UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2022**
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: **001-41060**

HEARTBEAM, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**47-4881450**
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
2118 Walsh Avenue, Suite 210 Santa Clara, CA	**95050**
Address of Principal Executive Offices	Zip Code

(408) 899-4443
Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BEAT	NASDAQ
Warrants	BEATW	NASDAQ

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes☐ No ☒

As of June 30, 2022, there were 7,982,008 shares of the registrant's common stock, par value $0.0001 per share, issued and outstanding, of these 6,423,852 shares were held by non-affiliates of the registrant. The market value of securities held by non-affiliates was $8,286,769 as of June 30, 2022, based on the closing price of $1.29 for the registrant's common stock on June 30, 2022.

As of March 14, 2023, there was 8,227,074 shares of the registrant's common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

HEARTBEAM, INC.
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In particular, statements contained in this Annual Report on Form 10-K, including but not limited to, statements regarding the sufficiency of our cash, our ability to finance our operations and business initiatives and obtain funding for such activities; our future results of operations and financial position, business strategy and plan prospects, or costs and objectives of management for future acquisitions, are forward looking statements. These forward looking statements relate to our future plans, objectives, expectations and intentions and may be identified by words such as "may," "will," "should," "expects," "plans," "anticipates," "intends," "targets," "projects," "contemplates," "believes," "seeks," "goals," "estimates," "predicts," "potential" and "continue" or similar words. Readers are cautioned that these forward-looking statements are based on our current beliefs, expectations and assumptions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified below, under Part II, Item lA. "Risk Factors" and elsewhere in this. Therefore, actual results may differ materially and adversely from those expressed, projected or implied in any forward-looking statements. We undertake no obligation to revise or update any forward looking statements for any reason.

The Company will continue to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Forward-looking statements speak only as of the dates specified in such filings. Except as expressly required under federal securities laws and the rules and regulations of the SEC, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances arising after any such date, whether as a result of new information or future events or otherwise. You should not place undue reliance on the forward-looking statements included in this report or that may be made elsewhere from time to time by us, or on our behalf. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

NOTE REGARDING COMPANY REFERENCES

Throughout this Annual Report on Form 10-K, "HeartBeam," the "Company," "we," "us" and "our" refer to HeartBeam, Inc.

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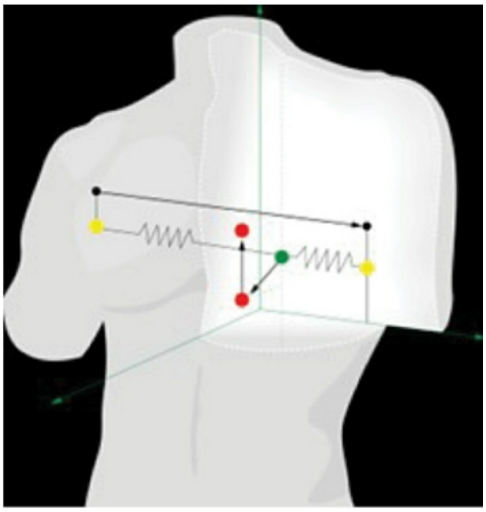
Part I

Item 1. Business

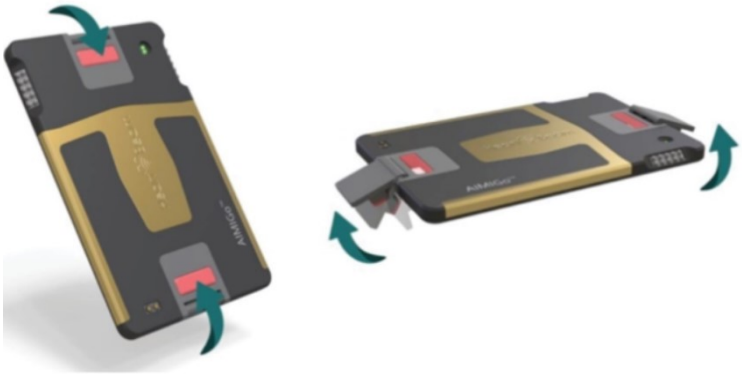
Overview

We are a medical technology company primarily focusing on developing and commercializing higher resolution ambulatory Electrocardiogram ("ECG") solutions that enable the detection and monitoring of cardiac disease both inside and outside a healthcare facility setting. Our ability to develop higher resolution ECG solutions is achieved through the development of our proprietary and patented Vector Electrocardiography ("VECG") technology platform. Our VECG is capable of developing three-dimensional ("3D") vector images of cardiac electrical activity by displaying the spatial locations of ECG waveforms that demonstrated in early studies to deliver equal or superior diagnostic capability than traditional hospital-based ECG systems.



Our aim is to deliver innovative, ambulatory cardiac health monitoring technologies that can be used for patients anywhere, especially where critical cardiac care decisions need to be made on a more timely basis. Our products (hereinafter "Product" or "Products") require Food and Drug Administration ("FDA") clearance and have not been cleared for marketing.

We believe our Products and services will benefit many stakeholders, including patients, healthcare providers, and healthcare payors. We are developing our telehealth Product ("HeartBeam AIMIGo™"), to address the rapidly growing telehealth market. HeartBeam AIMIGo is comprised of a credit card sized electrocardiogram device and powerful cloud-based diagnostic expert software systems. We intend to show that our easy to use device (without external electrodes) provides signals equivalent to a standard 12L device, and therefore will have a number of applications for ambulatory use. We believe that we are uniquely positioned to play a central role in cardiac remote monitoring including high-risk coronary artery disease patients, because the initial studies have shown that our ischemia detection system may be more accurate than existing ambulatory monitoring solutions. Coronary artery disease ("CAD") patients are at increased risk for a heart attack or Myocardial Infarction ("MI").



HeartBeam AIMIGo device in planar and ready position

We are also applying our software platform to create a tool for detecting heart attacks in the Emergency Department ("ED") environment using standard 12-lead ECG recordings. The software tool, ("HeartBeam AIMI™") is designed to enable emergency physicians diagnose heart attacks more accurately and quickly than currently available tools. Market clearance of this Product is planned to precede HeartBeam AIMIGo.

To date, we have developed working prototypes for both HeartBeam AIMIGo and HeartBeam AIMI. HeartBeam AIMI has been submitted for FDA 510(k) clearance and we have received questions from the FDA within the statutory 30-day review deadline, discussed the questions via teleconference with the FDA review team and provided written responses addressing the questions to the primary reviewer.

The custom software and hardware of our Products, we believe, are classified as Class II medical devices by the FDA, running on an FDA approved Class I registered software platform. Class II medical devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k) or 510(k) de-novo premarket notification process.

HeartBeam has nine issued U.S. patents (U.S. 10,433,744, U.S. 10,117,592, U.S. 11,071,490, U.S. 11,419,538, U.S. 11,445,963, U.S. 11,529,085, U.S. 10,980,433, U.S. 11,412,972 and U.S. 11,234,658), and six pending U.S. applications. Four of the pending applications have been published, the remaining two pending cases are unpublished. Outside of the U.S., HeartBeam has four issued patents in Germany, France, Netherlands and United Kingdom and seven pending applications in Canada, China, the European Union, Japan and Australia. HeartBeam has three pending PCT applications. The issued patents are predicted to expire between April 11, 2036 and April 21, 2042.

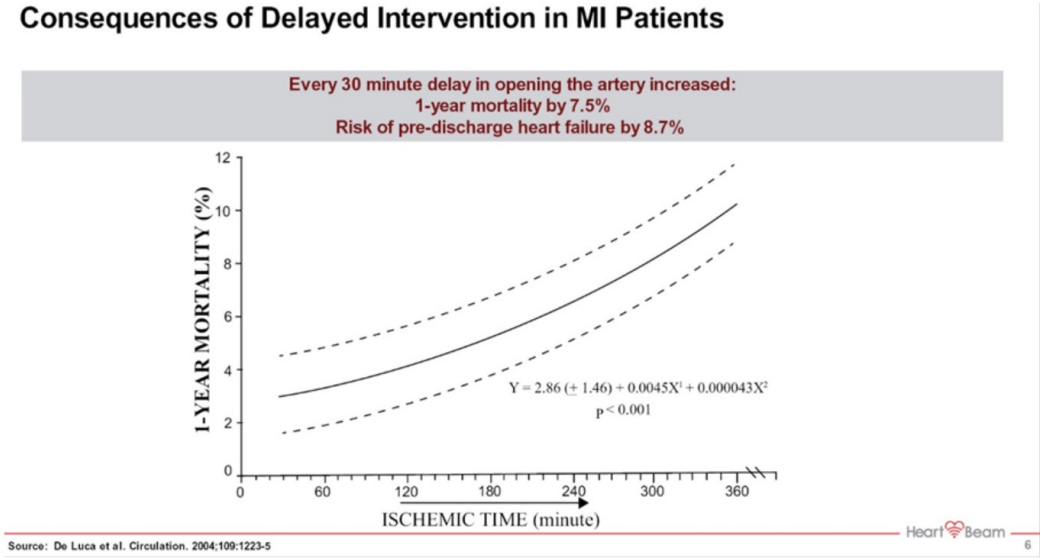
Market Overview

Chronic diseases are the number one burden on the healthcare system, driving up costs each year, and cardiovascular illnesses are one of the top contributors. Regulators, payors, and providers are focused on shifting the diagnosis and management of these conditions to drive better outcomes at lower cost. Connected medical solutions are expanding rapidly and are projected to reach $155 billion by 2026, a compound annual growth rate ("CAGR") of 17%. These solutions are

socio-technical models for healthcare management and delivery using technology to provide healthcare services remotely and aim to maximize healthcare resources and provide increased, flexible capabilities for patients to engage with clinicians and better self-manage their care, using readily available consumer-facing technologies to deliver patient care outside the hospital or doctor's office.

The market for Remote Patient Monitoring ("RPM") is projected to reach $31.3 billion by 2023. In 2019, 1,800 hospitals in the US were using mobile applications to improve risk management and quality of care. The number in 2020 was likely larger as the onset of the COVID-19 pandemic greatly accelerated use and acceptance of telehealth by both patients and healthcare providers.

Cardiovascular disease is the number one cost to the healthcare system and is estimated to be responsible for 1 in every 6 healthcare dollars spent in the US. As cardiovascular disease is the leading cause of death worldwide, early detection, diagnosis, and management of chronic cardiac conditions are necessary to relieve the increasing burden on the healthcare infrastructure. Diagnostic tests such as ECGs are used to detect, diagnose, and track numerous cardiovascular conditions. With advances in mobile communications, diagnostic monitoring of cardiac conditions is increasingly occurring outside the hospital.



We intend to show that our easy to use device (without external electrodes) provides signals equivalent to a standard 12L device, and therefore will have a number of applications for ambulatory use. Our initial telemedicine technology Product HeartBeam AIMIGo will first address the heart attack detection market as well as the market to monitor CAD patients who are typically at high risk for a heart attack. Additionally, we expect to cater to patients across different risk profiles interested in our cardiac monitoring solutions for different heart conditions. Currently there are no products on the market that are user friendly, easy to carry, and always with the patient to provide physicians and patients with timely and highly accurate information about all heart conditions that could be detected with a 12L ECG, including potential ischemic events. A tool that is always with the patient, that decreases time to intervention, and that decreases the number of unnecessary ED visits by chest pain patients would have a significant effect on saving lives and healthcare dollars. We believe our technology will address this problem and will provide a convenient, cost-effective, integrated telehealth solution, including software and hardware for physicians and their patients. There are approximately 20 million people in the US who are considered at high risk for a heart attack, including 8 million who already have had prior intervention for MI's and are therefore considered to be at extreme risk.

In the US, mobile cardiac tests are primarily conducted through outsourced Independent Diagnostic Testing Facilities ("IDTFs") or as part of an RPM/telehealth system. Reimbursement rates vary depending on the use case and generally are based on the value a technology offers to patients and healthcare providers. Actual reimbursed pricing is set by the Centers

for Medicare & Medicaid Services (“CMS”). Reimbursement rates for private insurers typically provide for similar or higher reimbursement rates when compared to those set by the government for Medicare and Medicaid.

In the ED environment, early and accurate diagnosis of a chest pain patient who is potentially having a heart attack is of immense importance. Guidelines state that every chest pain patient in an ED must receive an ECG within 10 minutes of presentation. The accuracy of these initial ECGs, interpreted by physicians, is only approximately 75%. The need for increased ECG accuracy in detecting a heart attack in the ED is well defined, and an improved solution could result in saved lives and healthcare dollars. A 510(k) for our ED Product, HeartBeam AIMI, was submitted for review on August 15, 2022 to the FDA. We believe this Product will offer an increase in the accuracy of heart attack detection in EDs. There are approximately 5,000 Emergency Departments in the US.

Products and Technology

The foundation of our novel technology is the concept of VECG, a technology that has long been seen as superior to ECGs in detecting MIs but is no longer used clinically because of the difficulty experienced by physicians interpreting the output. We solved the crucial problem of recording three orthogonal (x, y and z) projections of the heart vector with a device that is sized like a credit card. The thickness of our credit card sized ECG signal collection device is about 1/8 inch (4 mm), and it weighs about 1 ounce (28 grams). The core technology consists of a series of patented inventions and associated algorithms. In addition to using VECG to get a more complete 3D characterization of cardiac activity, we use the concept of a baseline. Our MI marker is a differential marker that measures the change in cardiac parameters between an asymptomatic (baseline) recording and the symptomatic recording. It is personalized for every patient as every patient has a unique baseline. Our increase in diagnostic performance in detecting MIs, when compared to a panel of cardiologists, is attributed to a richer cardiac information set offered by VECG and the fact that our MI marker compares the baseline and symptomatic recordings and does that in the 3D space of VECG.

This novel technology has resulted in two key Products to date: a telehealth Product for cardiovascular patients (HeartBeam AIMIGo) and a powerful cloud-based ECG interpretation based on a quantitative comparison of the patients 3D VECG baseline and symptomatic recordings for EDs (HeartBeam AIMI). Our telehealth ECG collection device is the size of a credit card and records cardiac signals with integrated electrodes rather than wires or self-adhesive electrodes. Unlike a standard 12-lead ECG machine that records signals in empirically determined locations on a human body, our approach is focused on recording three projections of the heart vector. The successful recording of the projections of the heart vector enables the synthesis, via a patented method, of a 12-lead signal set and internal algorithmic diagnostic work in the space of 3D heart vectors.

There are obvious ease of use advantages when comparing our handheld device that fits in a wallet and can be instantly self-applied versus the current 12-lead ECG machine that requires a trained professional to apply. In addition, there are diagnostic performance advantages, including, based on our initial study, increased accuracy in diagnosing MIs. The system is used by patients at home or elsewhere, and collected data is sent to a physician to assess whether the patient’s chest pain is truly the result of an MI.

Our telehealth HeartBeam AIMIGo system will be a prescription-only mobile health system intended for individuals with known or suspected heart disease, especially CAD. It helps guide physicians in choosing the best course of action for their patients who experience chest pain outside of a medical facility. HeartBeam AIMIGo will bring a medical grade ECG to patients and will enable them to receive a plan of action from a physician in a timely manner. At the time of onboarding and at regularly scheduled time intervals, patients record a baseline 30 second cardiac reading using our device. When a patient experiences symptoms, such as irregular heartbeats or chest pain, the patient can simply open the smartphone application and press the credit card sized device against the chest to collect signals that can be converted to a synthesized 12-lead ECG. This synthesized 12-lead ECG is sent to the physician overlayed with the patient’s synthesized baseline ECG recording. In addition, the patient provides input on their symptoms that is sent, along with the ECG data, to the cloud for interpretation by a physician. A cloud-based algorithm processes the signals and displays the symptom description and patient history to a physician to analyze and prescribe an action plan. From start to finish, the process takes just a few minutes.

The telehealth HeartBeam AIMIGo system consists of a number of capabilities that will be productized in an incremental fashion. These are:

1. A credit card sized cardiac electrical signal collection device. The device captures cardiac signals that represent x, y and z projections of the heart vector and transmits them via Bluetooth connection to a smartphone. It is always with the patient as it easily fits in a wallet. It is easy to use as all that is required of the patient is that the device be pressed against the chest.

