

HeartBeam Reports Third Quarter and Nine Months 2021 Financial Results

Closes Successful \$16.5 Million IPO and Commences Trading on the Nasdaq

SANTA CLARA, Calif.--(BUSINESS WIRE)-- **HeartBeam, Inc.** (NASDAQ: BEAT), a developmental stage digital healthcare company with a proprietary ECG telemedicine technology to bring new capabilities to cardiovascular disease, has reported its financial and operational results for the third quarter and nine months ended September 30, 2021.

- On November 15, 2021, successfully completed its initial public offering (IPO), selling 2,750,000 units (the “Units”) to the public at \$6.00 per Unit, comprised of one share of common stock and one five-year warrant to acquire a share of common stock with an exercise price of \$6.00 per share.
- Net proceeds raised in HeartBeam’s IPO were \$14.9 million, after deducting underwriting discounts and commissions.
- The Company’s Units separated into common stock and warrants upon issuance.
- The Company’s common stock and warrants commenced trading on Nasdaq Capital Market under the ticker symbols “BEAT” and “BEATW”, respectively.
- Presented ED-MID diagnostics software research data at the 43rd Annual International Conference of the IEEE Engineering in Medicine and Biology Society in November 2021.

Management Commentary

“The third quarter of 2021 was a significant milestone for our company with our transition to a public company and the addition of new capital to accelerate our commercialization path,” said Branislav Vajdic, PhD, Chief Executive Officer and Founder of HeartBeam. “We believe our Nasdaq listing will help elevate the Company’s public profile, expand our shareholder base, improve liquidity and enhance shareholder value. The net proceeds to HeartBeam from the offering amounted to \$14.9 million, bringing our September 30, 2021 pro-forma cash balance to approximately \$15.7 million.”

Dr. Vajdic continued, “Development of our FDA-ready products for our Telehealth and ER Software Tool solutions are moving ahead on a well-defined regulatory pathway. Our telemedicine solution can be used by patients at home to help their physicians assess whether chest pain is the result of a heart attack (MI) and is supported by robust clinical data and a strong IP portfolio. We believe our breakthrough platform technology has the ability to become the standard of care in emergency medicine and cardiology, serving a \$10 billion addressable and underserved market for MI detection. We expect to provide additional announcements on our product development timeline in the coming months.”

Rich Ferrari, HeartBeam’s Executive Chairman, emphasized, “As a fully reporting public company, and from a best practices perspective, we will commence a cadence of quarterly and year-end financial results conference calls for analysts and investors. We look forward

to this additional communication as we work to bring long-term value to our shareholders.”

Rick Brounstein, Chief Financial Officer of HeartBeam, added, “Combined with our successful IPO and the planned 2022 release of our ED-MID product, we expect that current cash and cash equivalents will be sufficient to provide current operations into 2023. We believe we now have sufficient cash to meet our development, regulatory and commercialization milestones without the need to raise additional funds.”

Anticipated Milestones

- **ER Software Tool (ED-MID)**
 - Development of FDA-Ready Product - Q2 2022
 - FDA Study Completed - Q2 2022
 - FDA Submission - Q2 2022
 - FDA Clearance - Q3 2022
 - Limited Market Release - Q3 2022
 - Product Launch - Q4 2022

- **Telehealth**
 - Development of FDA-Ready Product - Q3 2022
 - FDA Study Completed - Q3 2022
 - FDA Submission – Q4 2022
 - FDA Clearance - Q1 2023
 - Limited Market Release - Q1 2023
 - Product Launch - Q2 2023

Third Quarter 2021 Financial Results

Research and development expenses for the third quarter of 2021 were \$105,000, compared to \$57,000 for the third quarter of 2020. For the nine months ended September 30, 2021, Research and development expenses increased to \$159,000 from \$86,000 the prior year.

General and administrative expenses for the third quarter of 2021 were \$341,000, compared to \$215,000 for the third quarter of 2020. During the nine months ended September 30, 2021, G&A expense increased to \$785,000 compared to \$441,000 in the same period of 2020.

Net loss for the third quarter of 2021 was \$1.2 million, compared to a net loss of \$335,000 for the third quarter of 2020, and \$2.3 million for the nine months of 2021 compared to \$737,000 in the year ago period.

Cash and cash equivalents totaled \$795,000 as of September 30, 2021, which does not include net proceeds from its IPO, which was completed in November 2021.

