



ASX ANNOUNCEMENT

24 September 2020

CardieX Announces Commercial Partnership with Mobvoi for New Health Smartwatch

Highlights:

- CardieX and Google-backed Mobvoi announce a new commercial partnership agreement to launch a new line of smartwatch with heart and arterial health management features based around CardieX subsidiary ATCOR's patented SphygmoCor® technology.
- New commercial partnership follows the Joint Development Agreement initiated between the parties in 2019.
- Partnership also follows on the success of CardieX trials and studies with Macquarie University that culminated in a new CardieX patent application around the Company's wearable sensor technology (ASX, 24 April, 2020).
- CardieX to integrate a proprietary Mobvoi specific algorithm feature set into the new smartwatch – representing the first integration of ATCOR's wearable health analytics platform, Arty™, into a consumer smartwatch.
- CardieX and Mobvoi to jointly launch the world's first smartwatch to feature ATCOR's Heart Stress™, Arterial Age™, Exercise Capacity™ (eCAP™) and Arty™ Score with active community and AI-powered health coaching services.
- New Mobvoi smartwatch will be marketed with Health360™ premium subscription service powered by CardieX with a revenue-share split.
- Revenues to CardieX include subscription fees from CardieX-developed Health360™ premium services and product sale revenues based on direct to consumer sales and distribution rights. Mobvoi to also guarantee Minimum Order Quantities (MOQ's) to CardieX for a two (2) year period upon full market release.
- Initial phase of the partnership agreement is a six (6) month limited market release targeted for Q1 calendar 2021. Second phase of the partnership agreement extends to a full worldwide release as agreed by both CardieX and Mobvoi.
- During limited market release, CardieX to have co-distribution rights in North America, Australia and New Zealand. During full market release, CardieX to have global co-distribution rights with Mobvoi.

CardieX Limited (ASX: CDX) (CardieX, the Company) is pleased to announce that it has entered a new commercial partnership agreement (the Agreement) with consumer electronics and AI company Mobvoi which expands on the existing Joint Development Agreement (JDA) initiated between the companies in 2019.

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The Agreement follows on the success of the JDA which was focused on determining the feasibility of launching CardieX subsidiary ATCOR's patented cardiovascular and consumer health features in a wearable device fitted with a PPG sensor.

Following the success of that development program under the JDA (refer ASX release 24 April 2020), the Company lodged an application for a patent for a method of extracting advanced health features and data from a PPG sensor and commenced discussions with Mobvoi surrounding the development and commercial release of a CardieX powered smartwatch.

Mobvoi is based in Beijing and is recognized as one of China's fastest growing and most innovative Artificial Intelligence (AI), wearable, and consumer technology companies. Mobvoi is a global leader in smartwatches and consumer AI and currently has strategic partnerships in place with both Google and the Volkswagen Group.

Commercial Partnership Agreement

Under the new commercial partnership agreement, CardieX and Mobvoi will jointly launch a new line of consumer smartwatch with a heart and arterial health management feature set based around ATCOR's proprietary and globally patented SphygmoCor® technology for measuring central arterial waveforms.

Under the Agreement, Mobvoi will be responsible for developing the hardware and firmware for the new smartwatch, while CardieX will integrate a proprietary Mobvoi specific algorithm feature set based on the Company's Arty™ health analytics platform into the smartwatch.

As a result, the new smartwatch will be the first in the world to feature the Company's Heart Stress™, Arterial Age™, Exercise Capacity™ (eCAP™) and Arty™ Score with active community and AI-powered health coaching services. These unique features are made possible through the use of CardieX subsidiary ATCOR's new patent pending PPG based sensor technology.

The initial phase of the Agreement includes a six (6) month market release in North America of the new smartwatch targeted for Q1 calendar 2021, with Mobvoi driving commercialization in North America and CardieX holding distribution rights in Australia, New Zealand and non-competitive channels in North America.

The new Mobvoi smartwatch will be marketed with a Health360™ premium subscription service powered by CardieX and will include a three (3) month free trial period. Following the free trial period, a per month subscription revenue fee will apply and be split with 60% of the subscription fee accruing to CardieX and 40% of the fee accruing to Mobvoi. Health360™ is a pending trademark of CardieX.

Following the initial market release and pending a joint review by both CardieX and Mobvoi, a second phase of the Agreement will extend into a full market release worldwide with a committed structure of minimal sales quantities by Mobvoi for two (2) years, compensation of royalty fees on per unit sales of the smartwatch to CardieX, and the continuation of the subscription revenue split to CardieX.