2. A smartphone application that receives the cardiac signals from the HeartBeam signal collection device. The application has several functions: guiding the patient through the signal collection, asking about symptoms, displaying the status of the data collection including real time signal quality check, and notifying the patient of the plan of action as determined by a physician. In addition, the application will contain HIPAA-compliant video conferencing or text capabilities for the healthcare provider to communicate directly with the patient.

3. A cloud-based software system that serves four basic functions: (1) Performing a final check of the ECG signal quality, (2) Synthesizing a 12-lead ECG from the measured (recorded) 3 vector leads, (3) Creating a diagnostic suggestion based on 3D VECG interpretation, risk factors and symptoms and (4) Preparing a summary report for the physician. These software functions will be introduced to the HeartBeam AIMIGo product in a sequential manner. To facilitate a more accurate physician interpretation of the data, the software overlays the patient's synthesized baseline 12 lead ECG waveform on the synthesized 12 lead ECG waveform from the current event. To ensure high signal quality, the system checks for noise levels in the recorded signals. Those signals that can be effectively filtered are accepted and those that have a noise level above an empirically established threshold are rejected. If a recorded signal is rejected, the user is asked to repeat the recording.

4. A web-based physician portal capable of displaying the following relevant information for the physician to analyze: diagnostic suggestion, patient history, symptoms, baseline and current, synthesized 12-lead ECG, and recorded 3 vector leads. Our physician portal assists physicians with their diagnostic interpretation by providing both the baseline 12-lead synthesized ECG and the 12-lead synthesized ECG that is under evaluation.

5. A dedicated ECG monitoring and reading team of medical professionals to offer 24/7/365 services in order to assist symptomatic patients when making a decision of whether they should go to the Emergency Department. This capability will be developed in-house or outsourced through a contracted third-party organization.

The market release of our telehealth Product will be in multiple versions.

The initial Product will have a limited feature set and introduce a 3-lead 3D VECG credit card-sized device, the HeartBeam AIMIGo 3L, that records the X,Y,Z cardiac activity and displays the signals for clinician review, providing the regulatory foundation for subsequent products in our product portfolio. The 510(k) submission to the FDA is planned for early 2023.

Following this we will offer to the physician a pair of baseline and symptomatic 12-lead ECGs, both synthesized from 3-lead 3D VECG signals recorded by the HeartBeam AIMIGo device, and a symptoms report. It leverages recently issued patents for a personalized system for synthesizing 12-lead ECG waveforms. The 510(k) submission to the FDA is planned for late 2023.

Future versions may include our proprietary ECG interpretation MI marker and our overall MI diagnostic suggestion in addition to all features of the earlier Products and may as well offer an automated atrial fibrillation detection algorithm.

The same core technology built into the telehealth Product HeartBeam AIMIGo is used in the ED Product HeartBeam AIMI. In this application, the increased accuracy of detecting MIs by the ECG is of utmost importance. An ECG is the first diagnostic test a chest pain patient receives in the ED and it has a major impact on the patient's subsequent clinical path. The ED Product has no hardware and introduces minimal change to the standard of care chest pain diagnostic path. It uses a baseline standard 12-lead ECG from the patient's Electronic Medical Record ("EMR") and the standard 12-lead ECG that is being evaluated. It converts the two ECGs to a VECG representation and utilizes our proprietary 3D VECG differential marker to generate an ECG interpretation suggestion to be used by the ED physician. The importance of increased accuracy of the first ECG interpretation for a chest pain patient presenting to an ED is significant, potentially leading to faster intervention or avoiding unnecessary activation of the cardiac catheterization lab.

FDA Regulatory Path

We have defined the FDA 510(k) clearance paths for both Products and have contracted with regulatory consultants to help us clear both products with the FDA.

The initial Product will have a limited feature set and introduce a 3-lead 3D VECG credit card-sized device, the HeartBeam AIMIGo 3L, that records the X, Y, Z cardiac activity and displays the signals for clinician review, providing the regulatory foundation for subsequent products in our product portfolio. The 510(k) submission to the FDA is planned for early Q2 2023.

We are planning a subsequent 510(k) submission, in Q4 2023, for the Product, which will include the ability to generate synthesized 12L ECG recordings. The submission is planned to contain results of a validation study comparing our synthesized 12-lead ECG recordings to standard 12-lead ECG recordings.

HeartBeam's ED software product, HeartBeam AIMI, is hosted on LIVMOR's Class I registered software platform and a predicate device for the cloud-based diagnostic engine for the ED product was identified. The predicate device is widely used as part of a software package produced by a leading ECG machine manufacturer. The predicate device software makes a diagnostic suggestion regarding a potential MI diagnosis. HeartBeam AIMI will also make a diagnostic suggestion to the ED physician. In the HIDES pilot study, we showed improved performance in detecting ischemia over a panel of cardiologists.

For the FDA 510(k) regulatory submission, a retrospective study was performed comparing patients' baseline and asymptomatic ECG recordings and providing a diagnostic suggestion from the HeartBeam AIMI software. The diagnostic suggestion of the predicate device software, that was already recorded in the patient's EMR, was compared to the diagnostic suggestion of our Product. The 510(k) regulatory submission for market clearance was filed with the FDA on August 15, 2022.

Market Opportunity

ECGs are key diagnostic tests utilized in the diagnosis and monitoring of cardiovascular disease, the number one cause of death worldwide. In the US in 2016, there were approximately 120 million adults living with cardiovascular disease and approximately 20 million adults with diagnosed coronary artery disease. The prevalence of these cardiac conditions and thus the market size is increasing, due to an aging population and lifestyle choices.

Every 40 seconds someone in the US has a heart attack, or MI. Unfortunately, there is no way for patients to tell whether the symptoms they are experiencing are due to an MI, or some other more benign condition such as indigestion. As a result, patients often ignore symptoms and delay seeking care, which leads to worse outcomes and increased mortality. On the other hand, many patients who go to the ED with chest pain are not experiencing an MI. Chest pain is the second most common reason for an ED visit in patients over 45, yet fewer than 20% of chest pain ED visits result in a diagnosis of a life-threatening condition. These unnecessary ED visits lead to well over $10 billion in unnecessary healthcare expenditures.

Most ECGs are conducted in a healthcare facility setting using a 12-lead ECG machine, the gold standard. ECGs taken outside of healthcare facilities are expected to grow more quickly than in-hospital ECGs. Monitoring cardiac patients outside of a hospital is a fast-growing trend, as it is less expensive and provides a better patient experience. However, while ambulatory cardiac monitoring devices are often much easier for patients to use, they have fewer leads than the gold standard and therefore cannot offer as comprehensive a picture of cardiac health.

While a standard 12-lead ECG readout is of great medical value, it is simply impractical to have a standard 12-lead machine next to patients when they experience symptoms outside the clinical setting, since recording the event requires attaching multiple electrodes to the patient's body with professional assistance. While existing technologies use predominantly single lead ECG devices to monitor arrhythmias, these technologies do not provide information to the physician on the presence of life-threatening conditions of acute coronary syndrome ("ACS") or heart attacks.

We believe our telehealth technology addresses these market needs and has several key attributes that make it a good fit for these patients. Our telehealth Product is generally used when symptoms occur and offers the potential for lifelong patient usage. The device is practically always near the patient and ready to be used for recording a cardiac event. It enables very

nearly real-time cardiac data transmission during a telemedicine visit. It offers a recorded 3 vector lead set of signals and a synthesized 12-lead ECG set of signals. We believe physicians will typically prescribe our solution to chronic cardiovascular patients for long term monitoring, thereby enabling prolonged data collection and delivering a more complete picture for diagnosis. This will also enable the use of artificial intelligence on our future database that will have a unique set of longitudinal synthesized 12-lead ECGs for patients.

As our VECG platform demonstrates 12-Lead equivalence and clinical & cost-effectiveness advantages, coupled with a patent protected technology, we believe this might open multiple licensing and/or partnering opportunities with players in the ECG, cardiac monitoring patch and smart watch verticals.

Market Strategy

Our goal is to establish our products as key solutions for cardiology practices and hospital EDs. Our efforts to enter the market involve establishing clinical evidence and demonstrating the cost-effectiveness of adopting our products. For both the telehealth (HeartBeam AIMIGo) and the ED Products (HeartBeam AIMI), the initial geographic market is the United States.
We believe that both the telehealth and ED Products will be subject to the US FDA's 510(k) review process. A 510(k) for our HeartBeam AIMI was submitted to the FDA on August 15, 2022, for review and we are in the process of preparing a 510(k) submission for HeartBeam AIMIGo.

For HeartBeam AIMIGo, the primary customers are cardiology practices and the cardiology departments of hospitals. Healthcare insurers are another important customer, as they will potentially benefit from the reduced costs to the healthcare system. We are working to develop new clinical studies and publish results of completed clinical studies and plan to demonstrate real world cost-effectiveness of the use of the solution.

Our initial targets for HeartBeam AIMIGo are market segments that see value in an easy-to-use device that can generate synthesized 12L ECG recordings. These will be segments in which payment for the device will be outside of the established reimbursement system. These target segments include concierge practices, hospital-at-home segment and clinical trials. As we establish clinical data on the clinical and cost-effectiveness of HeartBeam AIMIGo, we will target at-risk cardiology practices, including high risk patients being discharged from hospitals after experiencing an MI.

Our long-term strategy is to generate sufficient evidence of clinical efficacy and cost-effectiveness to generate reimbursement coverage and payment specifically for the HeartBeam AIMIGo solution. We expect to be able to demonstrate significant clinical benefits for patients and savings to the healthcare system, justifying appropriate reimbursement levels.

For the telehealth Product, our primary marketing strategy will focus on the medical community with continued validation of clinical efficacy and cost-effectiveness and the establishment of reference sites. We will also create educational materials and provide other support to help educate our customers' patients.

We will explore other business models. For example, hospitals face CMS penalties if their 30-day readmission rates for patients who are discharged after an MI exceed certain thresholds. These CMS penalties are levied on all hospital CMS payments, so the impact can be significant. Our telehealth Product can be a tool to help hospitals manage these patients after discharge. We will explore models in which hospitals pay for the device and for the initial 30 days of service. In addition, we will explore models for value-based care, in which the use of the telehealth Product reduces overall costs.

We are currently speaking with hospitals in large healthcare systems to educate them about our first two products.These are sophisticated customers, and we plan to use technical presentations, peer reviewed clinical data, and demonstration projects to achieve penetration of this market. We plan to continue to expand our medical advisory board, conduct clinical trials with leading cardiologists to increase the body of evidence, and establish reference sites among these customers.
For the ED Product, the primary customers are acute care facilities. As with the telehealth Product, we plan to publish clinical studies on the effectiveness of the Product. In addition, we plan to develop financial models demonstrating the cost-effectiveness of the approach and establish reference sites who are using the Product. We do not expect to obtain specific reimbursement for the ED Product but intend to demonstrate that the purchase of the software would result in clinical and economic benefits and potentially reduced malpractice legal exposure for ED provider institutions.

We expect our value proposition will be progressively increased as we gradually add additional functionality to our monitoring solutions and drive down the cost of continuous monitoring by increasing scale and automation. We expect our HeartBeam AIMIGo device and AIMI software to gradually incorporate internally developed algorithms with the capabilities of detecting heart conditions that can be exposed via a standard 12-L ECG device. Additionally, as we collect rich longitudinal data sets from our patients, we expect to train AI and ML algorithms that could potentially have predictive capabilities regarding different heart conditions. Over time and with scale we expect our costs to decrease and provide more and better services to our patients by improving our capabilities.

We plan to establish a direct sales network with relationships and experience selling to our target markets.

Clinical Data

HeartBeam has performed three clinical studies to assess performance of our technologies.

1. **HIDES** — Included 66 patients whose coronary arteries were occluded during a Percutaneous Coronary Intervention ("PCI") and had electrical signals simultaneously collected by both a traditional 12-lead ECG and our vector signal-based device.

ECG recordings:
66 baseline recordings for each patient were taken during patient enrollment and prior to the balloon inflation. These were ischemia negative recordings. 120 recordings were taken during balloon occlusions in various arteries. These were ischemia positive recordings. There were a total of 186 diagnostic recordings: 66 ischemia negative recordings and 120 ischemia positive recordings.

Study design:
The HeartBeam automated ischemia marker is based on the vector difference between ST vectors of the symptomatic and baseline recordings. Human reading results were obtained by averaging results from three expert readers (two electrophysiologists and one invasive cardiologist) who were presented with the 186 standard 12-lead ECG recordings. These readings were performed in two sessions four weeks apart. A total of six readings were averaged to arrive at human readers' ischemia detection performance.

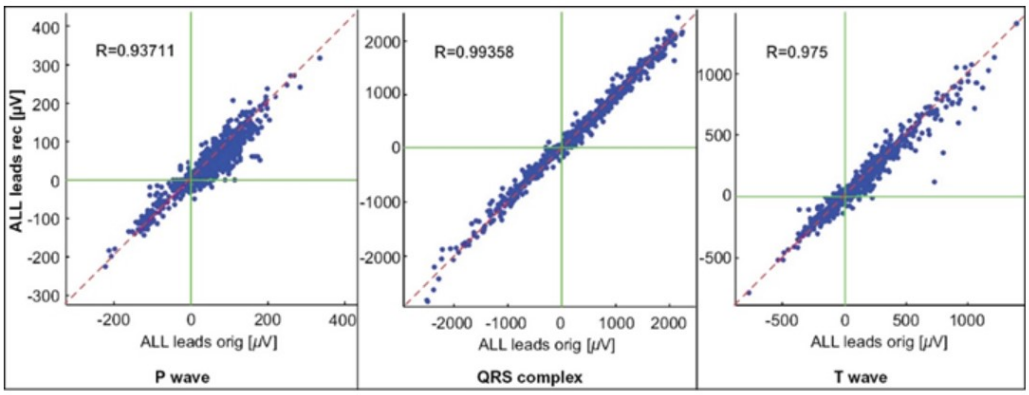
Study results:
The automated HeartBeam ischemia marker was superior to human expert reading for detecting acute ischemia (66 patients, 120 balloon occlusions: 186 total recordings) using ECG signals only:

	SENSITIVITY [%]	SPECIFICITY [%]	ACCURACY [%]
Human readings	71.94	70.96	71.59
HeartBeam ischemia marker	91.7	95.5	93
	p<0.01	p<0.01	p<0.01

The ischemia marker showed an area under the curve ("AUC") in the receiver operating characteristic ("ROC") curve of 93.6%. HeartBeam's marker accuracy was consistent across the three culprit arteries (LAD, LCX, RCA), p=1.00. There was no statistically significant difference in accuracy between three human readers (p=1.00).

Synthetized vs. standard 12 lead ECG:
The synthesized 12 lead ECG was obtained using an individual transformation matrix obtained from standard 12 lead signals. Comparison of the standard 12 lead and synthetized 12 lead ECGs were performed with standard correlation analyses. Results for Pearson's correlation coefficient R between standard 12 lead and synthetized 12 lead ECGs were:
P wave: R = 0.937;
QRS complex: R = 0.994;
T wave: R = 0.975

They are shown in the graphical form for all 186 pairs of signals (standard and synthesized 12-lead):



Pearson's correlation coefficient is the test statistic that measures the statistical relationship between two continuous variables A value of 1 implies that a linear equation describes the relationship perfectly; value of 0 implies that there is no linear correlation between the variables

2. **B Score** — Evaluation of sensitivity and specificity of the HeartBeam diagnostic algorithm in diagnosing patients with ACS in the ED setting.

Study design and enrollment:
Enrolled were all patients presenting to an ED with chest pain or other symptoms suggestive of ACS who a) answered questions about risk factors and chest pain characteristics and b) had standard 12-lead ECG and HeartBeam ECG recorded 3 times with 10-15 minutes intervals between recordings. The final decision whether a patient was having ACS was determined by 3 cardiology experts (gold standard panel) based on discharge diagnosis and one week follow up data.

An additional HeartBeam ECG recording was taken between 9 and 12 months after the initial visit, when ST resolution was completed in most cases, and this recording was used as the baseline ECG in HeartBeam's diagnostic algorithm. The same set of data — risk factors, chest pain characteristics and three recordings — were used for evaluation of the HeartBeam algorithm and presented to three expert cardiologists (evaluation panel) for a blinded evaluation.

