

March 24, 2022



# HeartBeam Reports Fourth Quarter and Full Year 2021 Financial Results

*Initiates Strategic Partnerships to Advance Emergency Department (ED) Myocardial Infarction (MI) Software Product & Telehealth Solution Toward FDA Submission*

*Recent IPO Proceeds Provide Ample Cash Runway to Commercialization in FY 2022 and FY 2023*

*Management to Host Webcast and Conference Call Today At 4:30 p.m. ET*

SANTA CLARA, Calif.--(BUSINESS WIRE)-- **HeartBeam, Inc.** (NASDAQ: BEAT), a developmental stage digital healthcare company with a proprietary Electrocardiogram (“ECG”) telemedicine technology for heart attack detection, has reported its financial and operational results for the fourth quarter and full year ended December 31, 2021.

## **Fourth Quarter 2021 and Subsequent Operational Highlights**

- Engaged Triple Ring Technologies to co-develop its telehealth complete solution 3D vector ECG collection device for remote heart attack, Myocardial Infarction (“MI”) monitoring.
- Partnered with Phoebe Putney Health System, signed a Business Associate Agreement (“BAA”) and Clinical Trial Agreement (“CTA”) to conduct a pilot study designed to evaluate HeartBeam’s Emergency Department (“ED”) MI software product.
- Signed a partnership agreement with LIVMOR Inc., a digital health solutions company, to build a HeartBeam branded version of LIVMOR’s Halo+ FDA cleared platform for both use in the ED and hosted on a web browser, and for remote patient monitoring (“RPM”) to connect physicians and patients.
- Established a Scientific Advisory Board (“SAB”) to provide scientific guidance and insight to HeartBeam’s medical studies, research, and product pipelines. In conjunction, world-renowned cardiologist C. Michael Gibson, MS, MD, was appointed as Chairman of the new SAB.
- Appointed commercial medical device veteran Alan Baumel as Chief Operating Officer to lead rollout of HeartBeam’s initial two products.
- On November 15, 2021, successfully completed its initial public offering (IPO), selling 2,750,000 shares to the public at \$6.00 per Unit, and 3,125,000 five-year warrants to acquire one 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 subsequently sold an additional 58,000 shares and five-years warrants at \$6.00 per share, all unregistered, for an additional \$348,000 in net proceeds.
- Presented at the H.C. Wainwright BIOCONNECT Conference and ED-MID diagnostics software research data at the 43<sup>rd</sup> Annual International Conference of the IEEE Engineering in Medicine and Biology Society.

## Management Commentary

“Our fourth quarter of 2021 milestone transition to a public company was promptly followed by two significant strategic partnerships for our ED software product in the new year,” said Branislav Vajdic, PhD, Chief Executive Officer and Founder of HeartBeam. “Our partnership with LIVMOR to develop a HeartBeam branded version of its FDA cleared LIVMOR RPM platform, customized for our products, will enable us to further increase our confidence in staying on schedule for FDA submission of our heart attack detection software solution for ED settings. We are collaborating closely with the LIVMOR team to ready our software for the planned submission to the FDA during the next quarter.

“We have also partnered with Phoebe Putney Health System in Georgia to conduct our first pilot study in a clinical setting designed to evaluate our ED software product. After this initial study we have plans for additional pilot studies for our end-to-end prescription-only telehealth system for remote heart attack detection in at risk patients, as well as other future scientific and commercial collaboration with Phoebe Putney.

“We believe we are making strides to bring our products to market following FDA market clearance. We have continued to position the company for rollout success with the appointment of Alan Baumel as Chief Operating Officer. Alan’s deep experience with cardiac devices and extensive industry knowledge will be instrumental in managing the preparations to accelerate and scale our commercialization path as we ready the product development for FDA submission.

“We have also begun establishing our Scientific Advisory Board with the appointment of world-renowned cardiologist C. M. Michael Gibson, MS, MD, as Chairman to drive success in the use of our technology,” Mr. Vajdic stated.

“The commercial team has identified key target accounts for both the HeartBeam ED and telehealth product and has engaged in a number of productive discussions on partnering with these key institutions. The target accounts include large academic institutions, regional healthcare systems in the Southeast and Mid-Atlantic, and regional community systems in the Western US. Overall, there has been a very positive response to the HeartBeam technology, and several systems are willing to conduct pilot evaluations of our ED software solution as soon as we receive FDA clearance for the product. The goal for the commercial team is to transition the participating centers to a revenue account at the conclusion of the pilot evaluation,” said Jon Hunt, Chief Business Officer of HeartBeam.

“During 2021 we made significant advancements for our products, and we begin 2022 with increased momentum, resources and enthusiasm,” continued Mr. Vajdic. “I am pleased to report that we recently announced our partnership with Triple Ring Technologies to assist in the design and development of our disruptive telehealth complete solution, a 3D vector ECG collection device for remote heart attack monitoring. This joint effort will be a five-phase expedited device development project to rapidly build and test our 3D vector collection device that delivers mission critical health data to physicians in real-time. For the first time outside of a medical setting, we expect that physicians will be able to determine with a patient-friendly device if chest pains are due to a heart attack, something that no other telehealth consumer product offers today.

“Looking ahead, with our transition to a public company and the addition of new capital to

accelerate our commercialization path we remain confident in our anticipated upcoming product milestones. By the end of 2022 we expect full commercial roll-out of our ED Software Tool after it is cleared by the FDA, and our Telehealth solution submitted to the FDA for clearance. We approach these milestones from a position of strength, with an experienced team and new partnerships to support our goals. We look forward to providing you additional updates in the near-term as we move toward commercialization,” concluded Mr. Vajdic.

