



30 January 2026

## CONNEQT HEALTH DECEMBER 2025 QUARTER UPDATE

### Highlights:

- **Consumer momentum:** Pulse sales exceeded AGM expectations, with revenue and unit sales growing more than 200% quarter-on-quarter during the December 2025 quarter.
- **Peak-period performance:** Achieved multiple record daily sales, including strong performance through the Black Friday and holiday period.
- **Recurring revenue traction:** Demonstrated encouraging early adoption of Care+ subscription plans, supporting the transition toward recurring consumer revenue.
- **Scale milestone:** Annualised Pulse revenue run-rate now exceeds US\$4.0 million (A\$5.7 million), reflecting continued acceleration since the prior quarter.
- **Enterprise inflection:** Advanced the enterprise business to a recurring, usage-based clinical model, converting pilots into contracts and expanding access to a previously unaddressable clinical market.
- **Balance sheet strengthened:** Completed a A\$3.1 million institutional placement to support continued sales growth, marketing initiatives, and operational execution.
- **Cash position:** Closed the quarter with A\$2.4 million in cash.

### Overview

The December quarter marked a period of strong commercial execution for CONNEQT Health, with accelerating momentum across both consumer and enterprise channels. In the consumer business, Pulse sales growth exceeded the December quarter expectations outlined at the Company's Annual General Meeting in November 2025, driven by disciplined pricing, marketing, and operational execution during the peak holiday period. Marketing efficiency improved, customer engagement increased, and demand was sustained following a transition to a higher steady-state device price, supporting the Company's move toward recurring consumer revenue through subscriptions and usage-based offerings.

In parallel, CONNEQT advanced its enterprise strategy by converting clinical pilots into contracted, multi-year agreements under a new consumption-based model. These agreements provide tangible validation of the Company's transition away from one-time capital equipment sales toward recurring, software-enabled clinical revenue, while expanding access to a broader segment of clinics that were previously unaddressable under a high upfront CAPEX model.

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Across the business, the quarter was characterised by improving unit economics, growing operational leverage, and continued progress toward a more scalable revenue model anchored in clinically validated arterial health insights. The Company enters the next quarter with strong momentum, clearer line of sight to recurring revenue across both channels, and a focused execution plan to support continued growth.

## **Consumer Business (B2C)**

The December quarter marked a step-change in consumer momentum. Pulse sales grew more than 200% quarter-on-quarter from Q1 to Q2 FY26, exceeding A\$1.1 million in revenue. This performance was underpinned by disciplined execution across marketing, fulfillment, and customer support during the Christmas period, enabling the Company to capture elevated seasonal demand while maintaining conversion efficiency and customer experience.

As disclosed in the prior quarter, the Company launched a new Pulse pricing model in Q2, reducing the device price to US\$249 while introducing in-app purchases to maintain margins and expand access. This model included the launch of Care+, an in-app subscription offering that provides a monthly Cardiology Report and unlimited on-demand Cardiology Reports. Care+ is offered at US\$199 per year or US\$24.99 per month. Since launch in October, 12.2% of new customers have purchased a Care+ subscription, with 72% selecting the Annual plan. Monthly subscribers have demonstrated strong early retention at 92%. A further 1.7% of customers elected to purchase reports via a US\$99 pay-as-you-go 10-pack.

Customer engagement throughout the quarter confirmed the value placed on CONNEQT's arterial health insights and ongoing access. Following the Christmas period, the Company increased the primary device price from US\$249 to US\$289 to better reflect this value. Sales momentum has continued after the price increase, with Pulse sales currently tracking approximately 25% quarter-on-quarter growth into Q3 FY26. This performance indicates that demand has been sustained at the higher price point, while preserving flexibility through subscriptions and report bundles.

## **Marketing Operations**

Marketing initiatives launched earlier in the year began to materially contribute to performance in the December quarter. Our consumer marketing programs progressed from awareness-building to conversion, with published content driving qualified traffic and purchase intent. In parallel, the Company refined conversion pathways across web, email, and social channels, improving funnel efficiency and reducing friction from initial engagement through to purchase.

Beyond digital and social media marketing channels, the Company proactively engages leading health and wellness creators on a monthly basis, typically seeding devices with three to five influencers per month. This has resulted in unpaid social content and authentic product endorsements. Established voices in the



wellness space, including Gabrielle Lyon, Kayla Barnes, and David Maus Jr., shared their CONNEQT Pulse experiences, contributing to increased inbound interest and brand visibility across social platforms. While the typical timeline from device delivery to published content can take up to six months, a growing pipeline of creators currently testing the CONNEQT Pulse positions the Company for continued organic exposure in the coming quarters.