Study results:
110 ER patients presenting with chest pain of which 29 (26%) with ACS (per gold standard panel), underwent HeartBeam assessment as well as assessment by the evaluation cardiologist panel. Sensitivity of the HeartBeam algorithm was 97% (27/28) and specificity was 56% (45/81). The only positive patient missed by the algorithm had known coronary disease with typical anginal episode resulting in a troponin leak. The average sensitivity and specificity of the evaluation cardiologists panel was 94% and 54%, respectively. The diagnostic performance of the HeartBeam algorithm in determining presence of the ACS in these patients was statistically indifferent from the performance of the evaluation cardiologist panel ($p>0.42$).

This result indicates that the quality of the advice produced by our expert system will be extremely valuable to the physician who is assessing the condition of a patient in a telehealth environment.

3. **ISPEC** — evaluation of the ECG signal quality and specificity of the ACS detection (false positive rate) in real-life use of the HeartBeam device by non-symptomatic patients.

Study design and enrollment:
The study included 30 participants, healthy volunteers, and patients with different cardiac disturbances. The participants recorded three HeartBeam recordings three times daily, for 3 to 7 days. The ECG signal quality was evaluated as the percentage of recordings rejected by the HeartBeam cloud-based software due to insufficient signal quality. The specificity of HeartBeam in classification of non-ischemic recordings was performed by application of HeartBeam's ACS detection

algorithm. It was assumed that none of the patients was ischemic during the study period, as none reported chest pain symptoms.

Study results:
The study generated a total of 1845 recordings; 19.5% (360/1845) of the recordings were rejected by HeartBeam due to insufficient signal quality and had to be repeated. The false positive rate of the HeartBeam algorithm in classification of non-ischemic recordings was zero. In other words, the specificity was 100% in real-life use of our system in asymptomatic patients.

Competition

The cardiac monitoring and detection market is characterized by rapid technological change and strong competition. There are numerous companies developing technologies that are competitive, in a broad sense, to our products, and many of these companies have significantly greater resources than HeartBeam.

In the category of ambulatory (telehealth) cardiac monitors — devices that are intended to be used outside of a health facility setting — there are two major segments: consumer devices and devices prescribed for ACS.

Consumer Devices

The consumer device segment consists of devices that are FDA cleared but are sold directly to patients, without a prescription. Generally, these devices are single lead ECG devices intended to recognize heart rhythm abnormalities, such as atrial fibrillation, but are not intended for ischemia detection or for life threatening conditions such as heart attack.

- Apple Inc, a public company located in Cupertino, CA, produces the Apple Watch, which includes ECG functionality. The Apple Watch is a single lead ECG with two electrodes that contact the wrist and the finger and is intended to detect some common cardiac arrhythmias, such as Atrial Fibrillation.

- AliveCor Inc, a private company located in Mountain View, CA, produces the KardiaMobile, KardiaMobile Card and KardiaMobile 6L devices. These devices are intended to detect some common cardiac arrhythmias, such as Atrial Fibrillation.

- Google Inc, a public company located in Mountain View, CA, produces the Fitbit Sense smartwatch and ECG app. The Fitbit Sense watch is a single lead ECG with two electrodes that contact the fingers and is intended to detect some common cardiac arrhythmias, such as Atrial Fibrillation.

- Samsung Electronics Co., Ltd, based in Seoul, South Korea, is publicly traded in Korea. It produces the Galaxy Watch3 and Galaxy Watch Active2 smartwatches with ECG functionality, intended to detect some common cardiac arrhythmias, such as Atrial Fibrillation.

Devices prescribed for ischemia detection
There are a small number of devices that have been cleared by FDA to be used outside of healthcare facilities that provide information for patients with potential ischemic events such as MIs.

- Angel Medical Systems, Inc. is a private company based in Eatontown, NJ. The AngelMed Guardian is an implantable cardiac monitor for patients who are deemed to be extremely high risk for an MI. Physicians implant the AngelMed Guardian in patients. We believe that the HeartBeam AIMIGo device will be a viable alternative to the AngelMed Guardian, as it does not require an implant and does not have a high up-front cost.

- SHL Telemedicine Ltd., is based in Tel Aviv, Israel and is publicly traded. It produces Smartheart Pro, a 12 lead ECG indicated for patient use at home. Smartheart Pro is larger and more complex than our telehealth solution, requiring the placement of an electrode belt, two underarm electrodes and a waist electrode, and moistening the areas before use. Most patients would find this technology impractical to be carried with them at all times because of the large size and complex lead attachment procedure.

There are several competitors in the category of software that automatically analyzes 12 lead ECGs performed in healthcare facilities, specifically in an ED. Major competitors in this market include the following:

- General Electric, a publicly traded company based in Chicago, IL produces a line of ECG equipment. The Company also has developed the GE Marquette 12SL ECG analysis program, which analyzes the ST segment of the ECG to detect potential cardiac ischemia. It does not use the 3D vector approach in deriving a diagnostic suggestion.

- Koninklijke Philips N.V., a publicly traded company based in Amsterdam, NL, produces a range of ECG products, including products that feature the DXL algorithm for resting ECGs. The Philips DXL algorithm monitors the ST segment to detect STEMI. It does use the 3D vector approach in deriving a diagnostic suggestion.

Intellectual Property

We believe our intellectual property ("IP") protects our innovations, and our goal is to become a leader in the ambulatory VECG sector. For some aspects of our proprietary technology, we rely on trade secret protection. It is our view that the combination of these two methods of IP protection maximizes our chances for success.

HeartBeam has nine issued U.S. patents (U.S. 10,433,744, U.S. 10,117,592, U.S. 11,071,490, U.S. 11,419,538, U.S. 11,445,963, U.S. 11,529,085, U.S. 10,980,433, U.S. 11,412,972 and U.S. 11,234,658), and six pending U.S applications. Four of the pending applications have been published, the remaining two pending cases are unpublished. Outside of the U.S., HeartBeam has four issued patents in Germany, France, Netherlands, and United Kingdom and seven pending applications in Canada, China, the European Union ("EU"), Japan and Australia. HeartBeam has three pending PCT applications. The issued patents are predicted to expire between April 11, 2036 and April 21, 2042.

Our issued and pending U.S. patent applications cover compact VECG systems for remote detection and/or diagnosis of acute myocardial infarction ("AMI"). Outside of the U.S., the pending EU, Australian ("AU"), Japanese ("JP") and Chinese ("CN") patent applications correspond to the pending and issued US cases. The pending PCT applications cover methods and apparatuses for automatic cardiac diagnosis as well as compact systems including retractable electrodes.

The following table sets forth a brief description of issued and pending patents, including their respective titles:

Patent Type	Application No. Pat. No.	Status	Predicted Expiration	Title Summary
Utility (US)	15/096,159 US 10,433,744	Issued	Sep 15, 2036	MOBILE THREE-LEAD CARDIAC MONITORING DEVICE AND METHOD FOR AUTOMATED DIAGNOSTICS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (US)	15/632,155 US 10,117,592	Issued	Apr 11, 2036	MOBILE THREE-LEAD CARDIAC MONITORING DEVICE AND METHOD FOR AUTOMATED DIAGNOSTICS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (US)	17/092,152	Published	Apr 11, 2036	MOBILE THREE-LEAD CARDIAC MONITORING DEVICE AND METHOD FOR AUTOMATED DIAGNOSTICS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (US)	17/202,299 US 11,071,490	Issued	Apr 11, 2036	ELECTROCARDIOGRAM PATCH DEVICES AND METHODS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (CN)	201680030550.5	Published	Apr 11, 2036	MOBILE THREE-LEAD CARDIAC MONITORING DEVICE AND METHOD FOR AUTOMATED DIAGNOSTICS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (EU)	16777474.4	Allowed	Apr 11, 2036	MOBILE THREE-LEAD CARDIAC MONITORING DEVICE AND METHOD FOR AUTOMATED DIAGNOSTICS Methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (EU)	198948150	Pending	Nov 18, 2039	HAND HELD DEVICE FOR AUTOMATIC CARDIAC RISK AND DIAGNOSTIC ASSESSMENT Method and apparatus for performing automatic cardiac diagnosis.
Utility (US)	17/296,669	Pending	Nov 18, 2039	HAND HELD DEVICE FOR AUTOMATIC CARDIAC RISK AND DIAGNOSTIC ASSESSMENT Method and apparatus for performing automatic cardiac diagnosis.
Utility (US)	17/443,456	Pending	Apr 11, 2036	ELECTROCARDIOGRAM PATCH DEVICES AND METHODS Adhesive patch methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (US)	17/570,368 US 11,419,538	Issued	Apr 11, 2036	ELECTROCARDIOGRAM PATCH DEVICES AND METHODS Adhesive patch methods and apparatuses for remote and detection and/or diagnosis of acute myocardial infarction (AMI).
Utility (US)	17/609,014	Pending	May 20, 2040	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.

Patent Type	Application No. Pat. No.	Status	Predicted Expiration	Title Summary
Utility (AU)	2020275409	Pending	May 20, 2040	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.
Utility (CA)	3137669	Pending	May 20, 2040	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.
Utility (EU)	208063123	Pending	May 20, 2040	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.
Utility (JP)	2021568329	Pending	May 20, 2040	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.
Utility (PCT)	PCTUS2021 059271	Pending	N/A	COMPACT MOBILE THREE-LEAD CARDIAC MONITORING DEVICE WITH HYBRID ELECTRODE Compact, mobile three-lead cardiac monitoring devices for remote detection and/or diagnosis of cardiac events.
Utility (PCT)	PCTUS2022 011075	Pending	N/A	AMBULATORY ELECTROCARDIOGRAM PATCH DEVICES AND METHODS Cardiac monitoring patch devices (e.g., an ECG patch for 12-lead detection) for remote detection and/or diagnosis of cardiac events (e.g., acute myocardial infarction).
Utility (US)	17/494,806 US 11,445,963	Issued	Oct 5, 2041	METHOD AND APPARATUS FOR RECONSTRUCTING ELECTROCARDIOGRAM (ECG) DATA Synthesizing (generating) 12-lead ECG dataset from 3-lead ECG data.
Utility (US)	17/726,497 US 11,529,085	Issued	Oct 5, 2041	APPARATUS FOR GENERATING AN ELECTROCARDIOGRAM Wrist-worn device can be taken off of the wrist and held against the chest to detect three orthogonal cardiac leads, and methods of using a wrist-worn device to detect the three orthogonal cardiac leads.
Utility (US)	16/362,527 US 10,980,433	Issued	Nov 22, 2038	HEALTH MONITORING AND GUIDANCE Methods, systems and software for the determination of stress states utilizing PPG sensors.
Utility (US)	16/368,568 US 11,412,972	Issued	Apr 19, 2040	DETECTION OF ATRIAL FIBRILLATION Methods and software for determining atrial fibrillation utilizing PPG sensors.
Utility (US)	16/368,571 US 11,234,658	Issued	Apr 5, 2039	PHOTOPLETHYSMOGRAM DATA ANALYSIS AND PRESENTATION Methods, systems and software for the creation of ECG-type waveforms from PPG sensor data.

We have entered, and generally plan to continue to enter into, non-disclosure, confidentiality and intellectual property assignment agreements with all new employees as a condition of employment. In addition, we intend to generally enter into confidentiality and non-disclosure agreements with consultants, manufacturers' representatives, distributors, suppliers, and others to attempt to limit access to, use and disclosure of our proprietary information. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for our trade secrets in the event of unauthorized use or disclosure of such information.

The ownership of all filed patents is assigned to HeartBeam, Inc.

Research and Development

The primary objective of our research and development program is to provide innovative, user-friendly, ambulatory VECG solutions with high medical value. To date, we have been highly successful in developing our initial products. The emphasis has been on developing a user-friendly solution that is always with the patient and assists physicians in diagnosing heart attacks in chest pain patients.

Our Research team is largely based in Belgrade, Serbia as well as in California, USA. We have assembled a highly capable Belgrade team currently consisting of seven PhD level contributors who are credited with developing our key inventions and patents. The diverse group includes:

- Two nuclear physicists.
- Two Biomedical Engineers experienced in developed digital health applications.
- Two highly experienced Healthcare IT development professionals.
- Two Electrical Engineers (M.S.E.E) with strong signal processing and ECG analysis algorithm expertise from the medical device industry.
- An Electrical Engineer (M.S.E.E) with exceptional implantable medical device development and power optimization expertise.
- A Software Engineer, (PhD Computer Science), with deep expertise in developing mobile applications for medical devices.

Future research and development efforts will focus on the application of signal processing and artificial intelligence to address a range of cardiac conditions.

During 2022 we also added 3 development engineers led by our recently hired Chief Technology Officer Kenneth Persen. This is an experienced development team that worked together previously and was successful in delivering FDA cleared products.

Future Products

Our core technology — the heart vector approach adopted and invented by our research team — is a platform technology that can provide diagnostic solutions to a variety of cardiovascular patients. Our plans call for expanding solutions that diagnose all major cardiac conditions that are diagnosed by ECGs.

Future plans include the development of a VECG-based, synthesized 12-lead capable patch ECG monitor that will provide advantages over existing single-lead ECG patch products such as the Zio-XT from iRhythm Technologies, Inc. Our approach will offer a synthesized 12-lead ECG with a patch that is very similar, in dimensions and look and feel, to the currently available single lead ECG patches. We believe providing standard of care 12-lead ECG capabilities will have significant diagnostic advantages over a single lead patch.

We also plan to develop a synthesized 12-lead ECG smartwatch-based monitor intended for detection of heart attacks and complex cardiac arrhythmias. This invention eliminates the need for a dedicated ECG device while offering a synthesized 12-lead ECG capability enabling heart attack and complex arrhythmia detection.

While our initial telehealth Product is powered by a software expert system that serves as a diagnostic aid to a physician, we will develop an AI based diagnostic system that will supplement our diagnostic expert system.

We are committed to continue advancing the full potential inherent in our synthesized 12-lead 3D VECG technology as demonstrated in recently issued and allowed patents with potentially disruptive market impacts.

Government Regulation

General

Our proposed products are subject to regulation by the FDA and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our products.

In addition to those indicated below, the only other regulations we encounter are regulations that are common to all businesses, such as employment legislation, implied warranty laws, and environmental, health and safety standards, to the extent applicable. In the future we will be subject to industry-specific government regulations that govern our products when developed for commercial use. It is possible that other regulatory approvals will be required for the design and manufacture of our products and proposed products.

U.S. Regulation

The FDA governs the following activities that HeartBeam performs, and will perform, upon the clearance or approval of its Product, or that are performed on its behalf, to ensure that medical products distributed domestically or exported internationally are safe and effective for their intended uses:

- product design, and development
- product safety, testing, labeling and storage
- record keeping procedures; and
- product marketing.

There are numerous FDA regulatory requirements governing the approval or clearance and subsequent commercial marketing of our products. These include:

- the timely submission of product listing and establishment registration information, along with associated establishment user fees;
- continued compliance with the Quality System Regulation, or QSR, which require specification developers and manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;
- clearance or approval of product modifications that could significantly affect the safety or effectiveness of the device or that would constitute a major change in intended use;
- Medical Device Reporting regulations ("MDR"), which require that manufacturers keep detailed records of investigations or complaints against their devices and to report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;
- adequate use of the Corrective and Preventive Actions process to identify and correct or prevent significant systemic failures of products or processes or in trends which suggest same;
- post-approval restrictions or conditions, including post-approval study commitments;
- post-market surveillance regulations, which apply when necessary, to protect the public health or to provide additional safety and effectiveness data for the device; and
- notices of correction or removal and recall regulations.

Depending on the classification of the device, before HeartBeam can commercially distribute medical devices in the United States, it must obtain, either prior 510(k) clearance, 510(k) de-novo clearance or premarket approval ("PMA"), from the FDA unless a respective exemption applies to the device under review by the FDA.

The FDA classifies medical devices into one of three classes based on the degree of risk associated with each medical device and the extent of regulatory controls needed to ensure the device's safety and effectiveness:

- Class I medical devices, which are low risk and subject to only general controls (e.g., registration and listing, medical device labeling compliance, MDRs, Quality System Regulations, and prohibitions against adulteration and misbranding) and, in some cases, to the 510(k) premarket clearance requirements;

- Class II medical devices, which are moderate risk and generally require 510(k) or 510(k) de-novo premarket clearance before they may be commercially marketed in the United States as well as general controls and potentially special controls like performance standards or specific labeling requirements; and
- Class III medical devices, which are devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a predicate device. Class III medical devices generally require the submission and approval of a PMA supported by clinical trial data.