Rick Brounstein, Chief Financial Officer of HeartBeam, added, “With the successful completion of our IPO in November, we ended 2021 with over \$13.2 million in cash and cash equivalents, compared to \$795,000 as of September 30, 2021, and \$24,000 as of December 31, 2020. We expect our cash position to provide sufficient runway into 2023. With the planned 2022 release of our ED product, we continue to believe we have sufficient cash to meet our development, regulatory and commercialization milestones without the need to raise additional funds at least through the achievement of FDA clearance of our telehealth product in 2023.”

### **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

### **Fourth Quarter and Full Year 2021 Financial Results**

Research and development expenses for the fourth quarter of 2021 were \$96,000, compared to \$47,000 for the fourth quarter of 2020. For the year ended December 31, 2021, Research and development expenses increased to \$255,000 from \$133,000 the prior year.

General and administrative expenses for the fourth quarter of 2021 were \$1.2 million compared to \$214,000 for the fourth quarter of 2020. For the year ended December 31, 2021, G&A expense increased to \$2.0 million compared to \$655,000 in the same period of 2020, as we prepared for and transitioned to becoming a public company.

Net loss for the fourth quarter of 2021 was \$2.1 million, compared to a net loss of \$335,000 for the fourth quarter of 2020, and \$4.4 million for the full year 2021 compared to \$1.1 million in the year ago period.

Cash totaled \$13.2 million as of December 31, 2021, compared to \$795,000 as of September 30, 2021 and \$24,000 as of December 31, 2020.

## **Fourth Quarter and Full Year 2021 Results Conference Call**

HeartBeam CEO and Founder Branislav Vajdic, PhD, CFO Rick Brounstein, and CBO Jon Hunt, PhD, will host the conference call, followed by a question-and-answer period. The conference call will be accompanied by a presentation, which can be viewed during the webcast or accessed via the investor relations section of the Company's website [here](#).

To access the call, please use the following information:

**Date:** Thursday, March 24, 2022  
**Time:** 4:30 p.m. Eastern time (1:30 p.m. Pacific time)  
**Dial-in:** 1-877-423-9813  
**International Dial-in:** 1-201-689-8573  
**Conference Code:** 13727295  
**Webcast:** [https://viaid.webcasts.com/starthere.jsp?ei=1530957&tp\\_key=53b3c7ab88](https://viaid.webcasts.com/starthere.jsp?ei=1530957&tp_key=53b3c7ab88)

A telephone replay will be available approximately two hours after the call and will run through June 24, 2022 by dialing 1-844-512-2921 from the U.S., or 1-412-317-6671 from international locations, and entering replay pin number: 13727295. The replay can also be viewed through the webinar webcast link above and the presentation utilized during the call will be available in the company's investor relations section [here](#).

## **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](http://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](http://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)

	December 31,	
	2021	2020
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 13,192	\$ 24
Prepaid expenses and other assets	806	27
Total Assets	\$ 13,998	\$ 51
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses (includes related party \$1 and \$15, respectively)	588	489
Convertible notes, net	—	4,295
Other - current liabilities	—	52
Total Liabilities	588	4,836
Commitments and contingencies (Note 8)		
<b>Stockholders' Equity (Deficit)</b>		
Common stock - \$0.0001 par value; 20,000,000 shares authorized; 7,809,912 and 3,527,850 shares issued and outstanding at December 31, 2021 and 2020	1	—
Additional paid in capital	22,633	11
Accumulated deficit	(9,224)	(4,796)
Total Stockholders' Equity (Deficit)	\$ 13,410	\$ (4,785)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 13,998	\$ 51

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

	December 31,	
	2021	2020
<b>Operating Expenses:</b>		
General and administrative	\$ 2,030	\$ 655
Research and development	255	133
Total operating expenses	<u>2,285</u>	<u>788</u>
Loss from operations	<u>(2,285)</u>	<u>(788)</u>
<b>Other Income (Expense)</b>		
Interest expense	(2,165)	(280)
Other Income	22	—
Total other income (expense)	<u>(2,143)</u>	<u>(280)</u>
Loss before provision for income taxes	(4,428)	(1,068)
Income tax provision	—	—
<b>Net Loss</b>	<u>\$ (4,428)</u>	<u>\$ (1,068)</u>
Net loss per share, basic and diluted	<u>\$ (1.03)</u>	<u>\$ (0.29)</u>
Weighted average common shares outstanding, basic and diluted	<u>4,284,714</u>	<u>3,645,944</u>

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

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (4,428)	\$ (1,068)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion expense, convertible notes	1,886	—
Non-cash interest expense	278	248
Stock-based compensation expense	192	10
Amortization of debt issuance cost	—	28
PPP loan forgiveness	(22)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(779)	(25)
Accounts payable, accrued expenses and other current liabilities	(357)	207
<b>Net cash used in operating activities</b>	<b>(3,230)</b>	<b>(600)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from sale of equity in IPO, net	14,713	—
Proceeds from issuance of convertible notes	1,715	617
Proceeds from PPP & EIDL Loans	—	22
Repayment and interest paid on short-term loans	(30)	(20)
<b>Net cash provided by financing activities</b>	<b>16,398</b>	<b>619</b>
<b>Net increase in cash</b>	<b>13,168</b>	<b>19</b>
<b>Cash – Beginning of the year</b>	<b>24</b>	<b>5</b>
<b>Cash – End of the year</b>	<b>\$ 13,192</b>	<b>\$ 24</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Taxes paid	\$ —	\$ —
Interest paid	—	4
<b>Supplemental Disclosures of Non-cash Flow Information:</b>		
Conversion of debt to equity	6,288	—
Debt discount	1,886	—
Common stock and awards accrued but not issued	456	—
Non-cash - accounts payable converted to short term debt	—	30
Conversion of short-term notes to convertible notes	\$ —	\$ 22

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Source: HeartBeam, Inc.