



ASX ANNOUNCEMENT

1 February 2019

CardieX Update on the Acquisition of 50.5% of inHealth

Highlights:

- **CardieX exercises its option to take up the US\$3 million Tranche 2 Convertible Note investment in inHealth. This converts into a 33.33% equity interest.**
- **The existing Tranche 1 (US\$250,000) Convertible Note conversion notice has been delivered that converts into 7.7% equity interest in inHealth.**
- **Total inHealth investment of US\$3.25 million to date will, on conversion of the Tranche 2 convertible notes, take CardieX's equity ownership to 41.03%.**
- **The Tranche 3 option for CardieX to move to 50.5% remains in place**
- **US Based CardieX CEO Craig Cooper and CardieX Executive VP & Head of Corporate Strategy appointed as Nominee Directors to the inHealth Board of Directors.**
- **CardieX CFO Jarrod White appointed as CFO of inHealth to assist in financial oversight and business plan execution.**

CardieX Limited ("CardieX or "the Company") is pleased to advise the following update in relation to its investment in inHealth Medical Services, Inc ("inHealth").

The Company has taken the following actions in connection with the previously advised Convertible Note Purchase Term Sheet Agreement (the "Agreement") between InHealth and CardieX:

1. CardieX has exercised in full its option under the Agreement to purchase US\$3,000,000 of inHealth's "Tranche 2" Convertible Note securities (which notes shall be convertible by CardieX into such number of shares of inHealth Common Stock as shall equal an additional 33.33% of Ownership).
2. CardieX has exercised in full its right to convert its "Tranche 1" US\$250,000 Convertible Note securities due as of 31 January 2019 (US Pacific Standard Time) into such number of shares of inHealth common stock as shall equal 7.70% of the post-conversion equity and equity-equivalent securities of inHealth on a fully-diluted basis.
3. If or when the Tranche 2 Convertible Note securities are exercised in full, CardieX shall possess and control 41.03% of Ownership of inHealth post-exercise.



In connection with the “Tranche 2” purchase-option exercise, CardieX has already delivered US\$100,000 to inHealth.

The remaining US\$2,900,000 will be forwarded to inHealth post haste once CardieX’s nominee Directors are confirmed to be appointed to the Board and a new bank account is established to receive the investment funds.

With respect to the post investment operations of inHealth, CardieX is pleased to confirm the appointment of:

- CardieX’s two nominees, Craig Cooper and Zihan Li to inHealth’s Board of Directors (being two Directors of a total of four on the Board, the other two Directors being Founders Aubrey Jenkins and Dr Michelle Alencar);
- CardieX’s CFO, Jarrod White has been appointed as CFO of inHealth to provide additional financial rigour and oversight, as inHealth moves to execute its 2019 business plan and deploy CardieX’s investment funds.

CardieX CEO Craig Cooper commented:

“This investment delivers on the previously announced intention to acquire a majority equity interest in inHealth by way of the use of a significant portion of the placement funds raised by CardieX in December, 2018. This is another significant day and step forward for both inHealth and CardieX as we jointly look to build out a leading global virtual health platform”.

Craig Cooper
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About CardieX

CardieX Limited 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 telehealth services provider, inHealth Medical Services, Inc, allowing CardieX to acquire up to 50.5% of inHealth by way of a convertible note.

About inHealth

inHealth Medical Services 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.