The custom software and hardware of our products, we believe, are classified as Class II that will run on a Class I platform. Class II medical devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k). As part of the 510(k), the FDA may have required the following:

- Development of comprehensive product description and indications for use;
- Completion of extensive preclinical tests and preclinical animal studies, performed in accordance with the FDA's Good Laboratory Practice ("GLP") regulations;
- Comprehensive review of predicate devices and development of data supporting the new product's substantial equivalence to one or more predicate devices; and
- If appropriate and required, certain types of clinical trials (IDE submission and approval may be required for conducting a clinical trial in the US).

Clinical trials involve use of the medical device on human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices ("GCPs"), including the requirement that all research subjects provide informed consent for their participation in the clinical study. A written protocol with predefined end points, an appropriate sample size and pre-determined patient inclusion and exclusion criteria, is required before initiating and conducting a clinical trial. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA's Investigational Device Exemption, or IDE, regulations that among other things, govern investigational device labeling, prohibit promotion of the investigational device, and specify recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk," as defined by the FDA, the agency requires the device sponsor to submit an IDE application, which must become effective prior to commencing human clinical trials. The IDE will automatically become effective 30 days after receipt by the FDA, unless the FDA denies the application or notifies the Company that the investigation is on hold and may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE that requires modification, the FDA may permit a clinical trial to proceed under a conditional approval. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board ("IRB") for each clinical site. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but it must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements.

Given successful completion of all required testing, a detailed 510(k) premarket notification or 510(k) de-novo will be submitted to the FDA requesting clearance to market the product. This notification will include all relevant data from pertinent preclinical and clinical trials, together with detailed information relating to the product's manufacturing controls and proposed labeling, and other relevant documentation.

A 510(k)-clearance letter from the FDA authorizes commercial marketing of the device for one or more specific indications of use.

After 510(k) clearance, HeartBeam is required to comply with several post-clearance requirements, including, but not limited to, Medical Device Reporting and complaint handling, and, if applicable, reporting of corrective actions. Also, quality control and manufacturing procedures must continue to conform to Quality System Regulations ("QSR"). The FDA periodically inspects manufacturing facilities to assess compliance with FDA's QSR, which impose extensive procedural, substantive, and record keeping requirements on medical device manufacturers. In addition, changes to the manufacturing process are strictly regulated, and, depending on the change, validation activities may need to be performed. Accordingly,

manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with QSR and other types of regulatory controls.

After a device receives 510(k) clearance from the FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use or technological characteristics, requires a new 510(k) clearance or could require a PMA. The FDA requires each manufacturer to make the determination of whether a modification requires a new 510(k) notification or PMA in the first instance, but the FDA can review any such decision. If the FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance or PMA for a particular change, the FDA may retroactively require the manufacturer to seek 510(k) clearance or PMA. The FDA can also require the manufacturer to cease U.S. marketing and/or recall the modified device until additional 510(k) clearance or PMA approval is obtained.

The FDA and the Federal Trade Commission ("FTC"), will also regulate the advertising claims of HeartBeam's products to ensure that the claims it makes are consistent with its regulatory clearances, that there is scientific data to substantiate the claims and that product advertising is neither false nor misleading.

We will apply for 510(k) clearance for both our cloud-based diagnostic engine for the ED product and the cloud-based diagnostic engine and hardware components of our telehealth Product. To obtain 510(k) clearance, a company must submit a notification to the FDA demonstrating that its proposed device is substantially equivalent to a predicate device (i.e., a device that was in commercial distribution before May 28, 1976, a device that has been reclassified from Class III to Class I or Class II, or a 510(k)-cleared device). The FDA's 510(k) clearance process generally takes from three to 12 months from the date the application is submitted but also can take significantly longer. If the FDA determines that the device or its intended use is not substantially equivalent to a predicate device, the device is automatically placed into Class III, requiring the submission of a PMA. Once the information is submitted, there is no guarantee that the FDA will grant a company 510(k) clearance for its pipeline products, and failure to obtain the necessary clearances for its products would adversely affect its ability to grow its business. Delays in receipt or failure to receive the necessary clearances, or the failure to comply with existing or future regulatory requirements, could reduce its business prospects.

Devices that cannot be cleared through the 510(k)-process due to lack of a predicate device but would be considered low or moderate risk may be eligible for the 510(k) de-novo process. In 1997, the Food and Drug Administration Modernization Act ("FDAMA") added the de novo classification pathway now codified in section 513(f)(2) of the FD&C Act. This law established an alternate pathway to classify new devices into Class I or II that had automatically been placed in Class III after receiving a Not Substantially Equivalent ("NSE"), determination in response to a 510(k) submission. Through this regulatory process, a sponsor who receives an NSE determination may, within 30 days of receipt, request FDA to make a risk-based classification of the device through what is called a "de novo request." In 2012, section 513(f)(2) of the FD&C Act was amended by section 607 of the Food and Drug Administration Safety and Innovation Act ("FDASIA"), to provide a second option for de novo classification. Under this second pathway, a sponsor who determines that there is no legally marketed device upon which to base a determination of substantial equivalence can submit a de novo request to FDA without first submitting a 510(k).

If a company receives a Not Substantially Equivalent determination in response to a 510(k) submission, the device may still be eligible for the 510(k) de novo classification process.

Devices that cannot be cleared through the 510(k) or 510(k) de novo classification process require the submission of a PMA. The PMA process is much more time consuming and demanding than the 510(k)-notification process. A PMA must be supported by extensive data, including but not limited to data obtained from preclinical and/or clinical studies and data relating to manufacturing and labeling, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. After a PMA application is submitted, the FDA's in-depth review of the information generally takes between one and three years and may take significantly longer.

We also need to establish a suitable and effective quality management system, which establishes controlled processes for our product design, manufacturing, and distribution. We plan to do this in compliance with the internationally recognized standard ISO 13485:2013 Medical Devices — Quality Management Systems — Requirements for Regulatory Purposes. Following the introduction of a product, the FDA and foreign agencies engage in periodic reviews of our quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in FDA policies, can affect the time and cost associated with the development, introduction, and continued availability of new products. Where possible, we anticipate these factors in our product development processes. These

agencies possess the authority to take various administrative and legal actions against us, such as product recalls, product seizures and other civil and criminal sanctions.

To reduce time and minimize the need to hire permanent technical and regulatory staffing in pursuing our FDA clearances we have contracted with a service provider to prepare our Products for FDA submission. This is the most efficient way to maximize our chances for timely FDA clearances.

Based on all available data and opinions from our well qualified external consultants who specialize in FDA submissions, we believe that both our initial products and the follow-on products qualify for the 510(k)-clearance path.

Foreign Regulation

As we plan to market our products in the EU and other foreign markets, in addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

Preparations for FDA Clearance Submissions and Design for Manufacturing

To date, we focused primarily on research and development of our first two Products. We have fully functional, pre-production versions of our first two Products which we were used in most of our medical studies. Production versions on the products will go through the required design control processes, and all required verification and validation testing, including all safety testing to the applicable standards. These documents will be provided in the 510(k) regulatory submission to the FDA for market clearance. We are not yet at a stage to commence volume production of our products.

We contracted with LIVMOR to prepare HeartBeam AIMI for clearance via a 510(k) submission to the FDA. The principal terms of this contract were to incorporate the product requirements, user needs, and 3D vector algorithm plugin developed by HeartBeam into this ED MI software Product. Our contract with Triple Ring, Inc., a US-based medical device and design engineering organization (“TRIPLE RING”) as the development partner is to turn the ECG Hardware prototype into a commercially ready product cleared by the FDA. The principal terms of the agreement require TRIPLE RING to perform the design, development, and testing of the ECG device and interface with the user application. With oversight from and in partnership with HeartBeam, TRIPLE RING will define all requirements, testing, detailed design, verification protocols, and test cases for all subsystems included in the ECG device product. Once the subsystems are complete, the service provider will perform system-level software testing. Once completed, the product will be provided to HeartBeam to perform system validation testing using clinical data from post-MI patients.

We plan to have a scalable manufacturing strategy. With initial HeartBeam AIMIGo devices we are working on a time and material basis with Evolve Manufacturing Technologies (“Evolve”), a contract medical device manufacturing company that provides end-to-end contract manufacturing for medical device and life sciences instrument companies. As manufacturing operations become more automated we plan to invest in appropriate tooling (e.g. molds) and we plan to enter into a separate manufacturing agreement to leverage Evolve’s manufacturing and packaging expertise to support commercialization of the HeartBeam AIMIGo device in anticipation of early market testing and FDA Clearance. Evolve has previously collaborated with TRIPLE RING, HeartBeam’s co-developer of the AIMIGo device, creating additional synergies as the device moves into manufacturing technology transfer. Evolve uses Design for Excellence (“DFX”) methodologies and its quality processes are integrated with TRIPLE RING. They offer turnkey contract manufacturing for our initial needs with low to medium production volumes, from first article builds to prototypes and clinical units.

We plan to consider other manufacturers, inside and outside the US, for our high-volume manufacturing.

Employees

As of December 31, 2022, we had 15 full-time employees. We have budgeted to hire additional full-time employees (including additional consultants or independent contractors) in the near future to execute our growth plans.

We consider our employee relations to be good.

Corporate Information

Our principal executive offices are located at 2118 Walsh Avenue, Suite 210, Santa Clara, CA 95050. Our telephone number is (408) 899-4443 and our web address is www.heartbeam.com. Financial and other information can be accessed on the "Investors" section of our website. We make available through our website, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the Securities and Exchange Commission (the "SEC"). Also posted on our website are certain corporate governance documents, including our Code of Business Conduct and Ethics. The reference to our website is textual in reference only, and the information included or referred to on, or accessible through, our website does not constitute part of, and is not incorporated by reference into, this report or any other filing.

We also file periodic reports, proxy statements and other information with the SEC. Such reports may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at (800) SEC-0330. In addition, the SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and other information.

Item 1A. Risk Factors.

You should consider carefully the risks, uncertainties and other factors described below, in addition to the other information set forth in this Form 10-K, before making an investment decision. Any of these risks, uncertainties and other factors could materially and adversely affect our business, financial condition, results of operations, cash flows or prospects. In that case, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock. See also "Cautionary Statement Regarding Forward-Looking Statements."

Risks Related to Our Business

We have a limited operating history upon which investors can evaluate our future prospects.

We have a limited operating history upon which an evaluation of our business plan or performance and prospects can be made. The business and prospects of the Company must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or the failure to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges and if unsuccessful, we and our business, financial condition and operating results could be materially and adversely affected.

The current and future expense levels of our business are based largely on estimates of planned operations and future revenues rather than experience. It is difficult to accurately forecast future revenues because our business is new and our market has not been developed. If our forecasts prove incorrect, the business, operating results and financial condition of the Company may be materially and adversely affected. Moreover, we may be unable to adjust our spending in a timely manner to compensate for any unanticipated reduction in revenues. As a result, any significant reduction in planned or actual revenues may immediately and adversely affect our business, financial condition and operating results.

Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern.

As described in Note 2 of our accompanying audited financial statements, our auditors have issued a going concern opinion on our December 31, 2022 financial statements, expressing substantial doubt that we can continue as an ongoing business for the next twelve months after issuance of their report based on our current development plans and our operating requirements and us having suffered recurring losses from operations and having a net capital deficiency. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we cannot raise the

necessary capital to continue as a viable entity, we could experience a material adverse effect on our business and our stockholders may lose some or all of their investment in us.

We can provide no assurances that any additional sources of financing will be available to us on favorable terms, if at all. Our forecast of the period of time through which our current financial resources will be adequate to support our operations and the costs to support our general and administrative, selling and marketing and research and development activities are forward-looking statements and involve risks and uncertainties.

We have no revenues and we cannot predict when we will achieve first revenues and sustained profitability.
We have no revenues and cannot definitely predict when we will achieve revenues and profitability. We do not anticipate generating significant revenues until we successfully develop, achieve regulatory clearance, commercialize and sell our proposed products, of which we can give no assurance. We are unable to determine when we will generate significant revenues from the sale of any such products.

We cannot predict when we will achieve profitability, if ever. Our inability to become profitable may force us to curtail or temporarily discontinue our research and development programs and our day-to-day operations. Furthermore, there can be no assurance that profitability, if achieved, can be sustained on an ongoing basis.

We may never complete the development and commercialization of products that we are currently developing and future development of new generations of any of our other proposed products.
We have no assurance of success as to the completion and of the commercial launch of our products or the completion and development of any new generations of products that are currently under development or other proposed or contemplated products, for any of our target markets. We continue to seek to improve our technologies while we are developing them so that they result in commercially viable products. Failure to improve on any of our technologies could delay or prevent their successful development for our target markets. Developing any technology into a marketable product is a risky, time consuming and expensive process. You should anticipate that we will encounter setbacks, discrepancies requiring time consuming and costly redesigns and changes, and that there is the possibility of outright failure.

We may not meet our product development and commercialization milestones.
We have established milestones, based upon our expectations regarding our technologies, which we use to assess our progress toward developing our products. These milestones relate to technology development and design improvements as well as dates for achieving development goals. If our products exhibit technical defects or are unable to meet cost or performance goals, our commercialization schedule could be delayed and potential purchasers of our initial commercial products may decline to purchase such products or may opt to pursue alternative products.

We may also experience shortages of the components used in our devices. The contract manufacturing operations that we will use could be disrupted by fire, earthquake or other natural disaster, a labor-related disruption, failure in supply or other logistical channels, electrical outages or other reasons. If there were a disruption to manufacturing facilities, we would be unable to manufacture devices until these manufacturing capabilities are restored or alternative manufacturing facilities are engaged.

Generally, we have met our milestone schedules when making technological advances in our product. We can give no assurance that our development and commercialization schedule will continue to be met as we further develop products currently under development or any of our other future products.

Our business is dependent upon physicians utilizing and prescribing our solution; if we fail to engage physicians to utilize our solution, our revenues may never materialize or may not meet our projections.
The success of our cardiac diagnosis and monitoring business is dependent upon physicians prescribing and utilizing our solution. The utilization of our solution by physicians for use in the prescription of cardiac monitoring is directly influenced by a number of factors, including:

- the ability of the physicians with whom we work to obtain sufficient reimbursement and be paid in a timely manner for the professional services they provide in connection with the use of our monitoring solutions;
- establishing ourselves as a cardiac monitoring technology company by publishing peer reviewed publications showing efficacy of our solutions,
- our ability to educate physicians regarding the benefits of our cardiac monitoring solutions over alternative diagnostic monitoring solutions,

- our demonstrating that our proposed products are reliable and supported by us in the field;
- supplying and servicing sufficient quantities of products directly or through marketing alliances; and
- pricing our devices and technology service fees in a medical device industry that is becoming increasingly price sensitive.

If we are unable to drive physician utilization, our revenues may never materialize or may not meet our projections.

We are subject to extensive governmental regulations relating to the manufacturing, labeling, and marketing of our products.
Our medical technology products and operations are subject to regulation by the FDA, and other foreign and local governmental authorities. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and post market surveillance of our medical products.

Under the United States Federal Food, Drug, and Cosmetic Act, medical devices are classified into one of three classes — Class I, Class II or Class III — depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. We believe that our products currently under development and planned products will be Class II medical devices. Class II medical devices are subject to additional controls, including full applicability of the Quality System Regulations, and requirements for 510(k) pre-market notification.

The FDA may disagree with the classification of a new Class II medical device and require the manufacturer of that device to apply for approval as a Class III medical device. If the FDA determines that our Class II medical Products should be classified as Class III medical devices, we could be precluded from marketing the devices for clinical use within the United States for a period of time, the length of which depends on the specific change in the classification. Reclassification of our Class II medical Products as Class III medical devices could significantly increase our regulatory costs, including the timing and expense associated with required clinical trials and other costs.

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change, and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

The FDA and non-U.S. regulatory authorities require that our products be manufactured according to rigorous standards. These regulatory requirements may significantly increase our production costs and may even prevent us from making our products in quantities sufficient to meet market demand. If we change our approved manufacturing process, the FDA may need to review the process before it may be used. Failure to comply with applicable regulatory requirements discussed could subject us to enforcement actions, including warning letters, fines, injunctions, and civil penalties, product recall or seizure of our products, operating restrictions, partial suspension or total shutdown of our production, and even criminal prosecution.