About HeartBeam, Inc.

HeartBeam, Inc. (NASDAQ: BEAT) is a development stage digital healthcare company with proprietary ECG telemedicine technology that will redefine the way high risk cardiovascular patients are diagnosed in an ambulatory setting at any time and any place. Its breakthrough solution employs a reusable, credit card sized, 3D vector ECG recording device and cloud-

based software capable of assisting a physician in diagnosing a wide range of cardiovascular disease. HeartBeam is initially focusing on a huge unmet need of helping diagnose heart attacks in patients outside of a medical institution. No single lead ECG technology can offer this value to patients and their physicians. This underserved market is several times larger than the cardiac arrhythmia detection market based on the prevalence of patients with coronary artery disease at high risk of heart attack. For more information visit www.heartbeam.com.

Forward-Looking Statements

All statements in this release that are not based on historical fact are “forward-looking statements.” While management has based any forward-looking statements included in this release on its current expectations, the information on which such expectations were based may change. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including those risks and uncertainties described in the Risk Factors and in Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of our recently filed Registration Statement on Form S-1, which can be found on the SEC’s website at www.sec.gov. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

HEARTBEAM, INC.
Balance Sheets (Unaudited)
(In thousands, except share data)

	September 30, 2021	December 31, 2020
Assets		
Current Assets:		
Cash	\$ 795	\$ 24
Prepaid expenses and other assets	166	27
Total Assets	<u>\$ 961</u>	<u>\$ 51</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses (includes related party \$7 and \$15, respectively)	699	489
Convertible notes	5,419	4,295
Other - current liabilities	30	52
Total current liabilities	6,148	4,836
Total Liabilities	\$ 6,148	\$ 4,836
Commitments and contingencies		
Stockholders' Deficit		
Common stock - \$0.0001 par value; 20,000,000 shares authorized; 3,555,311 and 3,527,850 shares issued and outstanding at September 30, 2021 and December 31, 2020	—	—
Additional paid in capital	1,952	11
Accumulated deficit	(7,139)	(4,796)
Total Stockholders' Deficit	\$ (5,187)	\$ (4,785)
Total Liabilities and Stockholders' Deficit	\$ 961	\$ 51

HEARTBEAM, INC.
Statements of Operations (Unaudited)
(In thousands, except share and per share data)

	Three Months ended September 30,		Nine Months ended September 30,	
	2021	2020	2021	2020
Operating Expenses:				
Selling, general and administrative	\$ 341	\$ 215	\$ 785	\$ 441
Research and development	105	57	159	86
Total operating expenses	446	272	944	527
Loss from operations	(446)	(272)	(944)	(527)
Interest expense	(742)	(63)	(1,421)	(210)
Other Income	—	—	22	—
Loss before provision for income taxes	(1,188)	(335)	(2,343)	(737)
Income tax provision	—	—	—	—
Net Loss	\$ (1,188)	\$ (335)	\$ (2,343)	\$ (737)
Net loss per share, basic and diluted	\$ (0.32)	\$ (0.09)	\$ (0.63)	\$ (0.20)
Weighted average common shares outstanding, basic and diluted	3,720,880	3,654,395	3,706,001	3,641,534

HEARTBEAM, INC.
Statements of Cash Flows (Unaudited)
(In thousands)

	Nine Months ended September 30,	
	2021	2020
Cash Flows From Operating Activities		
Net loss	\$ (2,343)	\$ (737)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion expense, convertible notes	1,187	—
Non-cash interest expense	233	152
Stock-based compensation expense	85	4
Amortization of debt issuance cost	—	28
PPP loan forgiveness	(22)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(139)	—
Accounts payable and accrued expenses	210	148
Net cash used in operating activities	(789)	(405)
Cash Flows From Financing Activities		
Proceeds from issuance of convertible notes, net of financing fees	1,560	630
Proceeds from PPP & EIDL Loans	—	22
Repayment and interest paid on short-term loans	—	(16)
Net cash provided by financing activities	1,560	636
Net increase (decrease) in cash	771	231
Cash – Beginning	24	5
Cash – Ending	\$ 795	\$ 236
Supplemental Disclosures of Cash Flow Information:		
Taxes paid	\$ —	\$ —
Interest paid	—	1
Supplemental Disclosures of Non-cash Flow Information:		
Conversion of short-term notes to convertible notes	\$ —	\$ 22
Debt Discount	\$ 1,856	\$ —

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