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COMMENT

## Neuromodulation: where to invest next?

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For an investor, neuromodulation is a double-edged sword. Although it is one of the fastest growing medical device markets in the healthcare industry, it

involves a mechanism of action that is not fully understood. As a result, the market hinges on a few experimental results that could halt the industry.

Furthermore, a neurological pacemaker is an invasive treatment that may be unappealing to many, even refractory patients. However, regardless of these concerns, the market is rapidly growing, and expanding into various therapeutic regimens globally. So that begs the question, where can investors make money in the neuromodulation market?

In the public market, Helius Medical Technologies is a non-invasive neuromodulation company that possesses the largest potential. Helius has developed an externally stimulating device that does not require implantation, the PoNS device.

It is utilised to induce neuroplasticity during physiotherapy, occupational therapy, and cognitive exercises. The company has a \$314M market cap and is expected generate global revenue upon FDA approval. With current meetings regarding the company's FDA pre-submission being positive, the company is expected to excel. To an investor, Helius possess all the important points: the company has a strong patent, it is involved in a fast-growing market, and has a non-invasive proven technology.

Another private company of major interest is Saluda Medical. On the 30<sup>th</sup> of May, 2017, Saluda raised \$AUD53M in series D financing. This Australian company is a neuromodulation company that utilizes a closed-loop system for neurostimulation. The company has developed a unique biological amplifier within their system to record a patient's neurological stimulation.

As a response to the patient's neurological stimulus, the recording is aligned and the system is programmed to automatically adjust and induce stimulation to the patient. This removes the utilization of an external programmer for patients with chronic pain requiring spinal cord stimulation (SCS). Physicians in the neuromodulation sector believe that Saluda is going to dynamically change the market, and that the company will excel in all major countries.