Federal, state, and non-U.S. regulations regarding the manufacture and sale of medical devices are subject to future changes. The complexity, timeframes and costs associated with obtaining marketing clearances are unknown. Although we cannot predict the impact, if any, these changes might have on our business, the impact could be material.

Following the introduction of a product, these agencies will also periodically review our design and manufacturing processes and product performance. The process of complying with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements can be costly and time consuming, and could delay or prevent the production, manufacturing, or sale of our products. In addition, if we fail to comply with applicable regulatory requirements, it could result in fines, delays or suspensions of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation. Recent changes in enforcement practice by the FDA and other agencies have resulted in increased enforcement activity, which increases the compliance risk for the Company and other

companies in our industry. In addition, governmental agencies may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register products already on the market or otherwise impact our ability to market our products in those countries. Once clearance or approval has been obtained for a product, there is an obligation to ensure that all applicable FDA, and other regulatory requirements continue to be met.

Additionally, injuries caused by the malfunction or misuse of cardiac devices, even where such malfunction or misuse occurs with respect to one of our competitor's products, could cause regulatory agencies to implement more conservative regulations on the medical cardiac monitoring industry, which could significantly increase our operating costs.

If we are not able to both obtain and maintain adequate levels of third-party reimbursement for our products, it would have a material adverse effect on our business.
Healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) utilized, available budget, the efficacy, safety, performance and cost-effectiveness of our planned products and services, or a combination of these or other factors, and coverage and payment levels are determined at each payer's discretion. The coverage policies and reimbursement levels of these third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement levels or methods may impact sales of our products.

We have no direct control over payer decision-making with respect to coverage and payment levels for our medical device products and services. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative, and cost- effectiveness studies, so-called "pay-for-performance" programs implemented by various public and private payers, and expansion of payment bundling schemes such as Accountable Care Organizations, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and/or payment levels for our products and services.

The ability of physicians and other providers to successfully utilize our cardiac diagnostic and monitoring solutions and successfully allow payors to reimburse for the physicians' technical and professional fees is critical to our business because physicians and their patients will select solutions other than ours in the event that payors refuse to adequately reimburse our technical fees and physicians' professional fees.

Changes in reimbursement practices of third-party payers could affect the demand for our products and services and our revenue levels.
The sales of our proposed products and services could depend, in part, on the extent to which healthcare providers and facilities or individual users are reimbursed by government authorities, private insurers and other third-party payers for the costs of our products, or the services performed with our products. The coverage policies and reimbursement levels of third-party payers, which can vary among public and private sources and by country, may affect which products customers purchase and the prices they are willing to pay for those products and services in a particular jurisdiction. Reimbursement rates can also affect the acceptance rate of new technologies. Legislative or administrative reforms to reimbursement systems in the United States or abroad, or changes in reimbursement rates by private payers, could significantly reduce reimbursement for medical actions using the Company's products or result in denial of reimbursement for those products, which would adversely affect customer demand, or the price customers may be willing to pay for such products and services.

We may experience difficulty in obtaining reimbursement for our services from commercial payors that consider our technology to be experimental and investigational, which would adversely affect our revenue and operating results.
Many commercial payors refuse to enter into contracts to reimburse the fees associated with medical devices or services that such payors determine to be "experimental and investigational." Commercial payors typically label medical devices or services as "experimental and investigational" until such devices or services have demonstrated product superiority evidenced by a randomized clinical trial.

For example, clinical trials have been performed on some mobile cardiac telemetry devices, proving higher diagnostic yield than monitoring devices and services that are already being reimbursed. Certain remaining commercial payors, however, have stated that they do not believe the data from the clinical trials justifies the removal of the experimental designation for mobile cardiac telemetry solutions. As a result, certain commercial payors may refuse to reimburse the technical and professional fees associated with cardiac monitoring solutions such as the one expected to be offered by the Company.

If commercial payors decide not to reimburse physicians or providers for their services during the utilization of our cardiac monitoring solutions, our revenue could fail to materialize or meet our projections.

Reimbursement by Medicare is highly regulated and subject to change; our failure to comply with applicable regulations could decrease our expected revenue and may subject us to penalties or have an adverse impact on our business.
The Medicare program is administered by CMS, which imposes extensive and detailed requirements on medical services providers, including, but not limited to, rules that govern how we structure our relationships with physicians, and how and where we provide our cardiac solutions. Our failure to comply with applicable Medicare rules could result in the inability of physicians to receive reimbursement as they will likely utilize our cardiac monitoring solution under the Medicare payment program.

Consolidation of commercial payors could result in payors eliminating coverage of mobile cardiac monitoring solutions or reducing reimbursement rates.
When payors combine their operations, the combined company may elect to reimburse physicians for cardiac monitoring services at the lowest rate paid by any of the participants in the consolidation. If one of the payors participating in the consolidation does not reimburse for these services at all, the combined company may elect not to reimburse at any rate. Reimbursement rates tend to be lower for larger payors. As a result, as payors consolidate, our expected average reimbursement rate may decline.

Product defects could adversely affect the results of our operations.
The design, manufacture and marketing of our hardware and software products involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of our products can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA, or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products. Personal injuries or deaths relating to the use of our products could also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

Interruptions or delays in telecommunications systems or in the data services provided to us by cellular communication providers or the loss of our wireless or data services could impair the delivery of our cardiac monitoring services.
The success of our cardiac monitoring services will be dependent upon our ability to transmit, store, retrieve, process and manage data and to maintain and upgrade our data processing and communication capabilities. Our monitoring solution relies on a third-party wireless carrier to transmit data over its data network. All data sent by our monitors via this wireless data network is expected to be routed directly to healthcare providers and data centers or third-party ECG monitoring centers. We are therefore dependent upon a third party wireless carrier to provide data transmission services to us.

As we expand our commercial activities, an increased burden is expected to be placed upon our data processing systems and the equipment upon which they rely. Interruptions of our data networks, or the data networks of our wireless carrier, for any extended length of time, loss of stored data or other computer problems could have a material adverse effect on our business and operating results. Frequent or persistent interruptions in our cardiac monitoring services could cause permanent harm to our reputation and could cause current or potential users or prescribing physicians to believe that our systems are unreliable, leading them to switch to our competitors. Such interruptions could result in liability, claims and litigation against us for damages or injuries resulting from the disruption in service.

Our systems are also expected to be vulnerable to damage to or interruption of telecommunication services from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, break-ins, sabotage, and acts of vandalism. Despite any precautions that we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in these services. We do not carry business interruption insurance to protect against losses that may result from interruptions in service as a result of system failures. Moreover, the communications and information technology industries are subject to rapid and significant changes, and our ability to operate and compete is dependent on our ability to update and enhance the communication technologies used in our systems and services.

Interruptions in computing and data management cloud systems could impair the delivery of our cardiac monitoring services.
The success of our cardiac monitoring services will be dependent upon our ability to perform computing functions associated with our cardiac signal processing algorithms and data management. The diagnostic and monitoring functions rely on the uninterrupted availability of third-party cloud based computational and data management services. Availability of the cloud-based infrastructure is a critical link in our ability to deliver our services and could have a material adverse effect on our business and operating results. Furthermore, loss of data due to catastrophic events at the sites for these cloud based computer systems could cause permanent harm to our customers. These adverse events associated with unavailability of our cloud based computational infrastructure could result in liability, claims and litigation against us for damages or injuries resulting from the disruption in service.

Our systems are also expected to be vulnerable to damage or interruption in cloud computational services from earthquakes, floods, fires, power loss, technical failures, terrorist attacks, computer viruses, break-ins, sabotage, and acts of vandalism. Despite any precautions that we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in these services.

We could be exposed to significant liability claims if we are unable to obtain insurance at acceptable costs and adequate levels or otherwise protect ourselves against potential product liability claims.
The testing, manufacture, marketing and sale of medical devices entail the inherent risk of liability claims or product recalls. Product liability insurance is expensive and, if available, may not be available on acceptable terms at all periods of time. A successful product liability claim or product recall could inhibit or prevent the successful commercialization of our products, cause a significant financial burden on the Company, or both, which in either case could have a material adverse effect on our business and financial condition.

We require additional capital to support our present business plan and our anticipated business growth, and such capital may not be available on acceptable terms, or at all, which would adversely affect our ability to operate.
We will require additional funds to further develop our business plan. We may choose to raise additional capital in order to expedite and propel growth more rapidly. We can give no assurance that we will be successful in raising any additional funds. We may need to raise additional funds, doing so through debt and equity offerings, in order to meet our expected future liquidity and capital requirements, including capital required for the development completion and introduction of our future products and technologies. Any such financing that we undertake will likely be dilutive to current stockholders.

We intend to continue to make investments to support our business growth, including patent or other intellectual property asset creation. In addition, we may also need additional funds to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, satisfying debt payment obligations, developing new lines of business and enhancing our operating infrastructure. While we may need to seek additional funding for such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our Common Stock. We may also seek to raise additional funds through arrangements with collaborators or other third parties. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all our business plans.

We cannot predict our future capital needs and we may not be able to secure additional financing.
We will need to raise additional funds in the future to fund our working capital needs and to fund further expansion of our business. We may require additional equity or debt financings, collaborative arrangements with corporate partners or funds from other sources for these purposes. No assurance can be given that necessary funds will be available for us to finance our development on acceptable terms, if at all. Furthermore, such additional financings may involve substantial dilution of our stockholders or may require that we relinquish rights to certain of our technologies or products. In addition, we may experience operational difficulties and delays due to working capital restrictions. If adequate funds are not available from operations or additional sources of financing, we may have to delay or scale back our growth plans.

The results of our research and development efforts are uncertain and there can be no assurance of the commercial success of our products.
We believe that we will need to incur additional research and development expenditures to continue development of our existing proposed products as well as research and development expenditures to develop new products and services. The products and services we are developing and may develop in the future may not be technologically successful. In addition, the length of our product and service development cycle may be greater than we originally expected, and we may

experience delays in product development. If our resulting products and services are not technologically successful, they may not achieve market acceptance or compete effectively with our competitors' products and services.

If we fail to retain certain of our key personnel and attract and retain additional qualified personnel, we might not be able to pursue our growth strategy.
Our future success will depend upon the continued service of Dr. Branislav Vajdic and other members of our key management team and our technical contributors. Though no individual is indispensable, the loss of the services of these individuals could have a material adverse effect on our business, operations, revenues or prospects. We do not currently maintain key man life insurance on the lives of these individuals.

We will not be profitable unless we can demonstrate that our products can be manufactured at low prices.
To date, we have focused primarily on research and development of the first versions of our software and hardware products, as well as other technologies we plan to introduce in our eco-system, and their proposed marketing and distribution. Consequently, we have little experience in manufacturing these products on a commercial basis. We plan to manufacture our products through third-party manufacturers. We can offer no assurance that either we or our manufacturing partners will develop efficient, automated, low-cost manufacturing capabilities and processes to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market our products, especially at the low-cost levels we require to absorb the cost of near free distribution of our products pursuant to our proposed business plan. Even if we or our manufacturing partners are successful in developing such manufacturing capability and processes, we do not know whether we or they will be timely in meeting our product commercialization schedule or the production and delivery requirements of potential customers. A failure to develop such manufacturing processes and capabilities could have a material adverse effect on our business and financial results. If we or our suppliers fail to achieve or maintain regulatory approval of manufacturing facilities, our growth could be limited and our business could be harmed.

In order to maintain compliance with FDA and other regulatory requirements, our development and manufacturing facilities must be periodically re-evaluated and qualified under a quality system to ensure they meet production and quality standards. Suppliers of components and products used to manufacture our devices must also comply with FDA regulatory requirements, which often require significant resources and subject us and our suppliers to potential regulatory inspections and stoppages. If we or our suppliers do not maintain regulatory approval for our manufacturing operations, our business could be adversely affected.

Our dependence on a limited number of suppliers may prevent us from delivering our devices on a timely basis.
We currently rely on a limited number of suppliers of components for our prototype devices. If these suppliers became unable to provide components in the volumes needed or at an acceptable price, we would have to identify and qualify acceptable replacements from alternative sources of supply. The process of qualifying suppliers is lengthy. Delays or interruptions in the supply of our requirements could limit or stop our ability to provide sufficient quantities of devices on a timely basis or meet demand for our devices or services, which could have a material adverse effect on our business, financial condition and results of operations.

We rely significantly on information technology and any failure, inadequacy, or security lapse of that technology,including any cybersecurity incidents, could harm us.We believe that companies have been increasingly subject to a wide variety of security incidents, cyberattacks and other attempts to gain unauthorized access. These threats can come from a variety of sources, ranging in sophistication from an individual hacker to a state-sponsored attack. Cyber threats may be generic, or they may be custom-crafted against our information systems. Over the past few years, cyber-attacks have become more prevalent and much harder to detect and defend against. Several key areas of our business depend on the use of information technologies, including production, manufacturing, marketing, and logistics, as well as clinical and regulatory matters. We also utilize systems that allow for the secure storage and transmission of proprietary or confidential information regarding our customers, employees, and others, including personal information. Despite our efforts to prevent such behavior, third parties may nonetheless attempt to hack into our systems and obtain data relating to our pre-clinical studies, clinical trials, patients using our VCG technology and our telehealth ECG collection device or other information relating to us or our business. If we fail to maintain or protect our information systems and data integrity effectively, we could have problems in determining product cost estimates and establishing appropriate pricing, have difficulty preventing, detecting, and controlling fraud, have disputes with physicians, and other health care professionals, have regulatory sanctions or penalties imposed, have increases in operating expenses, incur expenses or lose revenues as a result of a data privacy breach, or suffer other adverse consequences and reputational damages. While we have invested in the protection of data and information technology, there can be no assurance that our efforts or those of our third-party

collaborators, if any, or manufacturers, to implement adequate security and quality measures for data processing would be sufficient to protect against data deterioration or loss in the event of a system malfunction, or to prevent data from being stolen or corrupted in the event of a security breach. Any such loss or breach could harm our business, operating results, and financial condition.

We have identified weaknesses in our internal controls, and we cannot provide assurances that these weaknesses will be effectively remediated or that additional material weaknesses will not occur in the future.

As a public company, we are subject to the reporting requirements of the Exchange Act, and the Sarbanes-Oxley Act. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal controls over financial reporting.

We do not yet have effective disclosure controls and procedures, or internal controls over all aspects of our financial reporting. We are continuing to develop and refine our internal controls over financial reporting. Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. We will be required to expend time and resources to further improve our internal controls over financial reporting, including by expanding our staff. However, we cannot assure you that our internal control over financial reporting, as modified, will enable us to identify or avoid material weaknesses in the future.

We have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weaknesses identified to date include (i) lack of formal risk assessment under COSO framework (ii) policies and procedures which are not adequately documented, (iii) lack of proper approval processes, review processes and documentation for such reviews, (iv) insufficient GAAP experience regarding complex transactions and ineffective review processes over period end financial disclosure and reporting and (v) insufficient segregation of duties.

We will be required to expend time and resources to further improve our internal controls over financial reporting. However, we cannot assure you that our internal control over financial reporting, as modified, will enable us to identify or avoid material weaknesses in the future.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls or our internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of management reports and independent registered public accounting firm audits of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures, and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our common stock.

Our independent registered public accounting firm is not required to audit the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act and meet other requirements. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results, and cause a decline in the market price of our common stock.

Risks Related to Economic Conditions

We maintain our cash at financial institutions, often in balances that exceed federally insured limits.
Our cash is held in accounts at U.S. banking institutions that we believe are of high quality. Cash held in non-interest-bearing and interest-bearing operating accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. The FDIC took control of one such banking institution, Silicon Valley Bank ("SVB"), on March 10, 2023 and as a result, we stood to lose approximately $0.6 million. The FDIC also took control of Signature Bank ("Signature Bank") on March 12, 2023 we do not hold any accounts at this bank.

The Federal Reserve on March 13, 2023 announced that account holders would not bear the loss of SVB's collapse. Thus, we do not view the risk as material to our financial condition. However, as the FDIC continues to address the situation with SVB, Signature Bank and other similarly situated banking institutions, the risk of loss in excess of insurance limitations has generally increased. Any material loss that we may experience in the future could have an adverse effect on our ability to pay our operational expenses or make other payments and may require us to move our accounts to other banks, which could cause a temporary delay in making payments to our vendors and employees and cause other operational inconveniences.

