



ASX ANNOUNCEMENT

6 December 2018

## **CardieX Completes Oversubscribed \$5.5 million Placement for Acquisition of Leading US Telehealth Company, inHealth.**

### **Highlights:**

- **\$5.5M placement to sophisticated investors was heavily oversubscribed.**
- **Strong support from preeminent Australian fund managers SG Hiscock and CVC Limited.**
- **Cornerstone position from CEO Craig Cooper & Director Niall Cairns taking \$2.5M of the placement, with Chairman Donal O'Dwyer and CFO/Company Secretary Jarrod White also participating.**
- **Funds raised will support the acquisition of leading US digital patient coaching & telehealth services company inHealth Medical, Inc.**
- **inHealth currently partnering with the largest US managed health provider, Kaiser Permanente, in one of the broadest US diabetes studies ever undertaken.**
- **inHealth has existing multi-year contract with Anthem, Inc, the second largest health insurance company in the US, and American Well, one of the largest US telemedicine platforms.**
- **Telehealth \$US25B industry in the USA – growing at a rate of 18% per annum.**

**CardieX Limited (ASX:CDX, the Company)** is pleased to advise it has successfully completed an oversubscribed capital raising of A\$5.5 million via a share placement ('the Placement') of 183.3m fully paid ordinary shares at \$0.03 per share.

The Placement received strong interest from leading institutional investors and fund managers including CVC Limited and SG Hiscock, as well as existing major shareholders.

In addition, C2 Ventures Pty Limited (C2V), an entity associated with CardieX CEO Craig Cooper and Director Niall Cairns took a cornerstone position of \$2.5 million with Chairman Donal O'Dwyer and Company Secretary and CFO Jarrod White also participating in the funding. Settlement of the C2V funding will be subject to necessary regulatory and shareholder approvals.

It is intended that funds raised under the Placement will be used to fund the acquisition and growth of inHealth, a leading provider of digital patient coaching and telehealth services. The acquisition of inHealth positions CardieX in the \$US25 billion telehealth industry and provides a direct to consumer and direct to practitioner channel for existing CardieX products and services and new healthcare initiatives.

inHealth has significant, multi-year contracts with US healthcare giants Anthem, Inc, the second largest US health insurance company, and American Well, one of the largest telemedicine providers in the US. inHealth has also recently engaged with the largest US managed healthcare provider, Kaiser Permanente, and California State University Long Beach, in one of the largest diabetes studies



ever conducted. The seven-year study is aimed at determining the effect of telehealth coaching on disease progression, treatment, and management. Data from the study will be used to develop ongoing diabetes treatment and healthcare programs to be provided by inHealth through their partnership network.

The funds raised through the Placement will also be used to support the Company as it rapidly moves forward with a number of high-value digital, device, and mobile health initiatives as previously outlined to shareholders.

#### **Placement**

The Placement will involve the issuance of approximately 183.3 million new fully paid ordinary shares in the Company ('New Shares') and will fall within the Company's placement capacity under ASX Listing Rules 7.1 and 7.4.

The issue price per New Share under the Placement is A\$0.03 which represents a 9.1% discount to the last close of A\$0.033.

Settlement of the Placement, which was led by Taylor Collison, is anticipated to occur on Thursday 13 December.

CardieX CEO, Craig Cooper commented, "I'm very pleased to see such strong support from our existing and new shareholders, as well as some of Australia's leading fund managers and institutions as we continue to execute on our strategic vision for the Company. Together with the inHealth transaction our shareholders now have a strong exposure to three high growth healthcare sectors in medical devices, wearable technologies, and digital and consumer health - each one of these representing a significant value opportunity for the Company".

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#### **About CardieX**

CardieX is a global health technology company that develops digital and device based solutions for large-scale population health disorders. The Company's XCEL device is the world leader in measuring "central blood pressure" which is considered essential for the management of hypertension and related cardiovascular disorders. CardieX also has a joint venture partnership with Blumio, Inc in Silicon Valley for the development of a radar-based blood pressure sensor incorporating CardieX technology. In November 2018 CardieX entered into an agreement with inHealth Medical, Inc allowing CardieX to acquire up to 50.5% of inHealth by way of a convertible note.

#### **About inHealth**

inHealth, Inc is a leading US provider of telehealth services, providing digital, e-commerce, and mobile tools for patients to connect online with health coaches as part of a patient care program.



inHealth's patient care programs are based on long-term clinical trials that demonstrate superior patient outcomes through the use of telehealth coaching services. inHealth has partnerships with some of the leading healthcare institutions in the USA including Anthem, American Well, and Kaiser Permanente.