



ASX ANNOUNCEMENT

1 November 2023

CardieX September 2023 Quarter Update

Highlights:

- **ATCOR business sales growth of 143% (unaudited) for the September quarter when compared to the previous corresponding period.**
- **Product development and go-to-market strategy accelerating ahead of commercial launch of the Pulse device.**
- **RADx® grant funding of AU\$507,000 (US\$325,000) secured through US National Institute of Health's Tech for Maternal Health Challenge and subsequently received during October.**
- **Convertible note facility received cumulative subscriptions of \$3.62m as at quarter end.**
- **Withdrawal of Form F-1 with the US SEC.**
- **Board changes and streamlining of operations to deliver requisite skills and operational efficiencies for new product launches and growth.**
- **Funding and general compliance update including annual reporting and upcoming 2023 Annual General Meeting.**

CardieX Limited (ASX:CDX, CardieX, the "Company") is pleased to provide the following updates on its activities during the September 2023 quarter.

1. ATCOR Update

The ATCOR division made strong progress during the quarter with the Company recording unaudited revenue of \$1.36m, which is up 143% on the prior corresponding period, due to growing sales and/or lease of our XCEL and Oscar 2 devices to pharmaceutical companies, research institutions and specialist clinicians.

Both US and Asia Pacific based sales to research institutions have more than doubled compared to the same period in the prior year.

Commensurate with this growth, the Company has recently hired two new sales executives with proven success in lead generation and sales marketing. In addition, through the successful implementation of new data driven lead generation tools, the Company has identified an additional strong funnel of leads and sales targets including:

- 4,000 providers of concierge, functional, and integrative primary care physicians;
- 2,500 researchers who have researched and/or published using our SphygmoCor technology;



- 500 specialist clinics across multiple sectors including cardiovascular health, maternal health, cognitive disease, and kidney health;
- 100 life insurance underwriters, and
- 100 pharma targets.

Clinichain Trial Update

As previously advised to the market, the Clinichain trial was paused earlier in the year.

Pursuant to our contract with Clinichain, our services were non-cancellable. CardieX is enforcing its contractual rights and is currently in settlement discussions to recoup all contractual payments outstanding of ~AU\$6,408,000. The Company will keep the market advised of developments in relation to this settlement.

2. CONNEQT Update

Pulse Go-to-Market (GTM) Activities

During the quarter, the Company continued to implement GTM strategies to ensure the successful launch of our newly FDA-cleared Pulse device.

Our short-term sales focus is on our key traditional markets with our existing (and new) clinician, pharmaceutical company, and research partners who can incorporate our new devices into those clinical settings. The longer-term strategy involves integrating our products and solutions across multiple new healthcare sectors, with a focus on industry sectors that rely on healthcare risk management. Given our products can better identify risk at an earlier stage for multiple health disorders, we see the application of our technology in these sectors bringing significant value and cost-savings across the healthcare ecosystem.

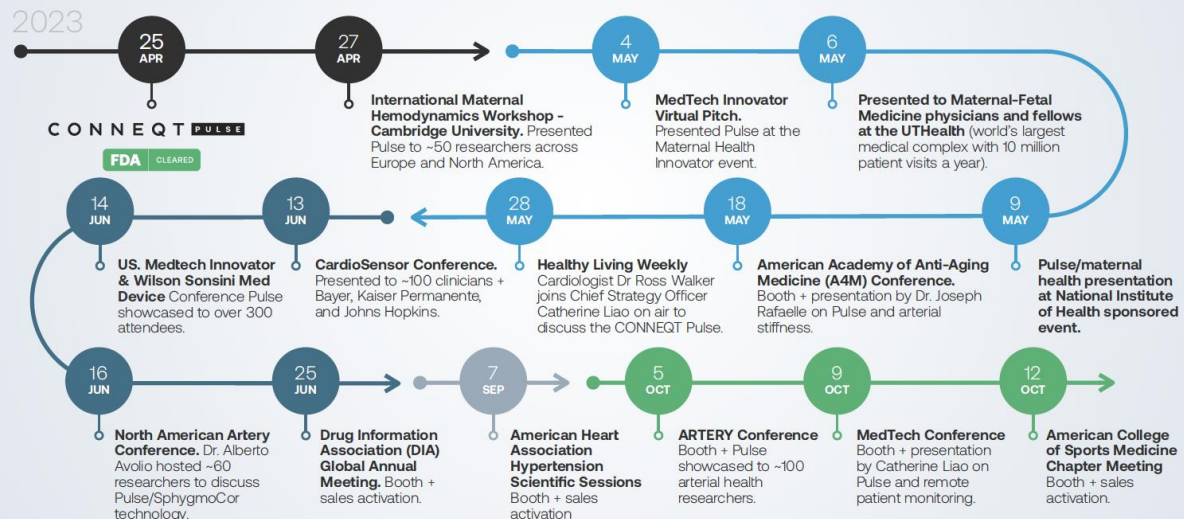
In September, the Company also implemented the first demand generation CRM system to track, manage, cross/upsell and service our legacy accounts, as well as to track and manage new prospects.

