

# CardioComm Solutions (V.EKG) Readies for Transformative Year

## TECHNOLOGY - HEALTH INFORMATION SERVICES

CardioComm Solutions (TSX: V.EKG, Forum) is recognized globally as the developer and distributor of the GEMS™ (Global ECG Management Solutions) suite of ECG management platforms used by hospitals and physicians in over 20 countries. Building on this solid 17-year foundation, CardioComm, has hit the homestretch on the commercialization of a portable device called the HeartCheck™ ECG PEN, the only device of its kind cleared by the FDA for consumer use. This ground-breaking medical Class 2 device has democratized the process of capturing and viewing ECG waves through its leading-edge software solution. It was the first consumer device of its kind in North America.

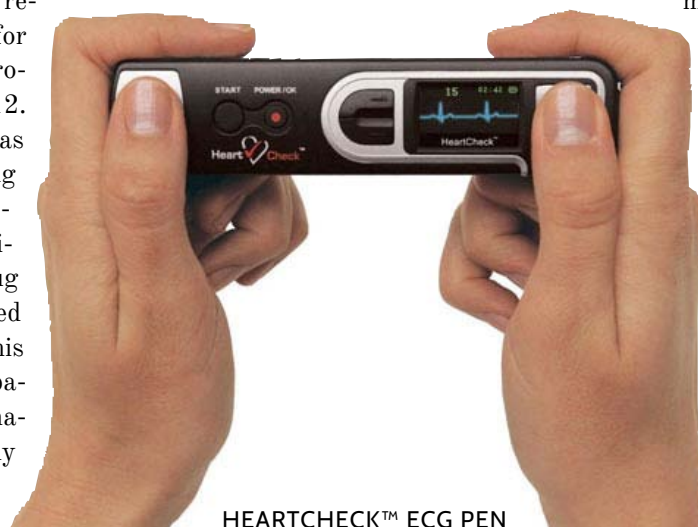
The HeartCheck™ ECG PEN received medical device clearance for sale in Canada in 2012, with production commencing in late 2012. Since that time, CardioComm has developed enabling and strong distribution relationships including Canadian retail pharmacy giants Rexall and Shoppers Drug Mart. In fact, the aforementioned relationships were renewed this March with retail outlet participation increasing from 647 pharmacies to 1,000 locations nationally in 2016 to date. CardioComm is now leveraging its software

development and digital connectivity expertise to build upon its success with the HeartCheck™ ECG PEN by expanding into new device connectivity and continuing its move into the US market.

CCS Insight ([www.ccsinsight.com](http://www.ccsinsight.com)) has predicted that 411 million wearable devices, worth \$34 billion, will be sold globally in 2020. Of that number, approximately 98 million units will be classified as Healthcare Wearables or medically certified consumer wearables. CardioComm saw tremendous opportunity in helping to shape this nascent multi-billion-dollar space and is now implementing a wearable HeartCheck™ Smartphone connected strategy.

In order to fully capitalize on the company's potential, CardioComm is focusing on providing device-agnostic connectivity and medically certified GEMS™ ECG software solutions for a variety of medical institutions - including hospitals and clinics - as well as reputable health and wellness wearable device manufacturers. To address this nascent multi-billion-dollar market niche, company CEO Etienne Grima explains, "Our strategy is to tell everyone building great devices that we will work with them. We will extend this strategy of providing connectivity to any ECG based heart rate and rhythm monitoring devices through a new GEMS™ branded Smartphone application (GEMS App) for use by consumer, wellness, sports and medical markets globally. Our GEMS App will support Android and iOS device connectivity via Bluetooth, WiFi and NFC."

CardioComm has already partnered with ChoiceMMed, which sells its own device integrated with CardioComm's software. CardioComm also has similar arrangements with US medical device manufacturers Braemar Inc. (NASDAQ: BEAT), Intricon Corporation (NASDAQ: INN), TZ Medical Inc., and Biotric-



HEARTCHECK™ ECG PEN

ity Inc. (PNK: BTCY), current and up and coming leaders in ambulatory cardiac monitoring. Finally, CardioComm executed a sales and ECG services agreement with Ireland-based Premier Health Check, which has provided health screening services in Ireland for over the last 25 years.

Mr. Grima added, “We’ve announced a similar relationship with a company in the United States called Wellspring. Wellspring will be providing ECG services and screening for pharmacies. Then there’s our contract in India, where our partner has licensed our ECG viewer and will be buying hardware. We will be sharing on reading revenue with them.”

More recently, the company announced partnering with US-based Neurosky for the HeartCheck™ EKG Lifeband, which the company would retain exclusive sale rights for in North America. It followed that up in early July with another announcement, stating that the company had entered into an ECG service license and co-marketing agreement with China-based BORSAM Biomedical Instruments, a medical-grade, ECG OEM device manufacturer. Signs are that more

such relationships are in the works.

Mr. Grima, explained, “We know the HeartCheck™ ECG PEN is a great product but now the questions re how do we make the product offering better, how do we become a solution provider for all uses globally? We have to offer and support different solutions for different use cases at different price points. We need to provide easy-to-afford solutions that are medically relevant and are high end in their looks. We need solutions that you’re going to give for direct use by kids as easily as you would use yourself.”

