



ASX ANNOUNCEMENT

31 January 2025

## CARDIEX DECEMBER 2024 QUARTER UPDATE

### Highlights:

- Commenced deliveries of CONNEQT Pulse units to U.S. customers.
- Strong initial market demand for Pulse units through both eCommerce and Pharma channels.
- Launch of the CONNEQT App in both the App Store and Google Play Store in the USA.
- Pharma group secures commitments in January for 1,500 CONNEQT Pulse units across international markets and strengthens Pharma trials pipeline to approximately US\$8 million.
- Expanded registrations and clearances for CONNEQT Pulse in multiple international markets anticipated in calendar 2025.
- Streamlining operations driving sustainable growth, operational efficiencies, and providing significant cost saving opportunities.
- Cardiex developed AI powered customer care and chatbot launched.
- Completion of capital raising supports new device manufacturing, marketing and sales activities, and commercial expansion to support CONNEQT Pulse launch.

### Pulse Deliveries Commence with Strong Initial Sales Momentum

Deliveries of CONNEQT Pulse units to U.S. customers have officially commenced following the receipt of the first 3,000 units from our manufacturing partner, Andon. The remaining 5,000 units from our initial order are currently in transit and will arrive at our fulfillment facility shortly.

The launch of CONNEQT Pulse has demonstrated promising early growth, highlighting strong market demand for arterial health insights and wellness solutions. Until just two weeks ago, customers were placing preorders without a fixed delivery date, which understandably caused some hesitation. Despite this, we achieved impressive sales momentum during the preorder phase.

On January 19, we transitioned to an "order now" model, enabling immediate shipping. This change has already resulted in a significant sales boost, as customers are now able to receive their orders without delay.

It was particularly exciting to start receiving positive feedback from customers as we began delivering orders. Two standout emails arrived within the first two days of shipping, both expressing enthusiasm and satisfaction with their new devices. Hearing directly from customers about the impact our products are already having reinforces the value we are bringing to the market and motivates us to continue driving innovation in arterial health solutions.

*“I’ll admit, I’m very impressed”*

*- medical device executive*

*“I just received your Conneqt device and have been playing with it all morning, the user experience is great.”*

*- heart health enthusiast*

We will be gearing up to report our first full-quarter results for the Pulse at the end of Q3 but for the moment, here are some of the key highlights to date:

### **1. Strong Month-Over-Month Sales Growth:**

Preorders have grown consistently, with December achieving a 150% increase over November, driven in part by holiday promotions. January is expected to maintain December’s pace, which is a strong indicator of sustained demand beyond seasonal boosts. This momentum positions us well for a ramp-up in February as we scale operations and expand availability. This growth trajectory underscores the demand for innovative health assessment solutions. As a guide, and separate to our eCommerce efforts, our Pharma group has already secured orders of over 1,500 units in January for Pulse units across several international markets.

I’m feeling confident about the results we’ve achieved so far. The two months of “preorder” sales showed strong initial interest, and the momentum over the past two weeks since we began shipping has been incredibly encouraging. I believe we’re well-positioned to hit a solid annual run rate by the end of Q3, and I’m optimistic that our first full quarter of sales will reflect this positive growth.

For example, with an average sales price of approximately US\$320 (including any discounts) and a daily sales volume of around 30 units, we’re looking at an annual run rate of approximately US\$3.5 million by the end of Q3. We’re already on our way to achieving this, especially as we commence the roll out of expanded marketing campaigns beyond our waitlist customers. From a standing-start, this would be a fantastic achievement in such a short time.

### **2. Focus on Converting Our 22K+ Pulse Mailing List:**

Leveraging a highly engaged waitlist of over 22,000 signups, targeted email campaigns have been instrumental in driving conversions. These efforts have ensured that the Pulse mailing list remains a critical growth driver, as personalized and segmented campaigns have successfully engaged prospects at each stage of the buyer’s journey.

Our waitlist and preorder campaign provided invaluable insights into pricing and conversion metrics, revealing an average order value of US\$253 (including preorder discounts) based on the three separate tiered packages that we initially offered. These insights enabled us to refine our approach as we transitioned from the “preorder” phase to the “buy now” model. As a result of the initial sales data we have now streamlined our offering to include a single offering of the Pulse device along with two cardiologist reports for a bundled price of US\$350, ensuring greater value and appeal for our customers. Notably, the increase in

pricing has not impacted sales momentum, reinforcing that we are continuing to enhance the value we can capture.