Post quarter-end, the Company launched the first CRM campaign and multi-channel customer outreach through email, direct mail, phone and text. We have also expanded our events schedule as we looked towards the launch of the Pulse, which also gave us the opportunity to showcase our CONNEQT Band wearable to an expanded audience.

In advance of the release of the Pulse, the Company has been actively marketing the device across multiple industry channels and association events. Business development efforts are focused on the full spectrum of the healthcare system from traditional cardiology practices to the research and risk management industries.



Pre-Launch Go-To-Market Activities Since FDA Clearance of Pulse Leveraging industry, clinician, healthcare, and KOL channels



We are also focusing our efforts on the industry standards bodies such as A4M (American Academy of Anti-Aging Medicine) and the American Heart Association (AHA) with the goal of bringing our SphygmoCor technology into the AHA guidelines for the management of cardiovascular disease.

As highlighted in the recent 'Letter to Shareholders' on 9 October, the Company is also working on multiple new partnerships across unique healthcare segments. A sample of these current opportunities include - Heart Failure and Cardiology, Alzheimer's and Cognitive Health, Cash Pay and Concierge Physician, and Pregnancy and Maternal Health. A very small breakthrough in market share in any of these segments individually, represents a multi-million-dollar opportunity for the Company.

Pulse Product Development and Engineering

During the quarter, the Company successfully finalised a stable firmware platform for the Pulse and has now entered the trial production stage of manufacturing. The arrival of first shipments in November 2023 will provide initial product availability for key partners and the expansion of our sales pipeline with key market influencers.

CONNEQT Band Update

The CONNEQT Band arterial health wearable is presently undergoing further clinical validation of our patent-pending finger-based PPG solution. The results have been extremely encouraging, consistently yielding reliable results when compared to a tonometer-based approach, which is the "gold standard" for arterial health assessments.

During the period, a prototype of the CONNEQT Band was validated on a further 21 participants, demonstrating clinical reliability. This is a major milestone in our scientific development and strengthens our position as a 'category leader' in this healthcare segment.



RADx® Grant Funding

CardieX is one of 10 companies selected for the National Institutes of Health's (NIH) Rapid Acceleration of Diagnostics (RADx®) Tech for Maternal Health Challenge (the Challenge).

The Company has passed the 'Initial Assessment' and 'Interim Milestone' phases of the Challenge, which following confirmation of the US\$325,000 grant being secured during the quarter, means that CardieX has secured a total of US\$415,000 in cash grants to date from this program. Subsequent to the end of quarter the Company is pleased to note that the US\$325,000 (AU\$507,000) in grant proceeds was received during October.

During the period, the Company was selected to participate in the final phase of the Challenge, and if successful, stands to receive a further US\$525,000 through the final round.

3. Corporate Update

(a) Cash and Expenditure

During the quarter, revenue in traditional medical markets was \$1.36m, and cash receipts from customers was \$1.09m. The Company had a cash balance of \$160k as at 30 September 2023.

During the quarter, CardieX spent \$381k on product development and operating costs on new and existing products. Research and development expenditure totalled \$385k, primarily due to ongoing costs involved in finalising the CONNEQT Pulse development.

Payments to related parties and their associates in the quarter were \$25k and all related to remuneration for services under existing services agreements.

