

# Tailwind Capital Announces Business Combination Agreement with Synergy Disc Replacement Inc. in Respect of Qualifying Transaction

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Calgary, March 28, 2019 - [Tailwind Capital Corporation](#) (TSXV: TW.P) ("Tailwind") is pleased to announce that it has entered into a definitive agreement dated January 14, 2019 (the "Business Combination Agreement") with Synergy Disc Replacement Inc. ("Synergy") pursuant to which Tailwind's wholly-owned subsidiary, Tailwind Acquisitionco Inc. ("Tailwind Subco"), will amalgamate with Synergy (the "Amalgamation") to complete Tailwind's qualifying transaction (the "Transaction") in accordance with the policies of the TSX Venture Exchange Inc. (the "TSXV"). As a result of the Amalgamation, Synergy will become a wholly-owned subsidiary of Tailwind. Upon completion of the Amalgamation, it is intended that Tailwind will be known as "SDRi Surgical Solutions Inc." (the "Resulting Issuer"). The Transaction is subject to the receipt of all necessary regulatory and shareholder approvals as well as the satisfaction of conditions to closing as set out in the Business Combination Agreement.

## About Synergy

Synergy is a Canadian based medical device company incorporated in Ontario that provides innovative solutions to treat degenerative disc disease of the cervical spine. Synergy's patented flagship technology, the Synergy Cervical Disc (the "Synergy Disc®"), is a third generation cervical disc replacement prosthesis that restores natural motion, while also restoring natural alignment. This unique feature of the Synergy Disc® solves a major clinical issue that current cervical discs on the market see with loss of alignment or unpredictable alignment. In addition, the restoration of alignment feature allows the Synergy Disc® to potentially treat patients with a straight spine or slight deformity, which surgeons are not comfortable treating with other discs available on the market. Accordingly, the addressable patient population for the Synergy Disc® could be almost double that of the current cervical total disc replacement market. The Synergy Disc® is CE-marked and is currently being sold in Europe and Australia.

The current principal shareholders of Synergy are:

Name :	Percentage Held (on a fully-diluted basis):
1666529 Ontario Inc.(1)	28.5%
NuVasive, Inc.	13.8%

### Note:

(1) Dr. Neil Duggal, Synergy's Chief Medical Officer who resides in London, Ontario controls 1666529 Ontario Inc.

## Summary of Financial Information for Synergy

The following table sets forth selected unaudited financial information for Synergy for the financial years ended December 31, 2017 and December 31, 2016 and for the nine month period ended September 30, 2018. The financial information has been prepared in accordance with International Financial Reporting Standards.

Nine months ended (Unaudited)  
 Twelve months ended  
 Income Statement Data(1) September 30,  
 December 31, December 31,

2018  
 2017(Audited) 2016(Unaudited)

Total Revenues 454  
 162 131  
 Loss from Operations (1,787)  
 (2,686) (512)  
 Net Loss (1,982)  
 (3,512) (1,395)  
 Cash Dividends Declared -  
 - -  
 As at  
 As at  
 Balance Sheet Data(1) September 30,  
 December 31 December 31

2018  
 2017 2016  
 Total Current Assets 3,595  
 2,196 1,573  
 Total Non-Current Assets 6,036  
 1,122 1,013  
 Total Assets 9,631  
 3,318 2,586  
 Total Current Liabilities 1,670  
 5,383 1,280  
 Total Non-Current Liabilities 282  
 303 2,333  
 Total Shareholders Equity 7,679  
 (2,368) (1,027)  
 Total Working Capital 1,925  
 (3,187) 293

*Note:*

*(1) Amounts are provided in thousands of Canadian dollars.*

## **Tailwind Financing**

In connection with the Transaction, Tailwind intends to complete a private placement (the "Subscription Receipt Financing") of up to 2,857,143 subscription receipts (the "Subscription Receipts") on or about April 5, 2019 at a price of \$1.75 per Subscription Receipt for gross proceeds of up to \$5,000,000. Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction of certain escrow release conditions (the "Escrow Release Conditions") on or before the escrow release deadline, and without payment of additional consideration, one unit in the capital of Tailwind (a "Unit"). Each Unit consists of one Resulting Issuer common share ("Resulting Issuer Share") and one half of a common share purchase warrant (each whole warrant, a "Resulting Issuer Warrant"). Each Resulting Issuer Warrant shall entitle the holder thereof to acquire one Resulting Issuer Share at a price of \$2.15 for a period of 24 months following the closing of the Subscription Receipt Financing, subject to adjustment. An over-allotment option (the "Over-Allotment Option") to purchase up to an additional 428,571 Subscription Receipts has been granted to the Agent (as defined below).

