



ASX ANNOUNCEMENT

31 July 2023

CardieX June 2023 Quarter Update

Highlights:

- FDA clearance received in April for CONNEQT Pulse (the “Pulse”).
- Go to market strategy accelerates for the Pulse following FDA clearance.
- Clinichain update and new partnership with Datacubed Health.
- Convertible note facility receives A\$2.3M in subscriptions as at quarter end date (with a further A\$0.75M in subscriptions received during July) to support growth initiatives across the business.
- Form F-1 progressed during quarter:
 - Filed with the US SEC during July to IPO & dual list on Nasdaq; and
 - Notice for upcoming Extraordinary General Meeting to consider US IPO.
- Executive team focused on FY24 budget and streamlining operations to deliver YoY annual cost savings and growth.
- CEO comments and IPO FAQ's.

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

1. CONNEQT Update

The CONNEQT division made strong progress during quarter as the Company prepares for the market launch of new devices.

The Pulse – FDA Cleared and Pathway to Launch

FDA Clearance Received

CardieX was pleased to announce in April that the US FDA had granted 510(k) clearance for the Pulse vascular biometric monitor. Following this clearance, the Company has prioritised its go-to-market strategy for the device during the quarter (as announced 26 April 2023).

The Pulse is CardieX's first medical device to incorporate CardieX subsidiary ATCOR's market leading SphygmoCor® central blood pressure technology in a device targeted at new and significant clinical and consumer applications.



Pulse is targeted at the key market segments of home, decentralized clinical trials, and remote patient monitoring for arterial health disorders related to high blood pressure and other vascular health conditions.

The Company is focused on educating the various healthcare players, key opinion leaders (KOLS), and clinicians in these key market segments on the benefits of the Pulse and related vascular biomarkers and is in the pre-launch phase of the device, including securing key launch partners and initial sales.

A detailed Company Update was announced on 30 June and included several of the marketing activities with these cohorts which will continue up to and post the launch of the device.

Manufacture of the Pulse

Since receiving FDA clearance in April the Company has initiated a number of material purchase orders and prioritised a number of projects during the quarter to ensure:

- i. Enough chip components are available to meet the minimum production requirements of the Pulse under its manufacturing relationship with Andon;
- ii. Progress of tooling and procurement by Andon for commercial scale manufacture of the Pulse; and
- iii. Focus on development of the CONNEQT app, CONNEQT Patient Management Portal, and related software platforms (together, the “Digital Platforms”) that will support the Pulse.

The above initiatives have led to inventory costs/commitments of A\$666k during the quarter, in addition to the direct costs associated with the development of the Digital Platforms of A\$748k, as we look to prioritise funding requirements for the Pulse through to launch.

CONNEQT Band Update

The Company continued to progress the development of the CONNEQT Band during the quarter, but has prioritised its immediate resources toward the Pulse’s marketing, product launch, and manufacture since receiving FDA clearance in April.

Development of the CONNEQT Band has required a significant amount of design and innovation to meet the high specifications and requirements of the product vision. The Company has developed a number of prototype devices, which are being further evaluated and refined as we move through the development process. Once this development stage is completed, the product will begin the electronics certifications stage, prior to pursuing clinical validation, as a pre-cursor to regulatory approval and launch.



2. ATCOR Update

Clinichain agreement

The company provided a corporate update on 30 June 2023, further to its ASX announcement on 9 December 2022, when ATCOR was contracted by Clinichain to provide its XCEL devices and data management services.

This was to be part of a ~30-month multi-site clinical trial and since then, CardieX has received multiple purchase orders, deployed its devices, commenced provision of services, and received in excess of A\$2m of receipts under the agreement.

During May 2023, the Company was advised there were likely to be delays in the progression of the clinical trial, due to changing requirements of Clinichain's underlying clinical trial customer, and the Company has since been advised the underlying clinical trial will conclude earlier than anticipated.

The terms of CardieX's agreement with Clinichain (held by wholly owned subsidiary ATCOR), provided that the provision of devices and data management services, were non-cancellable.

There are commercially sensitive discussions underway regarding how ATCOR's agreement could be finalised given the earlier than anticipated conclusion of the trial.