(b) Convertible Note Facility

On 30 June, CardieX announced that a convertible note facility (the "Note") had been established - and the receipt of subscriptions totalling \$2.175 million. This included subscriptions by directors Niall Cairns and Craig Cooper (through C2 Ventures Pty Limited ("C2V")).

A further \$1.47 million was received by 30 September, including a further \$0.5 million from C2V, increasing the total raised to \$3.645 million. The Note and the offering was approved by the Company's shareholders at the Extraordinary General Meeting held on 28 August 2023.

Subscription proceeds combined with operational receipts from the core business will be applied towards working capital requirements of the business and corporate activities.

(c) Extraordinary General Meeting ("EGM")

Throughout the quarter the Company held an EGM on 28 August 2023. The purpose of this meeting was to put forward a number of resolutions in relation to the Note facility that had been established on 30 June and the issue of securities in relation to a future capital raising, in addition to the ratification of prior issuances of securities.



All resolutions put to the meeting were successfully carried and positioned the Company to formally establish the Note facility (inclusive of the related party participation of Directors), and also provide shareholder support by way of approval of resolutions that allowed the prospective issue of securities in relation to future capital raising initiatives that were at the time primarily focused on a US offering of securities.

(d) Progress and Subsequent Withdrawal of U.S. Listing During the Quarter – and Subsequent Capital Raising Focus

As above (and previously announced) the Company was proceeding and dedicating a material proportion of its resources to the completion of a US based capital raising. This was the core focus of the Board and senior executive team right through to the end of the reporting period, and which included the EGM and relevant approvals obtained on 28 August 2023 to allow the Company to progress with the IPO of CDX ordinary shares which would trade as American Depositary Shares (ADSs) on the Nasdaq capital market.

At all times prior to the withdrawal as announced, the Company was advised by its bankers and underwriters that it was receiving material institutional investor interest and that this interest had provided a level of confidence for them to continue into the pricing and allocation stage for a related capital raising of a size that would meet the application and listing requirements of the Nasdaq capital market.

Unfortunately, at the time of pricing and allocation, the Company was advised that the level of interest that was able to be committed prior to the 30 September 2023 expiry date of the Company's registration statement on Form F-1 that was previously filed with the U.S. Securities and Exchange Commission (SEC) was insufficient to satisfy the requirements of the Nasdaq prior to the end of September.

The withdrawal of the F-1 also followed a period of significantly decreased activity in the US public capital market, which had negatively impacted the market environment for IPO's generally.

Specifically, there had also been a material change in sentiment toward small to medium cap and tech stocks, particularly since the US listing process had been embarked on during the 30 June 2022 quarter. The market circumstances that existed at that time and the interest received from US investors throughout the process provided an underlying level of support for the Company to pursue the US dual listing.

We believe that the investment into the F-1 registration document process and rigor in preparing the other supplementary requirements of the listing process (that the Company had met in receiving both SEC and Nasdaq application approval), have significantly enhanced the Company and its exposure to the US and global investment community. The roadshow of the Company to US and European institutions, strategic investors, private equity firms and healthcare focused funds has provided a wider base of interest that will continue to be explored as future funding alternatives are explored.

Since withdrawing the F-1 the Board has dedicated its focus on progressing with a capital raising in the Australian market of a size and scale that allows the Company to progress its product launch and overall business initiatives (see below at '4. Funding Update' for further information).



(e) Board & Operational Review

A strategic review of operations was conducted during the quarter which resulted in a range of cost savings and efficiency measures being implemented that were outlined in the 'Corporate & Operating Update' announced to ASX on 4 October.

As part of the operational review, the Company also reviewed the current Board roles and the requirements for the Company moving forward.

As a result, the Board is seeking to onboard two new independent directors, one Australian based and one US based. The Board is seeking seasoned directors with experience in consumer and medical health technologies and global healthcare expertise.

Commensurate with the above strategy, the Company advised that Ms Lesa Musatto tendered her resignation as Independent Non-Executive Director of the Company with effect from 18 October 2023, due to her other business commitments.

Prior to the end of the quarter the Company also advised that Mr Jarrod White had resigned as an Executive Director of the Company with effect from 26 September 2023.

