



## Press Release



### Sunshine Heart Announces \$3.5 Million Offering

EDEN PRAIRIE, Minn., July 21, 2016 (GLOBE NEWSWIRE) — Sunshine Heart, Inc. (Nasdaq: [SSH](#)) ("Sunshine Heart" or the "Company"), today announced that it has entered into a definitive agreement with a single investor for an offering of shares of convertible preferred stock with gross proceeds of \$3,468,000 in a registered direct offering. The closing of the offering is expected to take place on or about July 26, 2016, subject to the satisfaction of customary closing conditions.

In connection with the offering, the Company will issue 3,468 registered shares of Series B Convertible Preferred Stock (which are convertible into a total of 3,689,361 shares of common stock at a conversion price of \$0.94). Concurrently, in a private placement, the investor in the offering will receive warrants to purchase shares of common stock exercisable for up to 3,689,361 additional shares of common stock, in the aggregate. The warrants have an exercise price of \$0.94 per share and are exercisable for 36 months commencing six months from the closing date.

Northland Securities, Inc. acted as the exclusive placement agent in connection with this offering.

The Company intends to use the net proceeds from the offering for working capital and general corporate purposes.

The shares of Series B Convertible Preferred Stock described above (but not the warrants or the shares of common stock underlying the warrants) are being offered pursuant to a shelf registration statement (File No. 333-194731). Such shares of common stock may be offered only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement.

The warrants and the shares of common stock underlying the warrants issued in the offering have not been registered under the Securities Act of 1933, as amended or applicable state securities laws in reliance on an exemption from such registration. Accordingly, the warrants and underlying shares of common stock may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein. There shall not be any offer, solicitation of an offer to buy, or sale of securities in any state or jurisdiction in which such an offering, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The Company will file a prospectus supplement with the SEC relating to such shares of preferred stock, and following such filing, copies of the prospectus supplement and the accompanying base prospectus relating to this offering may be obtained at the SEC's website at <http://www.sec.gov>, or from Northland Securities, Inc. at 750 Third Ave, Suite 2401, New York, NY 10017, by calling 1 (800) 851-2920, or by email at [ahammer@northlandcapitalmarkets.com](mailto:ahammer@northlandcapitalmarkets.com).



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## About Sunshine Heart

Sunshine Heart, Inc. (Nasdaq: [SSH](#)) is an early-stage medical device company focused on developing a product portfolio to treat moderate to severe heart failure and related conditions. Our objective is to improve the quality of life for heart failure patients and halt the disease progression. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with wholly owned subsidiaries in Australia and Ireland. The Company has been listed on the NASDAQ Capital Market since February 2012.

## Forward-Looking Statements

Certain statements in this release are forward-looking statements that are based on management's beliefs, assumptions, expectations, and information currently available to management. All statements that address future operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, clinical and pre-clinical study designs and activities, expected timing for initiation, enrollment and completion of clinical trials, research and development activities, ultimate clinical outcomes and benefits of our products to patients, design and development of future studies, site activations, patient enrollment in studies, timing of regulatory filings and approvals, regulatory acceptance of our filings, our expectations with respect to product development and commercialization efforts, market and physician acceptance of our products, intellectual property protection, and potentially competitive product offerings. The risk factors described in our filings with the SEC could cause actual events to adversely differ from the expectations indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. Sunshine Heart does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sunshine Heart may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility that regulatory authorities do not accept our application or approve the marketing of our therapy, the possibility we may be unable to raise the funds necessary for the development and commercialization of our therapy and other risks and uncertainties described in our filings with the SEC. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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#### Related Links

<http://www.sunshineheart.com>

<https://www.northlandsecurities.com>

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#### NORTHLAND SECURITIES, INC.

Northland Securities, Inc., Member FINRA/SIPC, is a diversified financial services firm, including investment banking and full-service broker-dealer divisions, offering investment and finance services for government entities, financial institutions, non-profit organizations, and individual investors. Northland is a leading underwriter of tax-exempt bonds in the Midwest, and is recognized for its equity markets research and specialization in finance and capital market access for corporate, government, and non-profit clients.

Headquartered in Minneapolis, Minnesota, Northland Securities has branch offices in Iowa, California, Colorado, Illinois, Massachusetts, New York, and Wisconsin.