### 3. Validation of Buyer Interest and Premium Offerings:

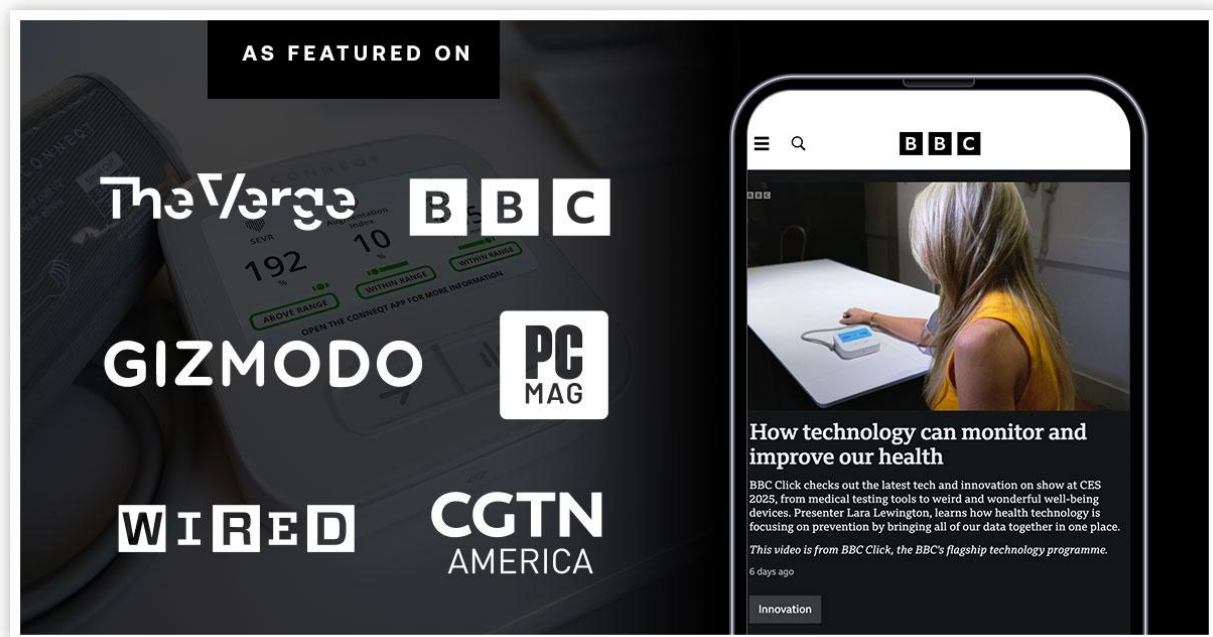
With over 50% of preorders opting for premium packages that include cardiologist reports, we've confirmed a strong consumer interest in added-value services. The single offering currently available (the Pulse device plus two cardiologist reports)—designed to deliver impactful health insights—aligns with buyer preferences, ensuring we meet their needs effectively.

### 4. Commencement of Fulfillment:

As I noted above we've begun fulfilling preorders. With shipping organized in multiple batches, supported by clear communication and tracking tools, we are ensuring a seamless delivery experience for our early adopters.

### 5. Positive Press Reception at CES:

The media event at CES received enthusiastic responses from top-tier media outlets, including **Wired**, **The Verge**, **PC Magazine**, **Gizmodo**, **CGTN America**, and **BBC**, with several featuring CONNEQT Pulse in their coverage of the event, as well as in post-event segments on their platforms. This positive reception highlights the growing recognition of our innovative approach to arterial health.



### 6. Positive Market Validation:

The rapid growth in preorders and strong press engagement validate the market's readiness for CONNEQT Pulse and the broader arterial health assessment service. These results highlight our ability to meet consumer needs with a solution that delivers actionable and impactful health insights.

The CONNEQT Pulse launch is a testament to our strategic focus on innovation, customer engagement, and execution. By converting our substantial mailing list, maintaining consistent growth, and earning positive media attention, we're building a strong foundation

to achieve our 2025 goals, firmly establishing CONNEQT as a leader in personalized arterial health solutions.

The **CONNEQT** Arterial Health Assessment

Powered by the **World's Most Advanced Personal Arterial Health Monitor**

Now Available  
**\$350** [Buy](#)

Gain actionable insights into your heart and arterial health.