Changes in tax laws or regulations may increase tax uncertainty and adversely affect results of our operations and our effective tax rate.
We are subject to taxes in the United States and in the future expect to be subject to certain foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions, including the United States, may be subject to change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or their interpretation. In addition, we may be subject to income tax audits by various tax jurisdictions. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution by one or more taxing authorities could have a material impact on the results of our operations.

Escalating global trade tensions, and the conflict between Russia and Ukraine, and the adoption or expansion of tariffs and trade restrictions could negatively impact us.
The current military conflict between Russia and Ukraine could lead to disruption, instability and volatility in global markets and industries that could negatively impact our operations and could adversely affect our business and/or our supply chain, business partners or customers in other countries beyond Russia and Ukraine. The U.S. government and other governments in jurisdictions in which we operate have imposed severe sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. It is not possible to predict the broader consequences of this conflict, which could include sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets. The impact of these measures, as well as potential responses to them by Russia, is currently unknown and they could adversely affect our business, supply chain, partners or customers. More specifically, while it is difficult to anticipate the impact the sanctions announced to date may have on our Research and Development team is largely based in Belgrade, Serbia any further sanctions imposed or actions taken by the U.S. or other countries, and any retaliatory measures by Russia in response, such as restrictions on energy supplies from Russia to countries in the region, could increase our costs, reduce our sales and earnings or otherwise have an adverse effect on our operations.

Natural disasters and other events beyond our control could materially adversely affect us.
Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Such events could make it difficult or impossible for us to deliver our products and services to our customers and could decrease demand for our products and services.

The ongoing COVID-19 pandemic continues to present operational, health, labor, logistics and other challenges, and it is difficult to assess the ultimate impact of the COVID-19 pandemic on our business, financial condition and cash flows.
The World Health Organization declared the COVID-19 outbreak a pandemic in 2020. Based on current COVID-19 trends, the Department of Health and Human Services is planning for the federal Public Health Emergency for COVID-19, declared under Section 319 of the Public Health Service Act, to expire at the end of the day on May 11, 2023.

There are many variables and uncertainties regarding the COVID -19 pandemic, including the emergence, contagiousness and threat of new and different strains of the virus and their severity; the effectiveness of treatments or vaccines against the virus or its new strains; travel restrictions, business closures and other measures that are or may be imposed in affected areas or countries by governmental authorities; disruptions in the supply chain; an increasingly competitive labor market due to a sustained labor shortage or increased turnover caused by the COVID -19 pandemic; increased logistics costs; additional costs due to remote working arrangements, adherence to social distancing guidelines and other COVID-19 related challenges. Further, there remain increased risks of cyberattacks on information technology systems used in remote working environment; increased privacy-related risks due to processing health-related personal information; absence of workforce due to illness; and other factors that are currently unknown or considered immaterial. It is difficult to assess the ultimate impact of the COVID -19 pandemic on our business, financial condition and cash flows.

Risks Related to Our Industry

The industry in which we operate is highly competitive and subject to rapid technological change. If our competitors are better able to develop and market products that are safer, more effective, less costly, easier to use, or are otherwise more attractive, we may be unable to compete effectively with other companies.
The medical technology industry is characterized by intense competition and rapid technological change, and we will face competition on the basis of product features, clinical outcomes, price, services and other factors. Competitors may include large medical device and other companies, some of which have significantly greater financial and marketing resources than we do, and firms that are more specialized than we are with respect to particular markets. Our competition may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing and other resources than ours or may be more successful in attracting potential customers, employees and strategic partners.

Our competitive position will depend on multiple, complex factors, including our ability to achieve regulatory clearance and market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approvals for products under development and protect our intellectual property. In some instances, competitors may also offer, or may attempt to develop, alternative systems that may be delivered without a medical device or with a medical device superior to ours. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. The entry into the market of manufacturers located in low-cost manufacturing locations may also create pricing pressure, particularly in developing markets. Our future success depends, among other things, upon our ability to compete effectively against current technology, as well as to respond effectively to technological advances or changing regulatory requirements, and upon our ability to successfully implement our marketing strategies and execute our research and development plan. Our research and development efforts are aimed, in part, at solving increasingly complex problems, as well as creating new technologies, and we do not expect that all of our projects will be successful. If our research and development efforts are unsuccessful, our future results of operations could be materially harmed.

We face competition from other medical device companies that focus on similar markets.
We face competition from other companies that have longer operating histories and may have greater name recognition and substantially greater financial, technical and marketing resources than us. Many of these companies also have FDA or other applicable governmental approval to market and sell their products, and more extensive customer bases, broader customer relationships and broader industry alliances than us, including relationships with many of our potential customers. Increased competition from any of these sources could result in our failure to achieve and maintain an adequate level of customers and market share to support the cost of our operations.

Unsuccessful clinical trials or procedures relating to products under development could have a material adverse effect on our prospects.
The regulatory approval process for new products and new indications for existing products requires extensive clinical trials and procedures, including early clinical experiences and regulatory studies. Unfavorable or inconsistent clinical data from current or future clinical trials or procedures conducted by us, our competitors, or third parties, or perceptions regarding this clinical data, could adversely affect our ability to obtain necessary approvals and the market's view of our future prospects. Such clinical trials and procedures are inherently uncertain and there can be no assurance that these trials or procedures will be completed in a timely or cost- effective manner or result in a commercially viable product. Failure to successfully complete these trials or procedures in a timely and cost-effective manner could have a material adverse effect on our prospects. Clinical trials or procedures may experience significant setbacks even after earlier trials have shown promising results. Further, preliminary results from clinical trials or procedures may be contradicted by subsequent clinical

analysis. In addition, results from our already completed clinical trials or procedures may not be supported by actual long-term studies or clinical experience. If preliminary clinical results are later contradicted, or if initial results cannot be supported by actual long-term studies or clinical experience, our business could be adversely affected. Clinical trials or procedures may be suspended or terminated by us, the FDA or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks.

Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.
The medical device industry in which we operate is characterized by extensive intellectual property litigation and, from time to time, we might be the subject of claims by third parties of potential infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert the time and effort of our management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against us could result in our payment of significant monetary damages and/or royalty payments, or it could negatively impact our ability to sell current or future products in the affected category and could have a material adverse effect on business, cash flows, financial condition or results of operations.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.
In addition to obtaining intellectual property protections we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We will seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We will seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention or intellectual property assignment agreements with our employees and consultants. Moreover, to the extent we enter into such agreements, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. In general, any loss of trade secret protection or other unpatented proprietary rights could harm our business, results of operations and financial condition.

If we are unable to protect our proprietary rights, or if we infringe on the proprietary rights of others, our competitiveness and business prospects may be materially damaged.
We have filed for and were granted a number of utility patents in the U.S as well as through PCT covering international markets. We will continue to seek patent protection for our inventions and may seek patent protection for our proprietary designs if warranted. Seeking patent protection is a lengthy and costly process, and there can be no assurance that patents will be issued from any pending applications, or that any claims allowed from existing or pending patents will be sufficiently broad or strong to protect our designs or our proprietary technology. There is also no guarantee that any patents we hold will not be challenged, invalidated or circumvented, or that the patent rights granted will provide competitive advantages to us. Our competitors have developed and may continue to develop and obtain patents for technologies that are similar or superior to our technologies. In addition, the laws of foreign jurisdictions in which we develop, manufacture or sell our products may not protect our intellectual property rights to the same extent, as do the laws the United States.

Adverse outcomes in legal disputes regarding patent and other intellectual property rights could result in the loss of our intellectual property rights, subject us to significant liabilities to third parties, require us to seek licenses from third parties on terms that may not be reasonable or favorable to us, prevent us from manufacturing, importing or selling our products, or compel us to redesign our products to avoid infringing third parties' intellectual property. As a result, we may be required to incur substantial costs to prosecute, enforce or defend our intellectual property rights if they are challenged. Any of these circumstances could have a material adverse effect on our business, financial condition and resources or results of operations.

Dependence on our proprietary rights and failing to protect such rights or to be successful in litigation related to such rights may result in our payment of significant monetary damages or impact offerings in our product portfolios.

Our long-term success largely depends on our ability to market technologically competitive products. If we fail to obtain or maintain adequate intellectual property protection, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products. Also, our currently pending industrial design patent or any future patents applications may not result in issued patents, and issued patents are subject to claims concerning priority, scope and other issues.

Furthermore, to the extent we do not file applications for patents domestically or internationally, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products in other countries.

Enforcement of federal and state laws regarding privacy and security of patient information may adversely affect our business, financial condition or operations.

The use and disclosure of certain health care information by health care providers and their business associates have come under increasing public scrutiny. Recent federal standards under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish rules concerning how individually-identifiable health information may be used, disclosed and protected. Historically, state law has governed confidentiality issues, and HIPAA preserves these laws to the extent they are more protective of a patient's privacy or provide the patient with more access to his or her health information. As a result of the implementation of the HIPAA regulations, many states are considering revisions to their existing laws and regulations that may or may not be more stringent or burdensome than the federal HIPAA provisions. We must operate our business in a manner that complies with all applicable laws, both federal and state, and that does not jeopardize the ability of our customers to comply with all applicable laws. We believe that our operations are consistent with these legal standards. Nevertheless, these laws and regulations present risks for health care providers and their business associates that provide services to patients in multiple states. Because these laws and regulations are recent, and few have been interpreted by government regulators or courts, our interpretations of these laws and regulations may be incorrect. If a challenge to our activities is successful, it could have an adverse effect on our operations, may require us to forego relationships with customers in certain states and may restrict the territory available to us to expand our business. In addition, even if our interpretations of HIPAA and other federal and state laws and regulations are correct, we could be held liable for unauthorized uses or disclosures of patient information as a result of inadequate systems and controls to protect this information or as a result of the theft of information by unauthorized computer programmers who penetrate our network security. Enforcement of these laws against us could have a material adverse effect on our business, financial condition and results of operations.

We may become subject, directly or indirectly, to federal and state health care fraud and abuse laws and regulations and if we are unable to fully comply with such laws, the Company could face substantial penalties.

Although not affected at this time, our operations may in the future become directly or indirectly affected by various broad state and federal health care fraud and abuse laws, including the Federal Healthcare Programs' Anti-Kickback Statute and the Stark law, which among other things, prohibits a physician from referring Medicare and Medicaid patients to an entity with which the physician has a financial relationship, subject to certain exceptions. If our future operations are found to be in violation of these laws, we or our officers may be subject to civil or criminal penalties, including large monetary penalties, damages, fines, imprisonment and exclusion from Medicare and Medicaid program participation. If enforcement action were to occur, our business and results of operations could be adversely affected.

We may be subject to federal and state false claims laws which impose substantial penalties.

Many of the physicians and patients whom we expect to use our services will file claims for reimbursement with government programs such as Medicare and Medicaid. As a result, we may be subject to the federal False Claims Act if we knowingly "cause" the filing of false claims. Violations may result in substantial civil penalties, including treble damages. The federal False Claims Act also contains "whistleblower" or "qui tam" provisions that allow private individuals to bring actions on behalf of the government alleging that the defendant has defrauded the government. In recent years, the number of suits brought in the medical industry by private individuals has increased dramatically. Various states have enacted laws modeled after the federal False Claims Act, including "qui tam" provisions, and some of these laws apply to claims filed with commercial insurers. We are unable to predict whether we could be subject to actions under the federal False Claims Act, or the impact of such actions. However, the costs of defending claims under the False Claims Act, as well as sanctions imposed under the False Claims Act, could adversely affect our results of operations.

Risks Related To Common Stock

The price of our Common Stock and Warrants may be subject to wide fluctuations.
A consistently active trading market for our Common Stock and Warrants does not exist and may not develop or be maintained. You may not be able to sell your shares quickly or at the current market price if trading in our stock is not active. You may lose all or a part of your investment. The market price of our Common Stock and Warrants may be highly volatile and subject to wide fluctuations in response to a variety of factors and risks, many of which are beyond our control. In addition to the risks noted elsewhere in this prospectus, some of the other factors affecting our stock price may include:

- variations in our operating results;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- future sales of our Common Stock or other equity securities;
- any delay in our regulatory filings for our product and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product;
- changes in laws or regulations applicable to our products, including but not limited to clinical trial requirements for approvals;
- adverse developments concerning our manufacturers;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- our inability to establish collaborations if needed;
- additions or departures of key scientific or management personnel;
- introduction of new products or services offered by us or our competitors;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our ability to effectively manage our growth;
- the size and growth of our initial target markets;
- our ability to successfully treat additional types of indications or at different stages;
- actual or anticipated variations in annual and quarterly operating results;
- our cash position;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- overall performance of the equity markets;
- sales of our Common Stock by our stockholders in the future;
- trading volume of our Common Stock;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our or our licensee's technologies;
- significant lawsuits, including patent or stockholder litigation;
- general political and economic conditions, including war and its unknown impact on our Serbia development team; and
- other events or factors, many of which are beyond our control.

We are an "emerging growth company," and any decision on our part to comply with certain reduced disclosure requirements
We are an "emerging growth company" as defined in the JOBS Act, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies including, but (i) not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) not being required to comply with any new requirements adopted by the Public

Company Accounting Oversight Board (the "PCAOB"), requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (iii) not being required to comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, (iv) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and (v) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We could remain an emerging growth company until the earlier of: (i) the last day of the fiscal year in which we have total annual gross revenues of $1.24 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer. We cannot predict if investors will find our securities less attractive if we choose to rely on these exemptions. If some investors find our securities less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our securities and our stock price may be more volatile. Further, as a result of these scaled regulatory requirements, our disclosure may be more limited than that of other public companies and you may not have the same protections afforded to stockholders of such companies.

Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards. We have opted for taking advantage of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the Jobs Act.

Future sales and issuances of our Common Stock or rights to purchase Common Stock, including pursuant to our equity incentive plans and other equity securities could result in dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We expect that significant additional capital may be needed in the future to continue our planned operations, including conducting clinical trials, commercialization efforts, expanded research and development activities and costs associated with operating a public company. To raise capital, we may sell Common Stock or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell Common Stock or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences and privileges senior to the holders of our Common Stock. Our Certificate of Incorporation authorizes the issuance of 100,000,000 shares of Common Stock and 10,000,000 shares of Preferred Stock. Initially, the aggregate number of shares of our Common Stock that may be issued pursuant to stock awards under our 2022 Equity Incentive Plan ("2022 Plan") is 1,900,000 shares. As of December 31, 2022, there are 747,364 shares available for issuance under the 2022 Plan. The number of shares available for issuance under the 2022 Plan will be increased on the first day of each fiscal year beginning with the 2023 fiscal year by five percent (5%) of the total number of shares of common stock outstanding on the last day of the immediately preceding fiscal year as defined in the Plan. Further increases in the number of shares available for future grant or purchase may result in additional dilution, which could cause our stock price to decline.

Nasdaq Capital Market, may delist our Common Stock if we fail to comply with ongoing listing standards.

Nasdaq Capital Market requires us to meet certain financial, public float, bid price and liquidity standards on an ongoing basis in order to continue the listing of our Common Stock and Warrants. If we fail to meet these continued listing requirements, our Common Stock or Warrants may be subject to delisting. If our Common Stock or Warrants are delisted and we are not able to list such Common Stock and Warrants on another national securities exchange, we expect our securities would be quoted on an over-the-counter market; However, if this were to occur, our stockholders could face significant material adverse consequences, including limited availability of market quotations for our Common Stock and Warrants and reduced liquidity for the trading of our securities. In addition, in the event of such delisting, we could experience a decreased ability to issue additional securities and obtain additional financing in the future.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Common Stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

Our need for future financing may result in the issuance of additional securities which will cause investors to experience dilution.
Our cash requirements may vary from those now planned depending upon numerous factors, including the result of future research and development activities, our ability to estimate future expenses and acceptance of our products in the market.

There are no significant commitments for future financing of the commercial phase of our telehealth Product and other future products. In the future, our securities may be offered to other investors at a price lower than the price per share paid by our investors, or upon terms which may be deemed more favorable than previously offered. In addition, the issuance of securities in any future financing using our securities may dilute an investor's equity ownership. Moreover, we may issue other equity securities with derivative features to procure qualified personnel or for other business reasons. The issuance of any such derivative securities, which is at the discretion of our board of directors, may further dilute the equity ownership of our stockholders, including the investors in this offering. No assurance can be given as to our ability to procure additional financing, if required, and on terms deemed favorable to us. To the extent additional capital is required and cannot be raised successfully, we may then have to limit our then current operations and/or may have to curtail certain, if not all, of our business objectives and plans.

