or prospective) placed on the Commonwealth or corporate Commonwealth entity	N/A
Particulars about the effect on the Commonwealth's or corporate Commonwealth entity's control of a company:	
has control or	N/A
no longer has control	N/A
Details of other interests of the Commonwealth's or a corporate Commonwealth entity's interests that are affected by the event	N/A
Event relating to a company:	
Name of the company	Saluda Medical Pty Ltd
Within the meaning of section 9 of the <i>Corporations Act 2001</i> :	
the company's ACN	145 902 272
whether the company is a public company	N/A
Event relating to a foreign company:	
<i>(To be included where the event relates to a foreign company within the meaning of section 9 of the Corporations Act 2001)</i>	
Jurisdiction of incorporation	N/A
Company's ARBN (within meaning of section 9 of the <i>Corporations Act 2001</i>)	N/A
Incorporation identifier (if the company does not have an ARBN)	N/A
Date	
 27/10/20	
The Hon Ed Husic MP, Minister for Industry and Science	