**Includes:**

- CONNEQT Pulse Biometric Monitor
- Arterial Health Tracking & Insights
- Guided Wellness Programs
- 2 Cardiologist Reports\*

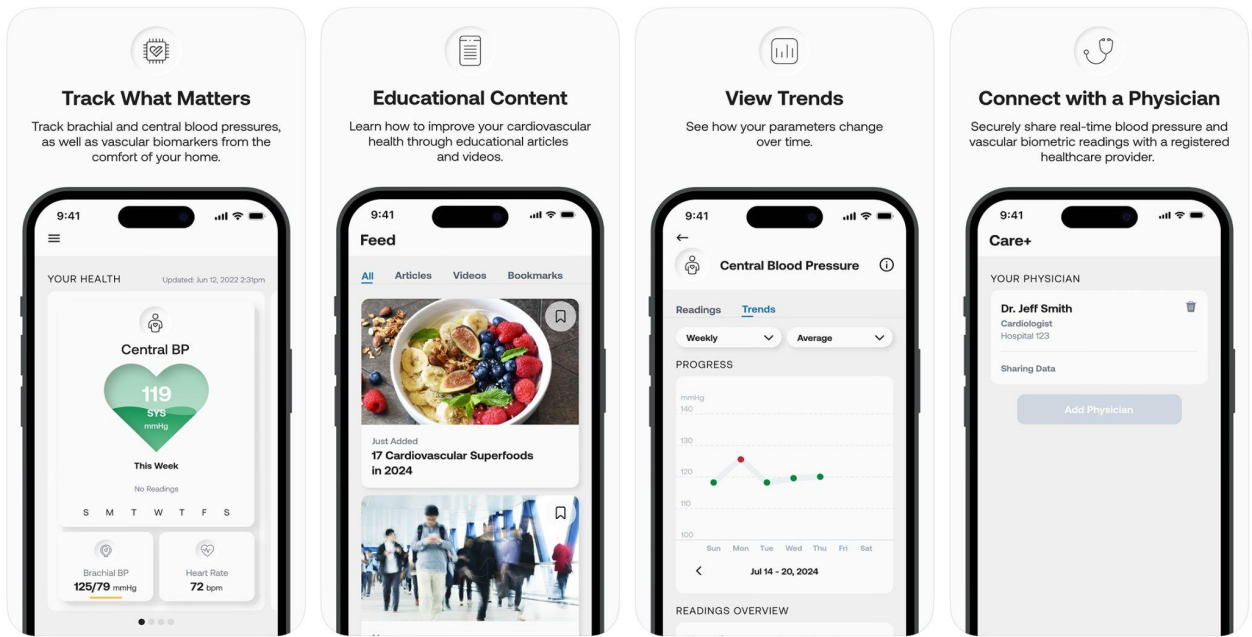
FDA CLEARED

### Launch of the CONNEQT App

The CONNEQT App, part of the digital ecosystem developed to support the Pulse, is also now live in the App Store and Google Play Store, and available for download in the USA.

Key features of the CONNEQT App include:

- **A Digital Health Coach:** providing actionable insights, motivational support, and interpretation of your data to help you navigate your heart health.
- **Comprehensive Arterial Health Metrics:** providing unparalleled views into your health with detailed metrics, trends, and reports.
- **Guided Health Programs:** designed to promote healthy lifestyle changes through educational content and actionable tasks that help you improve and maintain your cardiovascular health.
- **Educational Health Content:** a curated selection of articles and advice that support your health journey, empowering you to make informed decisions and stay proactive in managing your cardiovascular wellness.
- **Personalized Health Cards:** allowing you to monitor a range of health conditions with tailored insights into heart, arterial, and brain health.
- **Device and Screen Customization:** giving you the ability to adjust your device display and screen configuration to prioritize the data you value most.
- **Healthcare Professional Sharing:** enabling users to confidentially share reports and other information with their primary care physicians.



The CONNEQT App is a key component of our comprehensive arterial health program providing a unique and impactful foundation for fostering healthier outcomes, exemplifying the transformative change and value we are delivering to this market.