If our shares become subject to the penny stock rules, it would become more difficult to trade our shares.
The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our Common Stock is less than $5.00 per share and therefore may be a "penny stock." Brokers and dealers effecting transactions in "penny stock" must disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our Common Stock and may affect your ability to sell shares of our Common Stock in the future.

Liability of directors for breach of duty is limited under Delaware law.
Our certificate of incorporation limits the liability of directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under the federal or state securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our bylaws provide that we will indemnify for our directors and officers to the fullest extent permitted by law, and may indemnify employees and other agents. Our bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding.

We entered into separate indemnification agreements with our directors and officers. These agreements, among other things, require us to indemnify our directors and officers for any and all expenses (including reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by such directors or officers or on his or her behalf in connection with any action or proceeding arising out of their services as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request provided that such person follows the procedures for determining entitlement to indemnification and advancement of expenses set forth in the indemnification agreement. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might provide a

benefit to us and our stockholders. Our results of operations and financial condition may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

In so far as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future and, as such, capital appreciation, if any, of our Common Stock will be your sole source of gain for the foreseeable future.

We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. In addition, and any future loan arrangements we enter into may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our Common Stock. As a result, capital appreciation, if any, of our Common Stock will be your sole source of gain for the foreseeable future.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Our headquarters are located at 2118 Walsh Avenue, Suite 210, Santa Clara, CA 95050 which we lease pursuant to a monthly lease agreement entered into in May 2019 by our Chief Executive Officer Branislav Vajdic. The terms of the lease are month to month and either party can terminate with one months notice.

We believe that the facilities described above are suitable and adequate for our present purposes and needs in the near future.

Item 3. Legal Proceedings.

There are no actions, suits, proceedings, inquiries or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our Common Stock, any of our officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 4. Mine Safety Disclosures

Not applicable

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock and warrants are traded on the NASDAQ Capital Market under the symbols “BEAT” and “BEATW”, respectively. The closing price of our common stock and warrants on the Nasdaq Capital Market on March 14, 2023 was $3.09 and $0.59 respectively.

Use of Proceeds

Not Applicable

Holders of Record

As of March 14, 2023, there were approximately 50 holders of record of our common stock. As our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividend Policy

We have not paid any cash dividends on our common stock to date. The payment of dividends in the future will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition, and will be within the discretion of our then-existing board of directors.

Transfer Agent, Warrant Agent and Registrar

Our transfer agent and registrar for our common stock and warrant agent for our warrants is VStock Transfer, LLC.

Performance Graph and Purchases of Equity Securities

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Recent Sales of Unregistered Securities

The following sets forth information regarding all unregistered securities sold by the registrant in the three years preceding the date of this Annual Report on Form 10-K;

- On November 11, 2021, we issued 1,497,216 shares of Common Stock from the conversion of the 2015 Notes.
- On November 15, 2021, in connection with the IPO, we issued 192,500 warrants (the “Underwriter Warrants”) to purchase Common Stock as compensation to the Underwriter, exercisable at a per share exercise price equal to $7.50 per share. The Underwriter Warrants will expire five years from the date of issuance.
- On January 14, 2022, we issued 78,025 shares of Common Stock to a consulting firm for services that were related to the IPO.
- On February 28, 2023 we entered into a securities purchase agreement and a note purchase agreement, each as amended March 7, 2023 (“SPA”, “NPA” or together “Agreements”) with Maverick Capital Partners, LLC (“Maverick” or “Investor”). Pursuant to the terms of the Agreements, as amended, we agreed to sell up to $4,000,000 of our common stock at75% of the average calculated Volume Weighted Average Price (“VWAP”) per share during a Drawdown Pricing Period as defined in the Agreements. We issued a $ 500,000 Convertible Note to the Investor pursuant to the NPA. On March 9, 2023 the Convertible Note was settled upon the execution of a SPA and related issuance of 0.2 million shares of common stock pursuant to the SPA drawdown notice dated

March 7, 2023. The 0.2 million shares of common stock were registered under our registration statement on Form S-3 dated February 10, 2023 and the related prospectus supplement dated March 9, 2023.

These issuances were made in reliance on an exemption from registration set forth in Section 4(a)(2) of the Securities Act, as transactions by an issuer not involving a public offering.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

There were no issuer purchases of equity securities during the year ended December 31, 2022.

Equity Compensation Plan Information

On August 12, 2015 we adopted the HeartBeam, Inc. 2015 Equity Incentive Plan ("2015 Plan"), the 2015 Plan provided for the grant of stock options and RSUs to purchase common stock of which 1,636,362 were authorized by the board, of these 1,243,194 are outstanding as of December 31, 2022. At the Annual Stockholder meeting held on June 15, 2022 the 2015 Plan was terminated upon stockholder approval of the 2022 Equity Incentive Plan ("2022 Plan") whereby no new awards can be issued under the 2015 Plan. Initially, the aggregate number of shares of our Common Stock that may be issued pursuant to stock awards under our 2022 Plan is 1,900,000 shares. As of December 31, 2022, there are 747,364 shares available for issuance under the 2022 Plan. The number of shares available for issuance under the 2022 Plan will be increased on the first day of each fiscal year beginning with the 2023 fiscal year by five percent (5%) of the total number of shares of common stock outstanding on the last day of the immediately preceding fiscal year as defined in the Plan.

The principal provisions of our equity compensation plan is summarized below.

Administration

The plan generally is administered by our Board of Directors. The Board of Directors will have authority to establish rules and regulations for the proper administration of the our equity incentive plan, to select the employees, directors and consultants to whom awards are granted, and to set the date of grant, the type of award and the other terms and conditions of the awards, consistent with the terms of the 2022 Plan.

Eligibility

Persons eligible to participate in the 2022 Plan include all of our officers, employees, directors and consultants.

Awards

The 2022 Plan provides for the grant of: (i) incentive stock options; (ii) nonstatutory stock options; (iii) stock appreciation rights; (iv) restricted stock; and (v) other stock-based and cash-based awards to eligible individuals. The terms of the awards will be set forth in an award agreement, consistent with the terms of the 2022 Plan. No stock option will be exercisable later than ten years after the date it is granted. The 2022 Plan permits the grant of awards intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Stock Options

The Board of Directors may grant incentive stock options as defined in Section 422 of the Code, and nonstatutory stock options. Options shall be exercisable for such prices, shall expire at such times, and shall have such other terms and conditions as the Board of Directors may determine at the time of grant and as set forth in the award agreement; however, the exercise price must be at least equal to 100% of the fair market value at the date of grant. The option price is payable in cash or other consideration acceptable to us.

Stock Appreciation Rights

The Board of Directors may grant stock appreciation rights with such terms and conditions as the Board of Directors may determine at the time of grant and as set forth in the award agreement. The grant price of a stock appreciation right shall be determined by the Board of Directors and shall be specified in the award agreement; however, the grant price must be at least equal to 100% of the fair market value of a share on the date of grant. Stock appreciation rights may be exercised upon such terms and conditions as are imposed by the Compensation Committee and as set forth in the stock appreciation right award agreement.

Restricted Stock

Restricted stock may be granted in such amounts and subject to the terms and conditions as determined by the Board of Directors at the time of grant and as set forth in the award agreement. The Board of Directors may impose performance goals for restricted stock.

Other Awards

The Board of Directors may grant other types of equity-based or equity-related awards not otherwise described by the terms of the 2022 Plan, in such amounts and subject to such terms and conditions, as the Board of Directors shall determine. Such awards may be based upon attainment of performance goals established by the Board of Directors and may involve the transfer of actual shares to participants, or payment in cash or otherwise of amounts based on the value of shares.

Item 6. RESERVED

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to, those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. See Cautionary Statement Regarding Forward-Looking Statements."

Overview

We are a medical technology company primarily focusing on developing and commercializing higher resolution ambulatory ECG solutions that enable the detection and monitoring of cardiac disease outside a healthcare facility setting. Our ability to develop higher resolution ECG solutions is achieved through the development of our proprietary and patented VECG technology platform. Our vector electrocardiography technology is capable of developing three-dimensional (3D) images of cardiac electrical activity by displaying the spatial locations of ECG waveforms that has demonstrated in early studies to deliver equal or superior diagnostic capability than traditional hospital based ECG systems.

Our aim is to deliver ambulatory cardiac health monitoring technologies that can be used for patients anywhere, especially where critical cardiac care decisions need to be made on a more timely basis. Our Products require FDA clearance and have not been cleared for marketing.

We believe our Products and services will benefit many stakeholders, including patients, healthcare providers, and healthcare payors. We are developing our telehealth Product HeartBeam AIMIGo, to address the rapidly growing field of ambulatory cardiac health monitoring. HeartBeam AIMIGo is comprised of a credit card sized electrocardiogram device and other powerful cloud-based diagnostic expert software systems. We believe that we are uniquely positioned to play a central role in remote monitoring of high-risk coronary artery disease patients, because the initial studies have shown that our ischemia detection system may be more accurate than existing ambulatory cardiac health monitoring solutions.

We are also applying our software platform to create a tool for detecting heart attacks in the ED environment using standard 12-lead ECG recordings. The software tool, HeartBeam AIMI is designed to enable emergency physicians to more accurately and quickly diagnose heart attacks than currently available tools. Market clearance of this Product will precede that of HeartBeam AIMIGo.

To date, we have developed working prototypes for both HeartBeam AIMIGo and HeartBeam AIMI. HeartBeam AIMI has been submitted for FDA 510(k) clearance and we have received questions from the FDA within the statutory 30-day review deadline. We have discussed the questions related to our submission, provided written responses as appropriate and continue to have further discussions via teleconference with the FDA review team regarding any remaining questions.

The custom software and hardware of our Products, we believe, are classified as Class II medical devices by the FDA, running on an FDA approved Class I registered software platform. Class II medical devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k) or 510(k) de-novo premarket notification process

HeartBeam has nine issued U.S. patents (U.S. 10,433,744, U.S. 10,117,592, U.S. 11,071,490, U.S. 11,419,538, U.S. 11,445,963, U.S. 11,529,085, U.S. 10,980,433, U.S. 11,412,972 and U.S. 11,234,658), and six pending U.S applications. Four of the pending applications have been published, the remaining two pending cases are unpublished. Outside of the U.S., HeartBeam has four issued patents in Germany, France, Netherlands and United Kingdom and seven pending applications in Canada, China, the European Union ("EU"), Japan and Australia. HeartBeam has three pending PCT applications. The issued patents are predicted to expire between April 11, 2036 and April 21, 2042.

As of December 31, 2022, we had 15 employees. We intend to hire or engage additional full-time professionals, employees, and / or consultants in alignment with our growth strategy. Although the market is highly competitive for attracting and retaining highly qualified professionals in our industry, we continue our endeavor to find such candidates for our Company. Our management team and additional personnel that we may hire in the future will be primarily responsible for executing and implementing growth opportunities, making tactical decisions related to our strategy and pursuing opportunities to invest in new technologies through strategic partnerships and acquisitions.

Significant Developments during 2022 and early 2023

LIVMOR Partnership Agreement
In January 2022, we entered into a partnership agreement with LIVMOR to build a Company-branded version of the LIVMOR's Halo+ FDA cleared turnkey solution for RPM to connect physicians and patients. As included in the agreement, HeartBeam and LIVMOR have the right to enter into additional agreements as needed in order to further the Company's development of its products. The agreement with LIVMOR included a commitment in 2022 of $1.0 million.

During August 2022, we entered into a supplemental agreement with LIVMOR. The supplemental agreement stated we would pay an additional $0.2 million for access the source code under the partnership agreement. Payments totaling $0.2 million have been made by us and LIVMOR has delivered to us copies of source materials and codes. All licenses granted by LIVMOR have been automatically converted into a non-exclusive and perpetual license and has become licenses granted on a royalty-free and fully paid-up basis, in which LIVMOR hereby expressly waives and relinquishes all HeartBeam payment obligations under the initial partnership agreement.

As of December 31, 2022, we expensed a total of $1.2 million associated with the LIVMOR agreements, which has been recognized as R&D expense.

LIVMOR Asset Purchase
In February 2023, we acquired LIVMOR's Halo+™ Atrial Fibrillation Detection System, the world's first FDA-cleared (K201208) prescription wearable for continuous cardiac rhythm monitoring, comprising of intellectual property, including three issued United States patents.

Stock Purchase Agreement
In February 2022, we entered into a stock purchase agreement ("Stock Purchase Agreement") pursuant to which we agreed to issue and sell ("Private Placement") to OpenSky Opportunities Fund Ltd. 58,000 shares of common stock par value $0.0001 and 58,000 warrants to purchase one share of common stock at a combined price of $6.00 per share. The common stock and the warrants were immediately separable and issued separately but were purchased together in the Private

Placement. These securities issued pursuant to the Stock Purchase Agreement. We received $348,000 in proceeds from the Private Placement. The Warrants will expire five years from the date of issuance.

Professional Services Agreement
In March 2022, we entered into a professional services agreement with Triple Ring Technologies, Inc, a co-development company, to assist in the design and development of our telehealth complete solution 3D vector ECG collection device for remote heart attack or MI monitoring, followed by an amendment for cost reduction initiatives. The agreement with Triple Ring includes a commitment totaling approximately $3.0 million.

As of December 31, 2022 we expensed $2.3 million and included $0.4 million in accounts payable, $0.12 million in prepaid assets and $0.02 million in accrued expenses

CTO Appointment
In August 2022, the Board of Directors of the Company appointed Kenneth Persen as Chief Technical Officer of the Company.

CMO Appointment
In October 2022, we announced the appointment of Peter J. Fitzgerald, MD, Ph.D, as Chief Medical Officer. Dr. Fitzgerald is the Director of the Center for Cardiovascular Technology and Director of the Cardiovascular Core Analysis Laboratory at Stanford University Medical School. In addition to his world-renowned expertise in interventional cardiology, Dr. Fitzgerald is an accomplished inventor, entrepreneur, and investment fund founder.

Appointment of President
In January 2023, our Board of Directors appointed Robert P. Eno as President of the Company effective as of January 18, 2023.

Patent Assignment
In September 2022, we were granted two patents:

- We were granted a 12-lead ECG patch monitor intended for detection of ACS and cardiac arrhythmia by the United States Patent and Trademark Office. The innovation builds on our growing intellectual property portfolio enabling 12-lead ECG diagnostics outside of a medical setting.

- We were also granted a patent that enables generation of a synthesized 12-lead ECG by the HeartBeam AIMIGo credit card-sized device by the United States Patent and Trademark Office. The innovation opens the pathway for a patient to record a set of signals using HeartBeam AIMIGo outside of a medical setting with a diagnostic synthesized 12-lead ECG immediately transmitted to a physician for review and diagnosis. Unlike single-lead ECG products currently in the marketplace, such as other credit card sized devices or smartwatches, our technology is intended to quickly and accurately help a physician identify MI / heart attack.

Product Pipeline
In October 2022, we announced the expansion of our product pipeline with smartwatch connectivity enablement for 24/7 heart monitoring capability. The product pipeline advancement allows for the addition of arrhythmia detection capabilities to address the multibillion-dollar global market for atrial fibrillation and other arrhythmia monitoring. This capability builds on our recently issued patents. This broader product portfolio enables the following:

- Introducing a 3-lead 3D VECG credit card-sized device, the HeartBeam AIMIGo 3L, that records the X,Y,Z cardiac activity and displays the signals for clinician review, providing the regulatory foundation for subsequent products in our product portfolio. The 510(k) submission to the FDA is planned for no later than Q2 2023.

- Leveraging recently issued patents to incorporate both synthesized baseline and symptomatic 12-lead signals for enhanced diagnostic accuracy as well as the addition of atrial fibrillation detection capability in the HeartBeam AIMIGo 12L device for FDA 510(k) submission in following FDA clearance of HeartBeam AIMIGo 3L.

- Broadening of the product portfolio profile to enable smartwatch connectivity to our platform in future products as an optional monitoring solution for the clinician and the patient.

