



ASX ANNOUNCEMENT

29 April 2022

CardieX March 2022 Quarter Update

Highlights:

- **Mobvoi and CardieX launch TicWatch GTH Pro, the world's first consumer wearable device to feature CardieX subsidiary, ATCOR's heart-health technology.**
- **New Clinical Trial Services Agreement for the provision of ATCOR XCEL devices and data management services with Andwin Scientific, Syneos Health and sponsored by Philip Morris.**
- **Former WHOOP and Fitbit Executives, Jack Seitz and Lara Rosenbaum respectively, join CardieX subsidiary, CONNEQT to drive product launch and marketing strategies.**
- **US FDA 510(k) clearance submitted for CONNEQT App.**
- **CardieX appoints US-based Lesa Musatto to its Board of Directors.**
- **Total cash reserves of \$3.85 million at 31 March 2022.**
- **CEO Comments and USA Listing Update.**

On behalf of CardieX Limited (CardieX, the "Company"), I'm pleased to provide the following update on our activities during the March 2022 quarter.

Mobvoi Commercial Smartwatch Launch Featuring ATCOR Technology

Following a two-year commercial partnership, Mobvoi, a leading global consumer electronics and enterprise AI developer, successfully launched the world's first heart health monitoring smartwatch based on CardieX subsidiary, ATCOR's FDA-cleared SphygmoCor® technology.

The TicWatch GTH Pro smartwatch includes ATCOR's proprietary Arty™ Heart Health analytics platform, which is an advanced heart and arterial health management platform. The device gives users insight into their overall wellness and cardiovascular health via 'Arty Heart Health powered by ATCOR' and Mobvoi's own smartwatch metrics.

Significantly for the Company, the TicWatch GTH Pro represents the first commercial implementation of ATCOR's proprietary heart monitoring technology in a wearable device.

The TicWatch GTH Pro was launched on 1 March 2022 via Mobvoi.com, Amazon, and GTHPro.com for customers in the United States. Online ordering is now available for customers from Australia and New Zealand on Amazon and Mobvoi.com.

The launch was covered in Australia and extensively in the United States by global technology media journalists and key influencers/opinion leaders (KOLs).



ATCOR

Clinical Trial with Andwin Scientific

During the quarter, CardieX announced that subsidiary, ATCOR, had entered into a new global Clinical Trial Services Agreement (“the Agreement”) with Andwin Scientific for both the lease of ATCOR XCEL devices and the provision of data management services for a new global clinical trial sponsored by Philip Morris (refer ASX 14 February 2022).

The Company’s ATCOR XCEL device is to be used in multiple endpoints for the trial including determination of clinically relevant arterial health outcomes based on aortic augmentation index (AIx) and arterial stiffness – key biomarkers of arterial health.

Key details of the signed Agreement:

- ATCOR is an equipment supplier to Andwin Scientific and is supplying ATCOR XCEL devices (leasing) and the provision of data management services for the trial.
- Phillip Morris is the sponsor of the trial while Syneos is the Clinical Research Organizations (“CRO”). As the CRO, Syneos will run and manage the trial and Andwin Scientific will provide the equipment procurement function for the trial on behalf of Syneos.
- Andwin has issued the first purchase order to ATCOR under the Agreement.
- The total revenue is likely to be ~US\$936,000 (~AU\$1,300,000) over a 19-month period with the majority to be recognized in FY22.
- The “Term” is for the length of the trial. Currently the study is for 19 months across 22 sites, with the term based on expectation of the time required to enroll the subjects, conduct the study and analyze the results.

Any extension in the length of the trial or expansion in the number of sites will be beneficial to CardieX and will result in an increase in services and revenue.

CONNEQT

Health and fitness leaders Jack Seitz and Lara Rosenbaum join CONNEQT

CONNEQT welcomed two notable experts in health and fitness to the executive team with Jack Seitz joining as Chief Marketing Officer and Lara Rosenbaum joining as Senior Director of Content Strategy.