As part of the full market release, Mobvoi will be responsible for driving commercialization of the smartwatch and CardieX will hold distribution rights for any geographical market via non-competitive

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channels. Marketing for the smartwatch will be managed by a joint committee consisting of both Mobvoi and CardieX representatives.

The launch of the Mobvoi smartwatch coincides with CardieX's recent launch of ATCOR·X (www.atcorx.com), a new division focused on the development and licensing of cardiovascular algorithms to wearable and connected fitness companies.

CardieX will continue its efforts to commercialize its own CardieX-branded wearable device in 2021 that will feature a full comprehensive feature set powered by the newly developed PPG-sensor based algorithm set, combined with the ATCOR·X suite of wearable health analytics. The Company is also continuing its discussions with other wearable, connected fitness, and consumer device manufacturers in regard to the incorporation of its Arty™ platform across other medical and consumer devices.

Key Terms of the Agreement

The key terms of the Agreement are:

- The Agreement is between Mobvoi Information Technology Co., Ltd and CardieX Limited;
- Both parties will collaborate to develop the new products with CardieX leading the design, development, and backend coding of the health analytics features in order to achieve the product launch;
- The product launch is targeted to be in Q1 of the 2021 calendar year, but no later than April 2021;
- Initial phase of the partnership agreement is a six (6) month limited market release targeted for Q1 calendar 2021. The Agreement then has a term of two (2) years from the date of the worldwide full market release;
- Profit from the generation of a sale will be solely for the party which has made the sale;
- Mobvoi will pay a revenue-share to CardieX for subscription fees received during both the limited and full market release;
- Mobvoi will pay a royalty to CardieX on the sale of the products at a rate that will be determined between the parties prior to full market release; and
- CardieX has the option to be a worldwide (or other defined markets) distributor.

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CardieX

Craig Cooper, CEO & Managing Director of CardieX commented:

"I'm excited to be moving into commercial production of our first wearable device partnership with one of the global leaders in smartwatches and consumer AI technology. This is the first of many wearable integrations planned for our Arty™ health analytics platform which represents some of the most advanced cardiovascular and consumer wearable applications available on the market today.

Our partnership with Mobvoi sees a select feature set of our Arty™ health analytics platform incorporated into a new smartwatch that was specifically designed to integrate our advanced health features. The new smartwatch will feature a revolutionary new sensor-based data extraction method based on our recently announced patent application for wearable sensor technology.

Our first integration into the Mobvoi smartwatch will offer a suite of our analytics marketed under our Health360™ brand with a focus on cardiovascular and heart health. Going forward however, we expect to be able to offer wearable data and analytics around multiple disorders, specifically those related to vascular diseases such as Alzheimer's, as well as more advanced consumer fitness analytics.

All of these are based on the data we are able to obtain by way of our globally patented SphygmoCor® technology for measuring central arterial waveforms as well as our patent-pending PPG sensor technology.

This new commercial partnership follows our recently announced separate partnership with Andon for the development of a new home-based vital signs monitor featuring our patented SphygmoCor® technology, which represents the first home device to incorporate medical grade diagnostics for cardiovascular health that previously were only available through specialist clinicians.

And importantly, the partnership with Mobvoi also exposes us to a whole new ecosystem of potential partnerships given the strategic shareholdings in Mobvoi by some of the world's leading investment, technology, health, and industrial corporations".

**Artist Rendering of
Arty™ Wearable**





Authorised for release by the full Board of Directors, and released by Jarrod White

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About Mobvoi

Mobvoi is one of China's most innovative AI, wearable, and tech companies. Their products include the TicWatch line of smartwatches, the TicHome Mini smart speaker and TicPods Free true wireless earbuds. The Beijing-based company has announced six rounds of financing, including Sequoia, Zhenfund, SIG, Google, and Volkswagen Group. Mobvoi also formed strategic partnerships with Google in 2015 and with automobile giant Volkswagen in 2017. Mobvoi is dedicated to redefining the next generation of human-machine interaction by bringing hardware/software integrated products into people's daily life with a strong AI-centred approach to wearables and consumer devices.

About CardieX

CardieX is a global health technology company that focuses on hypertension, cardiovascular disease, and other vascular health disorders. The company's ATCOR division is the world leader in medical devices for measuring arterial stiffness and central blood pressure waveforms based on its unique FDA-cleared and patented SphygmoCor® technology. Under the ATCOR·X brand, the company also develops and licenses its Arty™ platform consisting of physiological and health analytics for wearable devices. The company's digital platform, ArtyNet™, is a connected SaaS ecosystem providing physicians with a complete telehealth solution for remotely managing patients' health (2021 launch).

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