The Company will keep the market informed as to the progress of these discussions.

New Partnership with Datacubed Health

During the quarter, ATCOR commenced a new partnership with Datacubed Health, a leading clinical trial technology company.

The partnership allows ATCOR and Datacubed Health to jointly conduct trial monitoring across therapeutic programs, unveiling a unique patient-centric trial model that personalizes the patient journey and is designed to enhance the patient experience.

The partnership will utilize our Pulse biometric monitor to track digital biomarkers and send customized alerts to trial study clinicians if vascular biometrics fall within a critical range during a trial, enabling the ability to not only manage, but also reduce the occurrence of adverse events.

By integrating the Pulse with the Datacubed Health platform, patients and clinicians will have several pathways to keep open communication channels to monitor patient health and maintain patient engagement to improve trial retention.

Updated Agreement with SunTech Medical

As part of the recent Corporate Update, the Company announced an updated agreement with USA-based SunTech Medical Inc. (SunTech) for the sale and distribution of the Oscar 2 Ambulatory Blood Pressure Monitor with our SphygmoCor technology "inside" ("Oscar 2 sCor").



The previous agreement with SunTech provided for a shared revenue and royalty payment which both SunTech and CardieX decided was not in the long-term interests of either party moving forward.

The updated agreement expands the sales opportunities for both parties for the Oscar 2 sCor with CardieX now able to sell the device to a much wider global market, while removing most of the previous sales channel exclusivities and profit-sharing schemes between the companies.

3. Corporate

(a) Cash and Expenditure

During the quarter, revenue in traditional medical markets was A\$1.9m, and cash receipts from customers increased by 103% to A\$1.63m compared to the prior quarter. The Company had a cash balance of A\$716k as at 30 June 2023.

During the quarter, CardieX spent A\$128k on product development and operating costs on existing products. Research and development expenditure totalled A\$762k, primarily due to ongoing costs involved in finalising the CONNEQT Pulse development, including supporting digital platforms.

Payments to related parties and their associates in the quarter were A\$251k and all related to remuneration for services under existing services agreements.

Closing cash balance of A\$716k was after the receipt of convertible note subscriptions of A\$2,175m. Subsequent to 30 June, further convertible note subscriptions of A\$775k have been received and the Company remains able to receive further subscriptions under the terms of the facility established and announced during June 2023 (see below).

(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 A\$2.3m, noting that A\$2.175m had been received prior to the quarter end. This included subscriptions by directors Niall Cairns and Craig Cooper (through C2 Ventures Pty Limited), and Jarrod White.

A further A\$0.75m has been received in subscriptions subsequent to 30 June, including A\$0.5m from C2 Ventures, increasing the total raised to date to over A\$3m. There is ongoing interest in the Note and shareholder approval is being sought for a capacity of A\$4.1m under the Note at the upcoming EGM. *See "CEO Comments" below for more information on the Note and how shareholders can participate.*

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

(c) U.S. Listing and notice of Extraordinary General Meeting

Post quarter end, the Company announced the filing of a registration statement on Form F-1 with the U.S. Securities and Exchange Commission (SEC). The filing relates to a proposed initial public offering (US IPO) of American Depositary Shares (ADSs) representing CardieX's ordinary shares and



the subsequent listing of those ADSs under the ticker symbol “CDEX” on the Nasdaq Capital Market (Nasdaq).

The capital raising program will take place in the weeks subsequent to the disclosure period and capital raised will be subject to shareholder approval at an Extraordinary General Meeting (EGM) that has been called for 28 August 2023.

The primary purpose of that meeting is for the issue of shares for the IPO, the conversion of the Note subscriptions received up to the date of the meeting, and the director participation of C2 Ventures (both Craig Cooper & Niall Cairns) and Jarrod White in recent funding already advanced to the Company.

See “CEO Comments” below for more information on the proposed Nasdaq listing including information on how shareholders can participate.

(d) Operational Review

Management conducts regular operational reviews of the business with a view to streamlining our operations and improving efficiencies where possible. During the quarter, the decision was made to combine the operational management of ATCOR and CONNEQT which has resulted in a number of executive transitions and other operational efficiencies.