Jack brings marketing, creative services and brand management experience from companies such as WHOOP and Puma. During his time at WHOOP, Jack focused on reaching elite performers and educating professional athletes on the importance of monitoring their vitals for optimal performance. His work with the company helped take them from a start-up to household name in a short time. Jack will apply his experience to the work CONNEQT is doing in the heart health space and lead the team in the execution of its go-to-market and branding strategy.



Lara will be leading strategy around branded content to help position CONNEQT as a trusted go-to health resource. Lara will also work alongside Jack to support the Company's marketing goals. She brings a strong track record in health journalism, digital branding, and content marketing from several health-orientated companies like Fitbit, Hims and Women's Health Magazine. Prior to her current career, Lara was a member of the U.S. Freestyle Ski Team, where her passion for fitness, health and performance stems from.

Lara and Jack are joining the team at a pivotal moment for the brand as CONNEQT is developing its first products which are slated to launch later this calendar year.

CONNEQT Pulse, App & Band update

Post quarter end, the Company announced the submission of a US FDA 510(k) clearance application for the CONNEQT Companion App (the App). The CONNEQT App is a smartphone application with the ability to integrate with the CONNEQT Pulse device (Pulse), a new dual blood pressure monitor which is in the final stages of regulatory documentation prior to FDA lodgement.

The CONNEQT App is part of a new digital ecosystem for both consumers and clinicians all based on CardieX subsidiary, ATCOR's FDA-cleared SphygmoCor[®] technology. The CONNEQT App will integrate with the CONNEQT Pulse device, a new home-based heart health vital signs monitoring system, that measures central blood pressure, arterial waveforms, and multiple other arterial health parameters based on the existing FDA-cleared SphygmoCor[®] technology used in the Company's other devices.

Once the Pulse device and App are connected, patients will have access to and be able to manage, a complete suite of arterial diagnostics. It will also incorporate health coaching, patient record sharing, and remote patient monitoring features for future clinical use.

During the quarter, the Company completed all of its requirements for US FDA submission of the Pulse device and this has been provided to the Company's manufacturing partner, Andon, who are responsible (as manufacturer) for FDA lodgment, which is expected in the short term.

The CONNEQT App forms the hub of CONNEQT's device ecosystem and will also have the ability in the future to pair with the CONNEQT Band, a smart wearable also featuring a range of patented health and wellness features focused on heart and arterial health, including a blood pressure monitoring PPG sensor powered by ATCOR's SphygmoCor[®] technology. Significant progress continues to be made on the CONNEQT Band development in concert with Fenda Technology and LifeQ.

Corporate

During the quarter, revenue in traditional medical markets was \$860k, and cash receipts from customers increased by 5% to \$1.07m compared to the prior quarter. The Company had a cash balance of AU\$3.85m at 31 March 2021.

During the quarter, CardieX spent \$172k on product development and operating costs on new and existing products, a decrease of \$320k primarily due to prepaid inventory costs for new products in the prior quarter.



Payments to related parties and their associates in the quarter were AU\$418k and all related to remuneration for services under existing services agreements, with no non-remuneration payments made in the quarter to those parties.

MAM R&D Loan Facility

During the quarter Company repaid the outstanding balance of its loan facility with Mitchell Asset Management Pty Ltd (“MAM”), which is secured against future R&D refunds to be received by the Company and its wholly owned subsidiary AtCor Medical Pty Ltd. This payment was made following then receipt during the quarter of proceeds from the Company’s 2021 R&D Tax Incentive of ~\$480,000.

Following the repayment of the outstanding balance owed to MAM, the Company was then able to negotiate terms for an extension of the facility terms which in effect provided for a new drawdown by the Company, allowing it to access a total of \$1,294,125 as a prepayment of forecasted R&D tax incentive claim for the year ended 30 June 2022.