To further strengthen trust and credibility with prospective customers, the Company introduced a structured program to capture and publish verified customer reviews. Published feedback reflects generally positive sentiment toward device quality, insight accuracy, and the value of central blood pressure reporting, while constructive issues are addressed through visible customer support engagement. This transparency has supported conversion across digital channels.

## Customer Operations

As the Company's consumer presence has grown, engagement across social and digital platforms has increased. Social platforms in particular amplify visibility and immediacy, often blurring the line between public commentary and formal customer support. While this dynamic can accelerate awareness and engagement, it also adds operational complexity as volumes scale.

Customer engagement increased meaningfully during the quarter, with higher interaction across support and digital touchpoints as adoption grew. The Company operates a multi-channel engagement model that emphasises structured support, clear escalation paths, and efficient use of automation alongside human expertise. This model is designed to scale responsibly while maintaining a high-quality customer experience.

Support ticket volume increased from 1,075 to 3,109 quarter-on-quarter, reflecting increased customer activity. To support this growth, the Company leverages automation to manage first-line inquiries, allowing a focused customer support team of two to concentrate on more complex clinical, technical, and account-specific matters.

The most frequent inquiries relate to app pairing, cuff sizing guidance, and order and shipment status. Many customers also require phone-based assistance during initial onboarding to walk through device setup or app usage. These interaction patterns continue to inform improvements to onboarding materials, in-app guidance, and support workflows as volumes scale.



## Enterprise Business (B2B)

### Clinical Expansion

During the December quarter, CONNEQT converted two enterprise pilots into contracted commercial agreements, representing a 100% conversion rate from pilot to contract. Each pilot transitioned into a two-year agreement under the Company's consumption-based arterial health assessment model, with an initial annual contract value (ACV) of approximately US\$3,600 per site. While initial ACVs are modest, each agreement includes defined growth pathways that could scale beyond US\$10,000 per annum as utilisation increases.

These outcomes reflect the Company's focus on clinical use cases where its vascular biomarkers deliver clear, immediate value within routine workflows. Central to this strategy is the CONNEQT Cardiology Report, which standardises vascular biomarker outputs across both the Pulse and SphygmoCor XCEL platforms and enables flexible subscription and usage-based pricing. This model, anticipated to range between US\$8–15 per report produced, supports broader adoption across preventive, cardiometabolic, and performance-oriented clinical settings.

Historically, the SphygmoCor XCEL was sold as a one-time capital purchase at approximately US\$25,000. While this model supported long-term deployment in specialist and research environments, with some clinical users remaining active customers for over a decade, the upfront CAPEX requirement limited adoption to a narrow segment of the market. Many primary care, preventive, and performance-oriented clinics were therefore unaddressable. In addition, the one-time sale structure capped revenue at the point of purchase, limiting the Company's participation in ongoing clinical utilisation as assessment volumes increased.

The successful conversion of these pilots provides early validation of CONNEQT's transition to a recurring, software-enabled monetisation model that expands the addressable market rather than cannibalising existing relationships. By lowering adoption barriers and aligning pricing with actual clinical use, the Company is capturing customers that would not have been reached under a CAPEX-only approach, while creating a clear pathway for revenue to scale over time within each account.

Importantly, the Company's technology has demonstrated the capacity to scale materially within individual clinical sites. For example, CONNEQT's largest existing clinical customer currently conducts over 13,000 assessments per annum, which under the consumption-based model would equate to recurring revenues of over US\$100,000.

With enterprise contracts now in place, the Company is shifting focus toward building the go-to-market and business operations required to support this recurring clinical business at scale. Priorities include refining sales enablement, onboarding and deployment workflows, pricing and contracting processes, and internal



systems to enable repeatable clinic adoption and account expansion, while maintaining operational efficiency as utilisation and customer volumes grow.

The Company is initially targeting a focused segment of the U.S. clinical market where reimbursement pathways are established, beginning with approximately 1,600 cardiology clinics across CPT-enabled states, followed by approximately 6,500 family practice and general practitioner clinics. While near-term rollout will reflect the Company's resources and prioritisation, management believes this staged approach provides a clear pathway to expanding enterprise revenues over time as utilisation and site penetration increase.

## Platform Development

During the quarter, CONNEQT continued to invest in strengthening its core technology platform to support scale, reliability and long-term monetisation across consumer and enterprise markets.

The Company completed a significant product delivery and operational transformation, centralising all R&D and engineering activities into a single Sydney-based hub. This initiative has delivered:

- a 30% reduction in engineering costs,
- faster and more reliable feature delivery, and
- improved collaboration and faster decisions across product, engineering and commercial terms.