Canaccord Genuity Corp. has been engaged as lead agent in connection with the Subscription Receipt Financing (the "Agent"). The Agent will receive a cash commission equal to 7% of the aggregate gross proceeds of the Subscription Receipt Financing (and reduced to 2.5% on president's list orders) (the "Agent's Commission"), together with an option to purchase up to an additional 7% of the number of the Resulting Issuer Shares issued upon conversion of the Subscription Receipts sold under the Subscription Receipt Financing (the "Agent's Compensation Options"). Each Agent's Compensation Option will be exercisable to purchase one Resulting Issuer Share at a price of \$1.75 for a period of 24 months following the closing of the Subscription Receipt Financing. In addition, on closing of the Subscription Receipt Financing, Synergy is obligated to pay the lead Agent a corporate finance fee of \$250,000, half in cash and half in common shares.

The gross proceeds from the Subscription Receipt Financing (less certain expenses of the Agent in connection with the Subscription Receipt Financing) (the "Escrowed Proceeds") will be held in escrow until the satisfaction of the Escrow Release Conditions, including the confirmation that all conditions precedent to the Transaction, other than the release of the Escrowed Proceeds, have been satisfied. In the event that the Escrow Release Conditions are not met by April 30, 2019, the Escrowed Proceeds shall be returned to the purchasers pro rata and the Subscription Receipts shall be automatically cancelled. Synergy shall make up for any short fall in funds payable to the purchasers.

## Exemption from Sponsorship

Tailwind plans to rely on the exemption from sponsorship requirements provided by the TSXV's policies where a brokered private placement greater than \$500,000 is completed and the TSXV receives a satisfactory due diligence letter from the Agent.

## Principal Purposes of Funds

The funds to be available to the Resulting Issuer upon the closing of the Transaction are expected to be approximately \$6,628,000, which includes the anticipated net proceeds of the Subscription Receipt Financing of approximately \$4,525,000 (assuming the Over-Allotment Option is not exercised) and existing cash on hand of Synergy and Tailwind estimated to equal \$2,103,000 immediately following the Amalgamation. These funds are anticipated to be used, principally, as follows:

Principal Use of Funds(1)	Amount
Clinical Trial Expenses	\$3,800,000
General Corporate and Working Capital Purposes	\$2,828,000
TOTAL	\$6,628,000

### Notes:

(1) *The principal use of funds has been prepared based upon anticipated needs of the Resulting Issuer over a 24 month period.*

*The Resulting Issuer intends to spend the funds available to it as stated above. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary.*

## About the Transaction

Tailwind held a special meeting of its shareholders on January 18, 2019 (the "Tailwind Meeting") which approved, among other things, (i) adding two Synergy nominees to its board of directors; (ii) the continuance of Tailwind into Ontario; (iii) the consolidation (the "Consolidation") of the issued and outstanding common shares of Tailwind (a "Tailwind Share") prior to the Amalgamation on the basis of one (1) post-Consolidation Tailwind Share for every 9.9 pre-Consolidation Tailwind Shares; and (iv) the change of the name of Tailwind to "SDRi Surgical Solutions Inc.".

Upon completion of the Consolidation, it is anticipated that the 8,000,000 issued and outstanding Tailwind Shares will be consolidated into 808,080 post-Consolidation Tailwind Shares.

Details regarding the Tailwind Meeting are available in the management information circular dated December 19, 2018 that has been mailed to shareholders of Tailwind and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

Synergy held a special meeting of its shareholders on January 25, 2019 which approved, among other things, the Amalgamation and related matters.

Under the terms of the Business Combination Agreement, at the effective time of the Amalgamation, among other things:

(a) The Resulting Issuer will issue to the holders of common shares of Synergy ("Synergy Shares"), approximately 22,974,187 Resulting Issuer Shares.

(b) Each holder of an outstanding option to purchase Synergy Shares (of which 1,567,719 are issued and outstanding as at the date hereof) (each, a "Synergy Option") immediately before the completion of the Amalgamation shall exchange each such Synergy Option for one (1) common share purchase option in the Resulting Issuer (each, a "Resulting Issuer Option"), with such Resulting Issuer Option having substantially the same terms and economic value as the Synergy Option being exchanged.