The new terms and agreement with MAM have a termination date of 31 October 2022, and the loan attracts interest at a rate of 1% per calendar month on the balance of funds drawn. Net cash received from the facility of that drawn balance (following repayment of the prior) in the quarter was \$1,199,285 with the difference of \$94,840 in the drawn amount being amounts withheld by MAM for establishment costs and prepaid interest.

As per the preceding loan arrangement with MAM, the use of funds from the facility funds will be utilised to continue R&D programs and for working capital, which allows CardieX to fully commit to its previously announced product development initiatives without the need for immediate further equity capital or dilution to existing shareholders.

Appointment of Director

Post quarter end, CardieX was pleased to announce the appointment of US-based Non-Executive Director, Lesa Mussato, to its Board of Directors.

Lesa brings 30 years of global experience in brand marketing, product management, business development, operations and sales, as well as a broad range of skills and vision to assist in the growth of CardieX.

In her current role, Lesa serves as Chief Marketing Officer at Auction Technology Group (ATG:LSE), a leading publicly listed exchange and marketplace technology platform, before which she held multiple executive and marketing strategy roles for companies ranging from large corporations to start-ups. Prior to ATG, Lesa worked across different industries – from consumer retail experience with Levi Strauss, Gap Inc, and Safeway to health tech experience with Nuelle.

With the Company’s recent expansion into the consumer space through subsidiary CONNEQT, CardieX is thrilled to have Lesa join the board and bring valuable, hands-on insight to our medical and consumer device strategies as we prepare to launch multiple new products.



CEO Comments and USA Listing Update

This quarter has been a significant one for your Company. Importantly, we lodged our first FDA 510(k) application in over 10 years for the CONNEQT App, with more in the pipeline to follow in quick succession as we proceed with our 510(k) application for our Pulse "dual blood pressure monitor".

We also continue to attract strong executive and engineering talent to our team, notably, Lara and Jack as noted above, but also many other engineers and operations team members who have joined our mission during the period.

And of course, a major milestone in launching the GTH Pro with our partners at Mobvoi, the first dual sensor smartwatch and the first to incorporate our patented heart-health algorithms.

In addition (post-quarter end), Lesa Musatto joined us at the end of April as our second independent US-based director as we gear up for a US listing of our Company.

Having reviewed all options and weighed our long-term objectives, the Board has decided to focus their efforts on a dual ASX/NASDAQ or NYSE listing of our shares rather than just pursuing a "quotation" of the ASX shares on the OTC market. This is principally driven by our goal of having our shares traded on a major US exchange in order to satisfy some of the investment mandate requirements sought by sophisticated US investors looking to take a position in our Company. A major and material issue I have continued to face here in the USA is the preference of US investors to be able to invest more directly in ASX listed companies via a US exchange - so having our shares traded on one of the 2 major exchanges will significantly expand the investment base of our Company and will allow direct purchases of our shares here in the USA.

To the above end, the Board has appointed leading Silicon Valley law firm Wilson Sonsini to act as our regulatory counsel and Donohue Associates as our corporate and listing advisors - the latter headed by David Donohoe Jnr., former (9 year) Chief General Counsel to NASDAQ.

All in all, a busy quarter flowing into an even busier year ahead as we continue to execute on our vision and strategy for the Company.

As always, on behalf of the Board and all of our team members, thank you for all your continuing support.

A handwritten signature in black ink, appearing to read "Craig Cooper", written in a cursive style.

Craig Cooper
Chief Executive Officer

Approved by the Board of Directors and Released by Jarrod White, Director.



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About CardieX

CardieX is a global health technology company. Its ACTOR subsidiary is a world leader in medical devices and digital solutions for hypertension, cardiovascular disease, and other vascular health disorders. Its CONNEQT subsidiary develops and markets consumer home health devices and wearables. CardieX is listed on the Australian Stock Exchange (ASX:CDX).