Cardiex Chief Strategy Officer, Catherine Liao, at the 2024 Consumer Electronics Show Media Event

*“What other metrics is your Fitbit or Garmin missing? How about arterial health? Enter the Conneqt Pulse, a new arterial health monitor designed for personal use. It looks like a blood pressure cuff and measures multiple factors that are related to cardiac health, like brachial blood pressure or augmentation pressure—a measure of arterial stiffness that’s associated with increased cardiovascular morbidity.”*

**WIRED**

*“Conneqt Pulse has the standard inflating arm cuff you’re familiar with, but the level of data it produces goes way beyond just systolic and diastolic pressure.”*

**GIZMODO**

*“How technology can monitor and improve our health.”*

**BBC**

## Pharma Sales and Momentum

We’re making progress on our revenue pipeline for 2025 and as we move through the first half of our fiscal year and into the second half, we’re keeping the momentum strong. One important milestone was successfully completing a compliance audit with a top 5 global clinical research organization (“CRO”), which now opens up our solutions to their very significant customer base. On top of that, we’ve signed a Master Service Agreement with a leading pharmaceutical company specializing in neurologic disorders. This partnership focuses on cardiovascular safety assessments across their entire portfolio, covering everything from Phase I to Phase IV trials.

Our ongoing partnership with Clinichain has also been a game changer. We’re using their clinical trial platform to showcase our range of devices—like site-based assessments, 24-hour ABPM, and the CONNEQT Pulse for decentralized trials. We’re also in talks to integrate our systems with the biggest endpoint technology platform in the industry. It’s clear that our solutions are being recognized as essential for improving trial efficiency and scalability.

At Cardiex, we’re all about innovation in drug development. We’re teaming up with other solution providers to create all-in-one assessment packages. These combine ECG, central hemodynamics, blood pressure, temperature, and oxygen saturation monitoring into one streamlined platform—making life easier for trial sponsors and CROs and simplifying implementation.

We’re also seeing a lot of interest from the nutraceutical space, where our tech can demonstrate the safety and efficacy of their products. Our expanded pharma teams in Europe and APAC have been key to this global push, and we’ve secured commitments for 1,500 CONNEQT Pulse units across several international markets.

Our focus on reliability and product versatility has really strengthened our pipeline, now valued at approximately US\$8 million. Some trials are still waiting on sponsor approvals, but

the conversations we're having are incredibly promising. With consistent follow-ups and a strong reputation for reliability, we're well positioned for success. Our diverse range of devices—designed for home, office, and ambulatory assessments—continues to attract interest and adoption.

We're feeling confident about hitting our 2025 revenue goals for the Pharma group and have plenty of exciting opportunities to secure new contracts in the months ahead. These milestones reaffirm our leadership in the clinical trial space and our ability to deliver cutting-edge solutions for drug development.

### **APAC, EMEA, and USA Research Sales**

We have strategically reallocated our resources to capitalize on high-impact opportunities across the EMEA and APAC regions. This includes a thorough evaluation of our distributor network to ensure alignment with our corporate objectives. As part of this initiative, we transitioned from an exclusive distributor model in China to a broader network of partners, enabling greater market coverage for our full product portfolio. Additionally, we have established new distribution agreements in South Korea, Australia, and New Zealand, further strengthening our foothold in these key markets.

The growing anticipation for the CONNEQT Pulse device has driven regulatory registration efforts across these regions, positioning us for a successful market entry and unlocking new avenues for growth.

In the U.S., our research efforts remain focused on advancing critical health areas such as cardiac, metabolic, longevity, and maternal-fetal health. The CONNEQT Pulse device continues to demonstrate its transformative potential by enabling researchers to expand studies beyond traditional facilities, paving the way for remote and decentralized research. These initiatives have solidified our position in the research sector, with an active pipeline of research projects exceeding USD\$600,000.

### **Updates on Ongoing Regulatory Activities and Development Initiatives**

I also want to share some updates on our continuing efforts to expand our regulatory approvals as well as highlight some of our other product development efforts during the Quarter. In particular:

1. We are actively ***working to expand registrations and clearances for the Pulse across multiple new markets***. We anticipate receiving TGA approval in Australia and Medsafe in NZ by mid 2025 - and CE approval in Europe in the second half of calendar 2025. Additionally, we have initiated a review of registration requirements in Indonesia, Malaysia, and Singapore, driven by the strong inbound interest we've received for clinical trials in these countries.
2. Our engineering and research teams are making significant progress on our ***SphygmoCLOUD, CONNEQT Band***, and transfer function projects, which will enable seamless integration of our technology into third-party wearables, medical devices, and consumer products. *SphygmoCLOUD* brings our algorithms to the cloud, simplifying integration with devices such as rings, bands, watches, and other health-focused technologies.

3. We are continuing with preparations for ***FDA clearance submission on OTC for the Pulse***. Our initial usage data on the Pulse forms an important part of that submission which we are collating as part of the overall submission.