The Board thanks both Mr White and Ms Musatto for their support of the Company and wishes them well in their future endeavours.

Subsequent to the quarter end the Board has resolved next steps to identify and appoint two additional Board members and will provide further updates in due course.

(f) Compliance Update

The Company notes it's application for a trading halt and subsequent application for a voluntary suspension in the trading of its securities following the announcement of its withdrawal of its US F-1 registration statement.

This was a prudent measure taken by the Board to minimise potential disruption and allow the Company the sufficient time to consider alternative funding structures, which given the Company's development timeline and related commitments were a fundamental requirement in the finalisation of its 2023 financial statements and Annual Report which were due to be lodged shortly thereafter.

At this stage the Company is in the process of progressing an alternative capital raising package that will meet these requirements and at the same time allow a level of existing shareholder participation which is inclusive and was not otherwise available to shareholders in the previous US capital raising process.

It follows that the Company has continued its operational activities whilst in parallel maintaining and progressing all things required to meet its statutory compliance requirements and the upcoming related capital raising. This includes documentation and related disclosure documents in relation to the capital raising, 2023 Annual Report and related notice of meeting for the upcoming 2023 Annual General Meeting.



4. Funding and Capital Update

Capital Raising and Near-Term Funding Progress

Following the withdrawal of the registration statement for a US IPO the Board, with the support of the Company's senior executive team and advisors, have been focused on alternative solutions to its capital raising to support its corporate strategy and which will provide enough funding and capital runway to allow the Company to both progress its new product launch initiatives and execution of its overall business plan.

This will be announced in detail over the coming week(s) but will likely comprise of a package of funding that will balance the immediate needs of the Company, the ongoing needs of the product and business over the coming 6-10 months, and allow a planned pro-rata offer that will provide an easier to access opportunity for participation by existing shareholders.

This will be in addition to and supplemented by a significant level of committed support by C2 Ventures Pty Ltd ("C2V", owned by Niall Cairns and Craig Cooper), who will also fully participate in any pro-rata offer.

Separately and in addition to any pro-rata offer or placement C2V will be providing substantial funding commitments under a Funding Facility that is currently being finalised as part of the wider total capital raising package as discussed above.

Details of the capital raising package and next steps including the ability to participate by existing shareholders will be made available over the coming week(s).

Re-Quotation of Shares on ASX and Capital Strategy

In conjunction with previous elements of this Quarterly Update there are a number of near-term items that are required to be finalised to not only ensure the funding of the Company's future business, but also CardieX's compliance with statutory and regulatory requirements.

The larger requirements of this have been discussed above and are all part of a parallel workflow and current focus of the Board, senior executive team and its advisors, but essentially relate to:

- finalisation of funding commitments;
- finalisation and lodgement of 2023 Annual Report; and
- announcement of the funding package, and disclosure document for a pro-rata offer to shareholders on same terms as the funding package.

The Company is committed to and focused on achieving these required lodgements which in conjunction to consultation with its advisors and the ASX are the material pre-requisites for the Company to seek re-quotation of its shares and recommencement of trading.



Comment from the CEO

In commenting on the Company's quarterly activities, CEO Craig Cooper said:

"The achievement of our sales team of a 143% increase in current quarter sales of our existing business, and progress made to keep our product development and launch timeline on track, during such a time of disruption in progressing and subsequent withdrawal of our US F-1 registration statement is a testament to the dedication of our hardworking team and strength of our underlying business.

I am proud of everything our team continues to achieve, and on behalf of the Board I sincerely thank all of our staff and advisors who have ensured that your Company continues to execute on its strategic plan, and thank all of our shareholders for their continuing support during this time."

Approved by the Board of Directors and Released by the Company Secretary.

- ENDS -

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About CardieX

CardieX is a medical technology company that develops and markets non-invasive patient monitoring technologies for assessing vascular health. The Company's suite of products includes medical and home health devices and digital solutions for hypertension, cardiovascular disease, and other vascular health disorders – all based on the Company's market leading SphygmoCor® vascular biomarker technology. CardieX is listed on the Australian Stock Exchange ("CDX").