(c) Each Agent's Compensation Option will be exchanged for an economically equivalent compensation option of the Resulting Issuer.

The deemed issue price per Tailwind Share pursuant to the Transaction is \$1.75 on a post-Consolidation basis, based upon a Consolidation of one (1) post-Consolidation Tailwind Share for every 9.9 outstanding Tailwind Shares), or \$0.177 per Tailwind Share on a pre-Consolidation basis.

The completion of the Amalgamation is conditional on the parties obtaining all necessary regulatory and shareholder approvals in connection with the matters described above and other conditions customary for a transaction of this type.

Upon completion of the Transaction, NuVasive, Inc., a NASDAQ listed medical device company, will own approximately 3,394,208 Resulting Issuer Shares representing approximately 11.3% of the share capital of the Resulting Issuer on a fully diluted basis (11.1% assuming exercise of the Over-Allotment Option) and approximately 12.7% on a non-diluted basis (12.5% assuming exercise of the Over-Allotment Option). It is anticipated that the only other insiders of the Resulting Issuer will be its directors and senior officers.

### **Finder's Fee**

Upon closing of the Transaction, and subject to the acceptance of the TSXV, Steven Cochrane will be paid a finder's fee (the "Finder's Fee") in connection with the Transaction. The Finder's Fee shall be payable by the Resulting Issuer, at the Resulting Issuer's option, either by (i) the payment of \$100,000 in cash, or (ii) the payment of \$50,000 in cash and the issuance of 54,347 Resulting Issuer Shares.

### **Arm's Length Transaction**

The Transaction is not a non-arm's length transaction in accordance with the policies of the TSXV and is not subject to Tailwind shareholder approval.

### **Interests of Directors and Officers of Tailwind**

Kevin Baker, the President, Chief Executive Officer and a director of Tailwind, beneficially owns 100,000 Synergy Shares or 0.41% of the issued and outstanding shares of Synergy, prior to the Amalgamation, on a fully diluted basis.

### **Proposed Management and Board of Directors of the Resulting Issuer**

Upon completion of the Transaction, it is anticipated that the persons identified below will serve as directors and officers of the Resulting Issuer.

Dan Goldberger, Chief Executive Officer and Director

Mr. Goldberger has over 20 years of experience in medical devices and has held multiple CEO, President and Director roles for medical device and biologic companies such as: Xtant Medical, Sound Surgical Technologies, Xcorporeal, Glucon, OSI Systems, and Optiscan Biomedical. His deep experience in leadership, fundraising, and management of multi-million dollar companies serves as the backbone for Synergy's growth and next stage activities.

Joshua Lev, Chief Financial Officer

Mr. Lev has over 12 years' experience in the financial services industry with his last 7 years spent as an investment banker and investor focusing on emerging growth companies. Mr. Lev joined Wellfleet Partners, Inc., as the Director of Business Development in mid-2011 to focus on capital raises, M&A, strategic transactions and institutional client relations. In 2014, Mr. Lev helped co-found Aracle Capital, LLC., an investment firm with a focus on early-stage and emerging-growth companies. Mr. Lev is a former registered representative having previously held Series 6, 7, 79, 63, and 24 Securities licenses.

Prior to joining Wellfleet, Mr. Lev worked at HSBC in a variety of roles within Personal Financial Services. He joined the bank as a Retail Management Trainee, completed the Group Graduate Development Program, and served as a Business Analyst and Planning and Analysis Manager. At the time of his departure from the bank, Mr. Lev was AVP of Product and Pricing Strategy for the Retail Bank.

Mr. Lev holds an MBA from the University of North Carolina's Kenan-Flagler Business School where he graduated with a concentration in finance and as a member of both the Dean's List and Beta Gamma Sigma Honor Society. He also holds a Bachelor of Science in Business & Management from the Sy Syms School of Business at Yeshiva University, as well as an Associate Degree in Religious Studies.

Dr. Neil Duggal, Chief Medical Officer and Director

Dr. Duggal was the first surgeon to implant a cervical disc replacement in North America. He has a clinical

practice dedicated to cervical degenerative disc disease and has a longstanding research and clinical interest in cervical disc arthroplasty. Dr. Duggal plays a critical role in the dissemination of medical information and the clinical education of the Synergy Disc.