### **Streamlining Operations for Sustainable Growth**

While driving revenue through new product launches and positioning our Pharma business for growth, we remain committed to reducing cash burn and streamlining operational expenses. To achieve this, we have implemented a significant restructuring of our operations this month, focusing on efficiency and cost savings.

Key changes include centralizing our engineering and development teams in the Sydney office as part of the Company's 'return to office' policy. This involved transitioning from a predominantly U.S.-based remote workforce, compensated in USD, to a centrally managed team located in Sydney. This move not only aligns with our operational strategy but also delivers substantial management efficiencies and cost savings, particularly given the strength of the USD.

Additionally, we have significantly reduced our reliance on our European-based outsourced engineering contractor by shifting much of that work to Sydney. This change further enhances efficiency and contributes to meaningful cost reductions, strengthening our financial position while maintaining high-quality output.

We anticipate achieving significant cost savings once the changes are fully implemented during the current Q3 fiscal period. An overall saving of 34% (US\$1M) is expected over CY25 whilst also enhancing our Australian R&D rebates. These measures will enhance our operational efficiency and support our broader goal of driving sustainable growth while optimizing expenses.

### ***Corporate Update***

#### ***(a) Cash and Expenditure***

During the quarter, revenue in traditional medical markets was \$0.8m, and cash receipts from customers was \$0.7m.

During the quarter, Cardiex spent \$0.35m on product development and operating costs on new and existing products, an increase of \$0.20m on the prior quarter expenditure of \$0.15m, primarily due to prepayment of stock purchases for the CONNEQT Pulse. R&D expenditure totalled \$0.71m, an increase of \$0.18m on the prior quarter's expenditure of \$0.53m.

Administration and corporate costs totalled \$0.75 for the quarter, a decrease of \$0.08m on the prior quarter expenditure of \$0.83m.

Net cash used in operating activities for the quarter totalled \$2.94m, a decrease of \$0.20m on the prior quarter.

Closing cash for the quarter was \$3.40m. This does not include \$0.465m committed to the December Placement, of which \$0.140m was received on 2nd January, and \$0.325m in Director's commitments.



Payments to related parties and their associates in the quarter were \$0.20m and all related to remuneration for services under existing services agreements.

### ***(b) MAM Working Capital and R&D Term Loan Facilities***

The Company received approval from AusIndustry for the inclusion of overseas software development costs in its R&D Tax Incentive claims for FY2024-FY2026. Post quarter end, Cardiex received a total refund of \$1.46 million, a significant increase from prior year claims. Upon receipt, the funds were used towards full repayment of the MAM Working Capital Facility and partial repayment of the MAM R&D Term Loan Facility, which has now been reduced to \$730k. The forecasted 2025 R&D Tax Incentive refund is expected to be in line with the 2024 refund (\$1.46m), and is expected to be received before 31 October 2025.

### ***(c) Capital Raising***

In December, the Company completed a Placement of 36,111,112 new fully paid ordinary shares at \$0.09 per share to institutional and sophisticated investors to raise \$3.25 million (before costs). Director participation in the Placement totalled \$325k, which is subject to shareholder approval at an EGM that will be announced this quarter. Participants in the Placement received one free attaching listed option for every new share issued. These listed options trade under the existing class CDXOA.ASX and are exercisable at \$0.20, expiring on or before 30 November 2025.

Funds from the Placement are largely being used for new device manufacturing, marketing and sales activities, and for commercial expansion, including scaling up supply chain operations for the January 2025 market launch of the CONNEQT Pulse device.

### ***(d) Funding Commitment Agreement***

In December, the Company issued 75,000,000 shares in full satisfaction of the \$6m invested by C2V under the Funding Commitment Agreement. \$5.48m was contributed in cash, with the balance relating to the settlement of Employee and Directors benefits owed to Mr Craig Cooper and Mr Niall Cairns.

### **Meet “Zoe”**

On a lighter note, I’m excited to introduce the newest (and most budget-friendly) member of our team: Zoe.

