

PRESS RELEASE 9/16/14

Ortho Kinematics Enters Agreement with Medtronic for Promotion of VMA

Medtronic, Inc.'s Spinal and Biologics division will promote the VMA to spine surgeons, securing a leadership position in the growing area of spine diagnostics.

AUSTIN, Texas – Sept 16, 2014 — Ortho Kinematics, Inc. (OKI), a privately held healthcare diagnostic company focused on spine imaging informatics, announced today that it has entered into an agreement with Medtronic, giving Medtronic the ability to promote OKI's VMA (Vertebral Motion Analysis) test to spine surgeons.

The VMA is OKI's flagship spine diagnostic test, which recently completed a successful eighteen month limited scale initial launch. The VMA is a diagnostic test that can be prescribed as an alternative to the six million flexion/extension x-ray tests that are prescribed each year in the United States for the assessment of spinal motion and instability in the cervical and lumbar spine. The VMA has been shown in studies to produce more accurate and reproducible results than the traditional manual x-ray test, detecting spinal instability with greater sensitivity and with no decrease in specificity. Spinal instability is a condition that may contribute to back and neck pain, and is an important consideration in evaluating candidates for potential spine surgery or spine pain management injections.

Paul Gunnoe, CEO of Ortho Kinematics, Inc. said, "The VMA's initial launch was a success and with this partnership we expect to build on this by making the VMA the potential standard of care for assessing spinal motion and instability. Having a partner and investor with the reputation, scale, and reach of Medtronic will be helpful to these efforts."

Unlike the market for spine surgical technology which is characterized by hundreds of companies and thousands of products, the market for spine diagnostics is comprised of a small handful of on-market and development-stage products. Most market analysts agree that diagnostics represents an area of strong growth potential within the spine surgery category, and within spine imaging diagnostics OKI is recognized as a market leader. The global revenue potential for the VMA is over \$5 billion.

Other terms of the transaction were not disclosed.

About Ortho Kinematics

Ortho Kinematics is a privately held diagnostic technology company, focused on spine imaging informatics and committed to the idea that spine motion matters. The company is working with a group of leading clinicians, researchers, and developers who are passionate about leveraging spine biomechanical data to improve the diagnosis and treatment of back pain. Ortho Kinematics is located in Austin, Texas and is on the web at www.orthokinematics.com.

About Medtronic, Inc.

Medtronic, Inc. is the global leader in spine surgical technology, with \$3.1 billion in 2013 sales through its Spinal and Biologics division. Medtronic is also the largest medical device company globally, with company-wide 2013 revenues of \$16.6 billion.