Josh Butters, Chief Operating Officer and Corporate Secretary

Mr. Butters has over 17 years of experience in orthopedic medical devices, with previous leadership, management, and product development roles at CyMedica Orthopedics, Coorstek Medical (formerly IMDS), and Stryker Endoscopy. Josh was fundamental to the development of the Synergy Disc technology and holds over 50 United States published patents. Josh oversees all of the operational activities for Synergy.

Steve Farlow, Director and Chairman

Mr. Farlow has 30 years' experience owning, operating and building entrepreneurial businesses. In recent years he was the founding Executive Director of the Centre for Entrepreneurship located at Wilfred Laurier University in Waterloo Ontario. He now focusses on supporting entrepreneurs build globally competitive companies with a specialization in effective board governance.

George Baran, Director

Mr. Baran has over 30 years of experience in the medical device industry. His responsibilities have included both business and technical leadership in the acquisition and development of novel medical device technologies. He has been responsible for the pre-clinical marketing of new drug delivery technologies to medical opinion leaders and major pharmaceutical companies. This has included collaboration with business and clinical partners in the design and co-ordination of pre-clinical studies.

Mr. Baran has been granted several United States and international patents for medical devices for drug delivery and minimally invasive surgery. He holds an MBA from the Richard Ivey School of Business, where he currently serves on the Advisory Board of the Lawrence National Centre for Policy and Management. Mr. Baran serves as Executive Chairman of the Board of Directors of Trudell Medical Limited.

In addition to his role at Trudell Medical Limited, Mr. Baran is a Director of Vanrx Pharmsystems Inc., Sensory Technologies, Mozzaz Corporation, and Sky Medical Technology Inc. He is also the founder and President of Perfuse Medtec Inc. a Canadian medical device market development company.

Tom Hodgson, Director

Mr. Hodgson currently serves as CEO and as a Director of Lithium Americas Corp., a Toronto Stock Exchange- and New York Stock Exchange-listed company with development-stage lithium mining projects in Argentina and Nevada, USA. Prior to joining Lithium Americas, Mr. Hodgson had a career of more than 30 years in banking, finance, and money management, and has served as COO or CEO, and on the board of a number of public and private companies in Canada and the United Kingdom. Mr. Hodgson holds a Bachelor of Arts degree in Economics and Law from Carleton University in Ottawa, Ontario, and a Master of Business Administration degree in Finance and Accounting from Queen's University in Kingston, Ontario

## **Filing Statement**

In connection with the Transaction and pursuant to TSXV requirements, Tailwind will file a filing statement on SEDAR ([www.sedar.com](http://www.sedar.com)), which will contain details regarding the Transaction, the Amalgamation, the Subscription Receipts Financing, Synergy, Tailwind and the Resulting Issuer.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

ANY SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. THE ISSUER WILL NOT MAKE ANY PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the content of this press release.

The information contained or referred to in this press release relating to Synergy has been furnished by

Synergy. Although Tailwind has no knowledge that would indicate that any statement contained herein concerning Synergy is untrue or incomplete, neither Tailwind nor any of its respective directors or officers assumes any responsibility for the accuracy or completeness of such information.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV approval and, if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

**Notice regarding forward-looking statements:**

*This release includes forward-looking statements regarding Tailwind, Synergy, and their respective businesses, which may include, but is not limited to, statements with respect to the completion of the Transaction, the terms on which the Transaction are intended to be completed, the terms on which the Subscription Receipt Financing are intended to be completed, the use of the net proceeds from the Subscription Receipt Financing, the ability to obtain regulatory approvals, the proposed business plan of Synergy, the ability of Synergy to obtain approval for the use of the Synergy Disc® in certain jurisdictions, the benefits to patients of the Synergy Disc®, the size of the patient population that may be addressed using the Synergy Disc® and other factors. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including completion of the Transaction, may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the medical device industry, the risk that Synergy and Tailwind may not obtain all requisite approvals for the Transaction, including the approval of the TSXV for the Transaction (which may be conditional upon amendments to the terms of the Transaction), requirements to obtain regulatory approval for the sale of medical devices, failure to obtain regulatory approvals, economic factors, the equity markets generally and risks associated with growth and competition. Although Tailwind and Synergy have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Tailwind and Synergy undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

*Tailwind is a capital pool company governed by the policies of the TSXV. The principal business of Tailwind is the identification and evaluation of assets or businesses with a view to completing a qualifying transaction.*

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