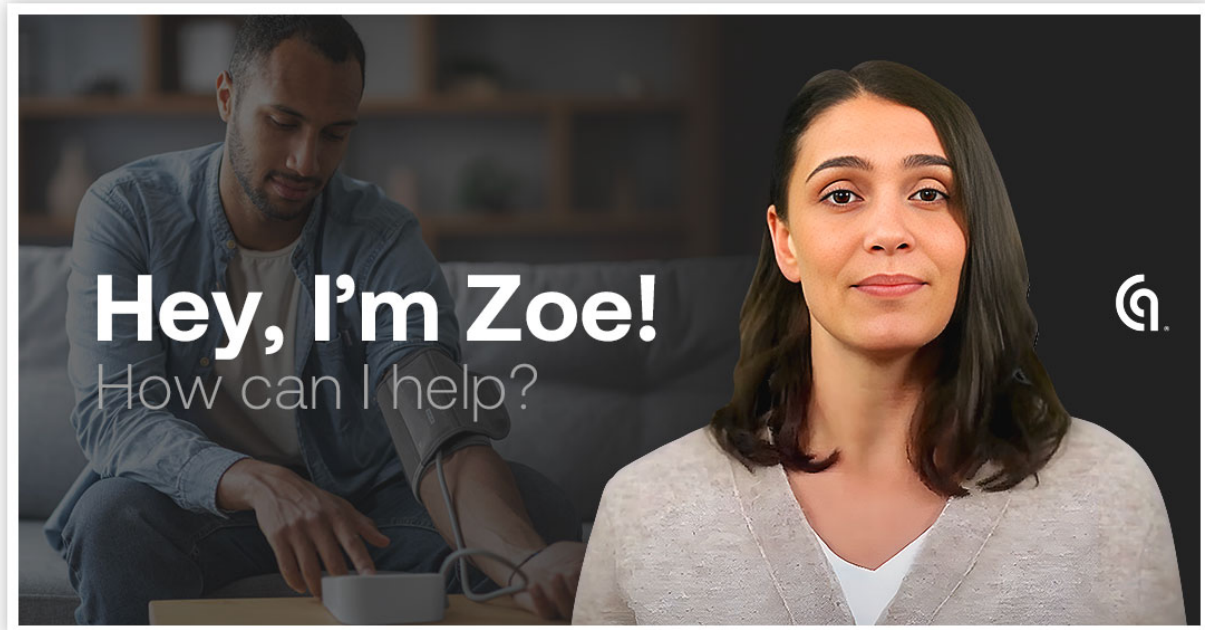
***Zoe is our AI customer ambassador***, designed to help us streamline and enhance the creation of our customer marketing materials. Her debut appearance is in our “Getting Started” videos, which you can check out at [www.conneqthealth.com/get-started](http://www.conneqthealth.com/get-started), or just visit the CONNEQThealth.com website and click on the “Get Started” tab.

In addition, ***Zoe operates as a 24/7 chatbot***, trained on our knowledge base to handle a range of customer inquiries—helping us provide real-time, scalable support to our growing community. Whether answering questions, troubleshooting issues, or explaining the benefits of arterial health monitoring, Zoe ensures our customers have immediate access to accurate and helpful information, no matter where they are.

***Integrating AI into our operations is a strategic investment that positions us for sustainable growth and operational excellence.*** AI enables us to scale our customer

interactions without adding significant costs, ensuring we can meet the demands of a growing customer base. By automating routine tasks and streamlining processes like content creation and support, we free up resources to focus on strategic initiatives such as expanding our product offerings and improving our services.

This is just the beginning for Zoe—stay tuned for more as we expand our educational campaigns and customer support materials!



### In Summary

This quarter has been a period of significant achievement and momentum for Cardiac Health. The successful launch and strong early sales of the CONNEQT Pulse, combined with the rollout of the CONNEQT App, highlight our ability to deliver innovative solutions that meet growing consumer demand for arterial health insights. With January sales already up 200% from December we're on track to achieve a solid quarterly run rate by the end of Q3.

In our Pharma division, strategic partnerships with leading CROs and pharmaceutical companies have solidified a strong pipeline, while operational efficiencies—including centralizing engineering in Sydney—are driving significant cost savings.

With a strong foundation, growing market recognition, and a clear path forward, we are confident in our ability to deliver long-term value to our customers and shareholders. Thank you for your continued trust and support as we execute on our vision to transform cardiovascular health.

Craig Cooper

Chief Executive Officer

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

**- ENDS -**

For more information, please contact:

Investor Relations

Rod Hinchcliffe

[rod.hinchcliffe@mcpartners.com.au](mailto:rod.hinchcliffe@mcpartners.com.au)

Media Relations

Melissa Hamilton

[melissa.hamilton@mcpartners.com.au](mailto:melissa.hamilton@mcpartners.com.au)

**About Cardiex**

Cardiex's mission is to increase longevity through medical technology advancements in 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<sup>®</sup> vascular biomarker technology. Cardiex is listed on the Australian Stock Exchange ("ASX:CDX").