The Company wishes to advise that upon termination due to an organizational restructure, Toni Hofhine was the President of ATCOR, as opposed to the President of Clinical Operations as detailed in the ASX Announcement (refer to CardieX Corporate Update dated 30 June 2023). Upon employment in October 2022, Toni was the Vice President (VP) of Clinical Operations & Strategy, and she was appointed to President of ATCOR effective 1 January 2023.

(e) Executive Contract Update – US Dual Listing Form F-1

In light of the CardieX dual listing on the US Nasdaq Exchange the Company had formalised and streamlined the Director contracts for all Executive and Non-Executive Director contracts as part of the public filing of a registration statement on Form F-1 with the U.S. Securities and Exchange Commission (the “SEC”). Details of the Director contracts can be located on the Form F-1 filed with the SEC.

(e) Webinar

The Company provides notice that it plans to schedule an investor webinar. During this event, CardieX CEO, Craig Cooper, Chairman Niall Cairns, and other Company executives, will provide an overview of the quarterly operational and corporate activities of the group, followed by a Q&A session for investors.

The Company will announce the registration details and time for this event shortly.

4. CEO Comments and IPO FAQ's

We recently filed a registration Form F-1 with the US Securities and Exchange Commission for an IPO of American Depositary Shares (ADSs) on Nasdaq. An F-1 is used by foreign corporations to raise



capital in the US market and to list on a US exchange. The ADSs will represent ordinary shares of CardieX.

I wanted to end this update by taking the opportunity to answer a few questions we have been asked about this announcement and process:

(a) *You have announced the IPO, now what?*

The IPO timetable commences today with a 15-day “disclosure” period. After the expiry of the disclosure period the Company and our Underwriters, Roth Capital LLC, will commence roadshows and the formal capital raising program which we expect to be completed in August. We will also be holding an EGM seeking shareholder approval for the issue of shares for the IPO, the conversion of the Convertible Notes and the participation of C2 Ventures (both Craig Cooper & Niall Cairns) and director, Jarrod White. This will be held on 28th August.

(b) *Will you now be dual listed on both exchanges – US and Australia?*

The answer is “yes”. The US market will be “price aligned” on the value of the underlying ordinary shares representing the ADSs.

(c) *Why are you doing the IPO?*

Our proposed listing on Nasdaq represents a significant milestone for CardieX. The United States is our primary market focus as we continue to execute against our strategic growth plan and launch multiple new medical devices in the vascular biomarker sector. Although our primary listing will continue to be the ASX, we are a global company - and as such we need to be more exposed and have access to investors in the USA as our largest market. We firmly believe the IPO and subsequent listing on Nasdaq is in the best interests of all shareholders.

(d) *Can I participate in the current Convertible Note offering?*

In addition to the US IPO, CardieX also has an existing “open” Convertible Note (the “Note” as referred to above in this update) which converts on the same terms as the Nasdaq IPO (into Australian shares), and which also provides a 10% interest rate and options. Should you have an interest in investing with us in the Note please contact Niall Cairns (nccairns@cardiex.com) or Grant Eshuys of MST Financial directly (grant.eshuys@mstfinancial.com.au). Note that Niall Cairns and I have already invested in this Note through our C2 Ventures investment company, as has our fellow director, Jarrod White.

We hope you all join me and the Board in celebrating this milestone and the opportunity it will provide us all moving forward.

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".

Craig Cooper

Chief Executive Officer

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



A registration statement on Form F-1 has been filed with the SEC but it has not yet become effective. Accordingly, no securities may be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any offer or solicitation of any sale of securities will be made in accordance with the registration requirements of the US Securities Act of 1933.

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About CardieX

CardieX is a medical technology company focused on developing vascular biomarkers. Its ATCOR subsidiary is a leader in medical devices and vascular biomarkers for hypertension, cardiovascular disease, and other vascular health disorders based on the Company's SphygmoCor® central blood pressure technology. CardieX's CONNEQT subsidiary develops and markets medical devices, digital solutions, and wearables, for home health, decentralized clinical trials, and remote patient monitoring. CardieX is listed on the Australian Stock Exchange (ASX:CDX).