Mr. Grima quickly clarified, “At CardioComm, we will never forget our standard way of making money – medical software for the medical community, but we will continue to be innovative and work with companies both in North America and abroad to explore new opportunities, to grow revenue generation through offering ECG reading for a fee and to benefiting from the sale of HeartCheck™ enabled devices sold through other organization’s sales channels.”

CardioComm’s long-established reputation as a top-flight ECG software solution provider is evidenced by the company’s interactions with electronics giant, Phillips. Phillips needed an ECG software solution for its U.S. operations and it went to CardioComm for help. CardioComm’s well-recognized expertise could facilitate medical class 2 certification for a myriad of health and wellness wearable devices.

Mr. Grima excitedly described one such prospective device. “We have a product that we’re evaluating that will be a small ECG card similar in size to a busi-

ness card case. It will be capable of outperforming any similar products on the market based on price, look and medical reliability. We think we can ship our ECG card for about one hundred dollars - which is very competitively priced. Most novel is that the new device doesn’t have a battery – it is a Class 2 battery-less ECG card that will have ECG connectivity built onto our platform. The great thing about these cards is that they are robust and hospitals can use them.”

The product development agreement with Neurosky for the HeartCheck™ EKG Lifeband is expected to lead the company’s efforts in cannibalizing the current wristband wearable market, “I’ll tell you right now that it does what the Fitbit does and more.”

CardioComm is also looking into ECG monitoring patches. Patch wearables provide a unique opportunity for the company as not only would they facilitate deeper market penetration within institutions like hospitals, but they would also open the door on the lucrative world of professional sports where athletes have to be in top condition and if they are not, management needs to know about it. Did I mention the company was also working with companies who are building ECG shirts? The possibilities are nearly limitless and aligning with market needs.

“We are entering into new and innovative markets on how to monitor people and we are solidifying our presence in the existing well-established wellness markets that we have been absent from. We are an enabling connectivity company, as such; we will not focus on making our own devices, that’s not our strength. We are a hardware-enabling connectiv-



HEARTCHECK™ EKG LIFEBAND

ity company that's going to continue to innovate in the medical world. We're going to continue to innovate in the wellness market. We are going to bring to market what is called a medical wellness product line where you, the consumer, can buy devices with medical credibility to monitor yourself on your own."

The soon to be released GEMS™ Smartphone App will be the binding element for all these devices by providing one common GEMS App for connectivity to all HeartCheck™ enabled wearable and handheld devices including a Bluetooth enabled HeartCheck™ ECG PEN already FDA cleared for sale in the USA. All GEMS™ App connected devices will have access to the company's SMART Monitoring ECG reading service offering customers the chance to share their ECGs with physicians or to pay for their own ECG reviews to be done.

So why would you want to keep track of your ECGs if the doctor wasn't ordering you to? Why don't we start with something called Prolonged QT, an insidious heart condition which is thought to be a major risk factor for SIDS as well as the untimely death of young athletes who survived childhood and were never properly diagnosed or treated for Prolonged QT. If CardioComm has its way, parents will finally have an affordable and reliable way to screen their babies for this killer heart disorder as easy as applying a patch. That way, diagnosis happens early on so the patient can be treated, monitored 24/7 and managed properly. The impact of early and accurate diagnosis of Prolonged QT could be as far-reaching for young athletes, along with other medical scenarios including acquired prolonged QT as a result of taking med-

ications. CardioComm has posted new information about this condition on their website and will undertake projects to address pediatric and pharmacy based QT screening opportunities.

Mr. Grima commented, "There's so much potential here. I believe CardioComm can also enter into the ECG services market even better than large providers such as CardioNet. Many ECG monitoring groups have an extensive service platform that they have largely bought from someone else and then modified. They have one or two devices they use to collect patient ECG information. In contrast, we have the latest software with medical device clearances on the software itself thereby opening the entire world with which to pick devices. We don't want to build a new company presence in the States but rather look to an acquisition or partnership model with American IDTFs (independent diagnostic facilities) who have real estate, existing regional business and political relationships and experience, but don't have the right connectivity technologies because they're buying other people's software or are not fully benefiting from access to new wireless ECG monitoring devices". CardioComm plans to offer access to their technologies via syndication to provide IDTF's access to a cost effect solution with reduced overhead and operating costs resulting in increased profitability. Through synergy with CardioComm, the existing and fragmented IDTF market will have an opportunity to access a common (GEMS™ based) ECG software platform. CardioComm can also offer its syndicated IDTFs access to cost-effect pricing for ECG monitoring devices through its existing OEM relationships. Why not go this route given CardioComm has been providing

IDTFs individual ECG solutions licenses to run their business for years."

CardioComm clocked a 15% increase in annual revenue for 2015 as well as a 37% reduction in the loss between 2014 and 2015. It's obvious the numbers are heading in a definitively positive direction and 2017 is expected to be a breakout year in terms of revenue generation. Good news for the longs who have remained faithful.

CardioComm has developed a strong base for its business and as it pushes further into international healthcare markets with the HeartCheck™ product line, continues to expand its ECG reading service business through strategic acquisitions while tapping into the blue sky potential of the health and wellness wearables market. The company presents a unique opportunity for investors to capitalize on the exponential growth of multiple multi-billion-dollar market verticals. Don't take my word for it however. As always, do your due diligence before making any investment decision.

#### STOCKHOUSE EDITORIAL

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