



ASX ANNOUNCEMENT

4 October 2023

Corporate & Operating Update

CardieX Limited (ASX: CDX) (**CardieX**, the **Company**) is pleased to provide a corporate and operating update with respect to the activities of the Company.

Q1 September 2023 Sales Update

We are pleased to announce that in the September quarter the Company has recorded unaudited revenue of \$1.36m (compared to \$0.56m in Q1FY22), which is a year-on-year growth of 143% across our traditional business, with the sales and lease of our XCEL and Oscar 2 devices to pharmaceutical companies, research institutions, and specialist clinicians.

Of note, both US and Asia Pacific based sales to research institutions have more than doubled compared to the same period in the prior year. This growth is a direct result of the expansion of our sales lead generation activities and data-driven targeting of new customer prospects. We expect this growth to accelerate throughout the year with the recent addition to the team of two (2) new executive leads with proven success in lead generation and sales marketing.

CardieX Secures RADx® Grant Funding

CardieX is 1 of 10 companies selected for the US National Institutes of Health's (NIH) Rapid Acceleration of Diagnostics (RADx®) Tech for Maternal Health Challenge (the "Challenge").

The Challenge is to accelerate the development and commercialization of a remote patient monitoring solution for women that are pregnant or have recently given birth.

Having already passed through the "Initial Assessment" phase earlier this month, CardieX was recently also awarded a further US\$325,000 "Interim Milestone" cash prize award during the "Technology Assessment Phase" of the Challenge. The "Interim Milestone" cash prize award is anticipated to be received by the Company over the coming week(s).

The Company has been awarded a total of US\$415,000 to date (including the Interim Milestone payment) and stands to receive a further USD\$525,000 if successful through the final round.

Strategic Review of Operations and Cost Efficiencies

The Company is continuing to review operations to reduce operating costs and streamline operations while at the same time balancing the need to finalise the key product development required for successful product launch and commercialization.

Key recent initiatives have included:

- Financial functions now wholly outsourced and ensuring no related increase if a near term CFO appointment were to be made;
- Integration of the CONNEQT and ATCOR Medical businesses into one streamlined operating business;



- Restructuring of a number of operational roles and resources:
 - Reduction of two (2) full-time roles in customer care and sales support;
 - Restructuring of a number of employees to compensation plans with a structure weighted more towards shares than cash;
 - Transition of two (2) employees to hourly based contracts with ~50% compensation reductions; and
 - The furloughing of some staff members until such time that the Pulse is closer to its release date.
- Review and implementation of a new sales team compensation plan with higher sales and performance quotas;
- Termination of one of our out-sourced Android software developers;
- A realignment of compensation packages for certain executive team members based on comparable market rates in their place of residence; and
- Review of sales & marketing costs for new product development and product launches.

The Company will continue to identify and implement further areas for potential cost reduction and efficiencies as it seeks to rationalise its path to market for the Pulse and other products over the coming year.

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**.

Product Overview

The Company has continued to make significant progress to execute against its vision of re-defining the standard of care for cardiovascular disease and becoming the market leader in devices and solutions for non-invasive arterial health assessment.

It is important to acknowledge the significant up-front engineering and development effort that is required to bring new medical devices to market. As such, as an early-stage growth technology company, we have a high capital requirement in the current pre-commercialisation phase of the Company.

We are currently managing the product development of:

- Two (2) new medical devices that we are bringing to market in the near term (Pulse and CONNEQT Band) – each having separate FDA-clearance;
- An associated mobile app for both of the above devices together with all related content, and healthcare and media programming;
- Our Patient Management Portal and Decentralised Clinical Trial Cloud Portal (see more details below); and
- Multiple mobile applications (both iOS and Android) for each of these devices.

All of this product development requires significant resources and cost which we are managing with both an in-house and dedicated outsourced engineering team of approximately 20 team members. These capital requirements and operating expenses are standard for medical device companies.



Further recent product highlights are as follows:

FDA-Clearance of Pulse and Expanded Suite of Products

The highlight of the year so far has been the completion and successful FDA-clearance of the Pulse biometric monitor, which is scheduled for commercial launch later in the calendar year. Together with the CONNEQT Band and our other digital products in development we have created a complete suite of products tailored for clinical trials (primary and decentralised), primary care physicians (in-clinic and remote patient monitoring), research, specialist physician, ambulatory monitoring, wearable, and the =consumer.



Products (left-right): Physician & Clinical Trials Portal / Dashboard; CONNEQT Band wearable; CONNEQT mobile app (iOS & Android); CONNEQT Pulse; SunTech Oscar 2; ATCOR XCEL; ATCOR SphygmoCor software.

CardieX Selected as MedTech Innovator ("MTI")

CardieX was selected as one of the top 75 medical device companies from a pool of over 1,100 as part of MTI. The selection process involved investors, subject matter experts, and representatives from leading manufacturers including Dexcom, Edwards Lifesciences, Fujikura, Johnson & Johnson, and many more. CardieX joins the ranks of 500 MTI alumni who have gone on to bring more than 200 products to market, raise over \$6.7B in follow-on funding, and 36 acquisitions.

The Company will release a further update to shareholders in the coming days specifically related to product development, research, and engineering.

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").