CONNEQT's platform is now centred on its **Arterial Intelligence**<sup>TM</sup> ecosystem, which enables on-demand extraction of clinically validated vascular biomarkers across devices and applications. This architecture underpins the Company's longer-term transition from a hardware-led model towards a software and data-driven revenue platform.

Key elements of the platform roadmap revolve around data and analytics generated from the **SphygmoCor**<sup>®</sup> **Cloud** and include:

- expansion of analytics services for pharmaceutical/healthcare companies, clinical trial partners and research institutions,
- development of Biomarker-as-a-Service (BaaS) capabilities through integration kits for wearable and digital health partners, and
- new subscription features within the CONNEQT app, including arterial age insights and clinician-supported telehealth services.

These initiatives are designed to drive recurring revenue through increased engagement, repeat assessments and deeper integration into both consumer and clinical workflows, while preserving CONNEQT's core advantage in clinically validated arterial health measurement.



## Corporate Update

### Cash and Expenditure

Cash receipts from customers for the quarter was \$1.64m, of which \$1m were for Pulse sales, and \$0.64m for ATCOR sales. These results reflect a 96% growth in cash receipts compared to the prior quarter.

Advertising and marketing expenditure increased by \$0.41m to \$0.97m and predominantly reflect customer acquisition costs for the Pulse.

During the quarter, CONNEQT Health spent \$0.42m on product development and operating costs on new and existing products, an increase of \$0.25m on the prior quarter expenditure of \$0.17m, and due to payments for additional Pulse units. R&D expenditure totalled \$0.29m, a decrease of \$0.11m on the prior quarter's expenditure of \$0.40m.

Administration and corporate costs totalled \$0.94m for the quarter, an increase of \$0.39m on the prior quarter, primarily due to the pay down of trade creditors.

Staff and employee benefits expenditure totalled \$2.22m for the quarter, an increase from \$1.73m expended in the prior quarter, however this increase is reflective of timing of payments, noting total employment costs and headcount have remained consistent.

Net cash used in operating activities for the quarter totalled \$1.89m, a decrease of \$0.73m on the prior quarter. The reduction of operating outflows was primarily due to the receipt of CONNEQT Health's 2025 R&D Tax Incentive Refund of \$1.63m. The refund was partially used to repay the Group's R&D loan facility in full, as well as further pay down of existing trade creditor balances.

Closing cash for the quarter was \$2.43m. The Company has commenced discussions regarding an additional \$1.5–2.5m in R&D and inventory financing, which is expected to augment available cash.

Payments to related parties and their associates in the quarter were \$0.13m and all related to remuneration for services under existing services agreements.

### Institutional Placement

On 22 December 2025, CONNEQT Health completed a \$3.1 million institutional placement, which was well supported by institutional and sophisticated investors.

# ASX ANNOUNCEMENT



C2 Ventures Pty Ltd (C2V), the Company's largest shareholder and an entity associated with Directors Niall Cairns and Craig Cooper, committed \$1.2 million, subject to shareholder approval.

Funds raised from the placement will be used to support inventory and device manufacturing for the CONNEQT Pulse, marketing and sales activities, product development and regulatory expenses, and general working capital and corporate purposes.

The placement strengthens the Company's balance sheet and provides flexibility to support accelerating commercial momentum.

## Looking Ahead

In the coming quarter, CONNEQT will focus on sustaining consumer momentum while operationalising its transition to recurring revenue across both consumer and enterprise channels.

On the consumer side, priorities include maintaining growth following the holiday period, deepening engagement across the installed base, and continuing to optimise pricing, packaging, onboarding, and retention under the updated device and subscription model. The Company will continue to improve marketing efficiency and leverage automation and customer insights to support scale while preserving customer experience.

On the enterprise side, the focus shifts from pilot validation to execution. Key priorities include building the go-to-market and business operations required to support repeatable clinic adoption, refining sales enablement and onboarding workflows, and scaling pricing and contracting processes under the consumption-based model. The Company will continue to re-engage its global installed base of SphygmoCor XCEL users while expanding adoption across preventive, cardiometabolic, and performance-oriented clinical settings.

Across both channels, CONNEQT's initiatives are focused on expanding recurring revenue, improving operational leverage, and embedding arterial health assessment into routine consumer and clinical workflows as the platform scales.

A handwritten signature in black ink that reads 'Craig Cooper'.

Craig Cooper

Chief Executive Officer

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# ASX ANNOUNCEMENT



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

- ENDS -

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## About CONNEQT HEALTH

CONNEQT Health'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® vascular biomarker technology. CONNEQT Health is listed on the Australian Stock Exchange ("ASX: CQT").

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