At-the-Market Offering
On February 1, 2023 we entered into a sales agreement (the "Sales Agreement") with AGP pursuant to which we may issue and sell, from time to time, shares of our common stock having an aggregate offering price of up to $13.0 million in at-the-market offerings ("ATM") sales. At the same time, we filed a prospectus supplement under a shelf registration on Form S-3 relating to the Sales Agreement. The registration statement was declared effective on February 10, 2023. AGP will act as sales agent and will be paid a 3% commission on each sale under the Sales Agreement. Our common stock will be sold at prevailing market prices at the time of the sale, and, as a result, prices will vary.

Note Purchase Agreement and Security Purchase Agreement
On February 28, 2023 we entered into Agreements, each as amended on March 7, 2023 with Maverick. Pursuant to the terms of the Agreements, as amended, we agreed to sell up to $4,000,000 of our common stock at 75% of the average calculated Volume Weighted Average Price ("VWAP") per share during a Drawdown Pricing Period as defined in the Agreements. We issued a $500,000 Convertible Note to the Investor pursuant to the NPA. On March 9, 2023 the Convertible Note was settled upon the execution of a SPA and related issuance of 0.2 million shares of common stock pursuant to the SPA drawdown notice dated March 7, 2023. These 0.2 million shares of common stock were registered under our registration statement on Form S-3 dated February 10, 2023 and the related prospectus supplement dated March 9, 2023.

Industry Trends and Outlook

COVID-19 has significantly impacted the delivery of healthcare. The transformation in daily life required healthcare systems to adjust how they delivered care and focus on patient convenience because of the social isolation measures. This change has resulted in innovations in virtual care and telehealth and opened new market opportunities for digital health platforms. During the pandemic the adoption rate of telehealth has increased dramatically, especially in cardiology, radiology, behavioral health, and online consultation.

The US telehealth market was $63B in 2020 and is projected to grow from $90B in 2021 to $636B in 2028 at a CAGR of 32% in the 2021-2028 period. The sudden growth in CAGR is attributable to the current market's demand and growth, returning to pre-pandemic levels.

The change in clinical practice driven by COVID-19 resulted in governments of many countries actively developing new policies and reimbursement guidelines to promote the use of digital health platforms. In the US, the CMS expanded reimbursement for telehealth. These market trends shifted care delivery from the traditional healthcare settings. Online audio and video consultations with physicians are becoming the new normal, resulting in reduced patient waiting times, easy access to specialists and a cost-effective solution for healthcare systems.

The active Government initiatives for telehealth solutions and the favorable policies to encourage telehealth solutions are set to propel market growth. Telehealth helps overcome the distance barrier for patients in rural locations and enables healthcare systems to provide virtual care platforms to serve patients with limited access to quality healthcare. The combination of market conditions, the rising prevalence of chronic conditions and the growing geriatric population point to the huge potential of telehealth. However, there are technological and infrastructure barriers that are key reasons inhibiting the expansion of the market, especially in developing countries.

We believe these favorable market conditions and our current progress on developing our first ED software product and our telehealth end-to-end solution for the patient and physician provide a positive commercial opportunity for the Company. While there are technological and infrastructure barriers, especially in developing countries, our initial focus is on the US market and we don't expect these issues to exist as we enter the US market.

Results of operations for the years ended December 31, 2022 and 2021

The following table summarizes our results of operations for the periods presented on our statement of operations data. The year over year comparison of results of operations is not necessarily indicative of results of operations for future periods.

	Years ended December 31,			
	2022	2021	$ Change	% Change
	(In thousands, except percentages)			
Operating expenses:				
General and administrative	$ 7,354	$ 2,030	$ 5,324	262 %
Research and development	5,677	255	5,422	2,126 %
Total operating expenses	13,031	2,285	10,746	470 %
Loss from operations	(13,031)	(2,285)	(10,746)	470 %
Other income (expense)	69	(2,143)	2,212	(103)%
Income tax provision	—	—	—	— %
Net loss	$ (12,962)	$ (4,428)	$ (8,534)	193 %

Summary of Statements of Operations for the year ended December 31, 2022 compared with the year ended December 31, 2021:

General and administrative expenses ("G&A") are largely related to personnel and professional services. G&A expense increased $5.3 million or 262% when compared to the same period in 2021. The primary increases were in personnel expenses related to an increase in headcount following the IPO and public company expenses, comprised of D&O insurance, Board of Director fees, investor and public relations and SEC reporting.

Research and development expenses ("R&D") are primarily from software development and hardware related to our credit-card sized collection device for HeartBeam AIMIGo. R&D expense increased $5.4 million or 2,126% when compared with the same period in 2021. This is primarily from our service providers LIVMOR and Triple Ring. Furthermore there were increases in employee headcount and engagement of additional independent consultants for HeartBeam AIMI and HeartBeam AIMIGo product development.

Other income (expense) is primarily interest income during 2022, related to interest on our cash balances and interest expense during 2021, due to the accretion of the 2015 Notes 30% discount.

Liquidity and Capital Resources

Our cash requirements are and will continue to be, dependent upon a variety of factors. We expect to continue devoting significant capital resources to R&D and go to market strategies.

As of December 31, 2022, we had approximately $3.6 million in cash and cash equivalents, a decrease of $9.6 million from $13.2 million as of December 31, 2021.

During the year ended December 31, 2022, we raised approximately $0.3 million from the sale of securities.

Based on its current business plan assumptions and expected cash burn rate, the Company believes that the existing cash is insufficient to fund operations for the next twelve months following the issuance of these financial statements. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

Our cash is as follows (in thousands):

	December 31,	
	2022	2021
Cash	$ 3,594	$ $ 13,192

Cash flows for the year ended December 31, 2022 and 2021 (in thousands):

	December 31	
	2022	2021
Net cash used in operating activities	(9,948)	(3,230)
Net cash provided by financing activities	$ 350	$ 16,398

***Operating Activities*:**

Net cash used in our operating activities of $9.9 million during the year ended December 31, 2022, is primarily due to our net loss of $12.9 million less $1.1 million in stock-based compensation expense and $1.9 million from changes in operating assets and liabilities.

Net cash used in our operating activities of $3.2 million during the year ended December 31, 2021, was primarily due to our net loss of $4.4 million less $1.9 million in accretion expense related the convertible notes that converted to common stock at the IPO and $0.4 million in other non-cash expenses, offset by an increase of $1.1 million of net changes in operating assets and liabilities.

***Financing Activities*:**

During the year ended December 31, 2022, net cash provided by financing activities of $0.3 million, is primarily from the issuance of common stock under the February Stock Purchase Agreement.

During the year ended December 31, 2021, net cash provided by financing activities of $16.4 million was primarily from our IPO totaling $14.7 million net and issuances of our 2015 Notes totaling $1.7 million.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

We believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this "Management's Discussion and Analysis of Financial Condition and Results of Operation."

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or "U.S. GAAP." The preparation of these financial statements in accordance with U.S. GAAP requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, assumptions and judgments. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions and the impact of such differences may be material to our financial statements.

Critical accounting policies are those policies that, in management's view, are most important in the portrayal of our financial condition and results of operations. The methods, estimates and judgments that we use in applying our accounting policies have a significant impact on the results that we report in our financial statements. These critical accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. Those critical accounting policies and estimates that require the most significant judgment are

discussed further below. We consider our most critical accounting policies and estimates to be stock-based compensation and research and development expense.

Research and development costs

Research and development costs are expensed as incurred and include salaries, benefits, bonus, share-based compensation, license fees, milestone payments due under license agreements, costs paid to third-party contractors to perform research, conduct clinical trials, and develop proprietary materials and delivery devices; and associated overhead costs. Headcount and consulting costs are a significant component of research and development expenses. We accrue the costs of services rendered in connection with third-party contractor activities based on our estimate of fees and costs associated with the contract that were rendered during the period. Research and development costs that are paid in advance of performance are capitalized and are expensed as incurred .

Stock-based compensation

The compensation cost for all stock-based awards is measured at the grant date, based on the fair value of the award, determined using a Black-Scholes option pricing model for stock options and fair value on the date of grant for non-vested restricted stock, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity award). Determining the fair value of stock-based awards at the grant date requires significant estimates and judgments, including estimating the market price volatility of our Common Stock, future employee stock option exercise behavior and requisite service periods. We account for forfeitures as they occur, stock-based compensation expense recognized in the financial statements is reduced by the awards forfeited.

A total of 2,450,768 stock options and unvested RSUs remain outstanding as of December 31, 2022, under the 2015 Equity Incentive Plan ("2015 Plan") and 2022 Plan. We expect to increase the number of employees and consultants to help execute our strategy in the medical device business and support our public company functions. Accordingly, we expect that future equity based awards will continue to be made under the 2022 Plan and future equity incentive plans to our directors, officers and other employees and consultants, as a result, to the extent relevant, we may incur non-cash, stock-based compensation expenses in future periods that may not be comparable to historical periods presented in our financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 "Financial Instruments-Credit Losses-Measurement of Credit Losses on Financial Instruments". This guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance applies to loans, accounts receivable, trade receivables and other financial assets measured at amortized cost, loan commitments, debt securities and beneficial interests in securitized financial assets, but the effect on the Company is projected to be limited to accounts receivable. In May 2019, the FASB issued ASU 2019-05 "Financial Instruments-Credit Losses (Topic 326)" which provides transition relief for companies adopting ASU 2016-13. This guidance amends ASU 2016-13 to allow companies to elect, upon adoption of ASU 2016-13, the fair value option on financial instruments that were previously recorded at amortized cost under certain circumstances. Companies are required to make this election on an instrument by instrument basis. The guidance is effective for the fiscal year beginning January 1, 2023, including interim periods within that year. The impact from this guidance is expected to be immaterial.

In August 2020, the FASB issued ASU No. 2020-06 ("ASU 2020-06") "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity." ASU 2020-06 will simplify the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. ASU 2020-06 also amends the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. ASU 2020-06 will be effective January 1, 2024, for the

Company. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. We have not early adopted ASU 2020-06 and are currently evaluating the effects of the adoption, but currently believe the guidance will have no impact on our accounting.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data of the Company required by this Item are described in Item 15 of this Annual Report on Form 10-K and are presented beginning on page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We adopted and maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the reports filed under the Exchange Act, such as this Annual Report on Form 10-K, is collected, recorded, processed, summarized and reported within the time periods specified in the rules of the SEC. Our disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management to allow timely decisions regarding required disclosure. As required under Exchange Act Rule 13a-15, our management, including the Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), after evaluating the effectiveness of disclosure controls and procedures, identified material weaknesses in our internal control over financial reporting. The material weaknesses identified include (i) policies and procedures which are not yet adequately documented, (ii) lack of proper approval processes and review processes and documentation for such reviews, (iii) insufficient GAAP experience regarding complex transactions and reporting, and (iv) insufficient number of staff to maintain optimal segregation of duties and levels of oversight.

We have taken and continue to take remedial steps to improve our internal controls over financial reporting, which includes hiring additional personnel, we will continue to assess the weaknesses as these individuals progress through our onboarding process. We also continue to expand the functionality of our internal accounting systems to provide for higher levels of automation and assurance in our financial reporting function.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report on Form 10-K does not include an audit or attestation report from our registered public accounting firm regarding our internal control over financial reporting. Our management's report was not subject to audit or attestation by our registered public accounting firm since we are not an accelerated filer or a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934.

Changes in Internal Control

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fourth quarter of the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None

Item 9C. Disclosure Regarding Foreign Jurisdiction that Prevent Inspections.

Not applicable

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information About our Executive Officers and Directors

Our business and affairs are organized under the direction of our board of directors, which currently consists of five members.

The following table sets forth certain information with respect to the current directors of our Company:

NAME	AGE	POSITION
Richard Ferrari	69	Executive Chairman of the Board of Directors
Branislav Vajdic, PhD	68	Chief Executive Officer, Director
George A. de Urioste	67	Director
Marga Ortigas-Wedekind	61	Director
Willem Elfrink	70	Director

Richard Ferrari - *Executive Chairman of the Board of Directors*
Mr. Richard Ferrari, 69, joined our Board in 2019 and was appointed Executive Director of the Board of Directors in June 2021. Mr. Ferrari combines over 40 years of experience in Medical Device Start-ups as CEO, and entrepreneur. Also Mr. Ferrari is co-founder of De Novo Ventures which has $650M under management and has been Managing Director since 2000. Mr. Ferrari has also co-founded 6 more companies, two of which have been successful IPO's and subsequent acquisitions, CTS one of the companies he co-founded was the fastest start-up to an IPO in the last 22 years in the medical device industry. Mr. Ferrari most recently from 2018 to 2021 was Chairman and CEO of PQ Bypass which was recently acquired by Endologix. Mr. Ferrari sits on the board of Pulmonx, a public company and is the Chairman of the Compensation Committee. Additionally, Mr. Ferrari is Executive Chairman of Tenon Medical, Vice-Chairman of ABS Interventional, Executive Chairman of Medlumics, and holds board positions with several other medical device start-ups. Mr. Ferrari has an undergraduate degree from Ashland University and an MBA from University of South Florida.

We believe that Mr. Ferrari is qualified to serve on our board of directors because of his experience in leadership and management roles in the field of medicine, as well as his experience as a member in the healthcare industry.

Branislav Vajdic, PhD - *Chief Executive Officer and Director*
Dr. Branislav Vajdic, 68, Chief Executive Officer and Founder of HeartBeam, Inc, combines over 30 years of experience in technology development and senior management positions. Dr. Vajdic has been deeply involved with the development of HeartBeam's technology to fit his vision for the Company. Prior to HeartBeam from 2007 to 2010, Dr. Vajdic was CEO and Founder of NewCardio, a publicly traded company in the cardiovascular devices space, from 1984 to 2007, Dr. Vajdic was at Intel, where he held various senior management positions. At Intel, Dr. Vajdic was the designer of first Flash memory and two key inventions that enabled Flash as a product and led engineering groups responsible for Pentium 1 through Pentium 4 designs. Dr. Vajdic was awarded two Intel Achievement Awards, the highest level of award for outstanding contributions to Intel. Dr. Vajdic is author of numerous patents and publications in the fields of cardiovascular devices as well as chip design. Dr. Vajdic holds a PhD degree in Electrical Engineering from the University of Minnesota.

We believe that Dr. Vajdic is qualified to serve on our board of directors because of his experience in leadership and management roles in the field of medicine, as well as his experience as a member in the healthcare industry.

George A. de Urioste - *Director*
Mr. de Urioste, 67, combines over 30 years of experience in high technology industry senior management. Previously, Mr. de Urioste has been involved in over 10 companies, holding positions including Board Director, Chief Operating Officer and Chief Financial Officer. Mr. de Urioste was Chief Financial Officer of Remedy Corporation (software) from 1992 to 1998, Chief Executive Officer of Aeroprise, Inc., from 2000 to 2003 (software), from 2004 to 2006 he was Chief Operating Officer and Chief Financial Officer for Chordiant Software, Inc. (software), interim Chief Operating Officer and Chief Financial Officer for Marvell Technology, Inc. (semiconductors) during 2008, Chief Financial Officer for Pluribus

Networks, Inc. (software) 2014 to 2018, Chief Financial Officer for 4iQ, Inc. (software) 2019 to 2020 and interim Chief Financial Officer for Mozilla, Inc. (software). Mr. de Urioste's Board Director experience includes Audit Committee chairman roles for the following companies: Rainmaker Systems, Inc. (business outsourcing), from 2003 to 2005, Saba Software, Inc. (software) from 2008 to 2010, GCT, Inc. (semiconductors), from 2009 to 2011 Villa Montalvo (performing arts center), from 2011 to 2013, Bridgelux, Inc., from 2011 to 2016 (LED lighting), and Vendavo, Inc., from 2013 to 2014 (software). Mr. de Urioste was also chairman of the Board of Directors for Aeroprise, Inc. from 2000 to 2005 (software). Mr. de Urioste is currently a Board Director at Silicon Valley Directors Exchange, (a not-for-profit for Board education events). Mr. de Urioste has an undergraduate degree from University of Southern California and an MBA from University of California at Berkeley. Mr. de Urioste is also a Certified Public Accountant (inactive) in the State of California and is a member of the Latino Corporate Directors Association.

We believe that Mr. de Urioste is qualified to serve on our board of directors because of his experience in leadership and management roles in high technology industries, as well as his experience as a board member including Audit Committee Chairman roles.

Marga Ortigas-Wedekind - *Director*
Ms. Marga Ortigas-Wedekind, 61, Board member, has over 30 years of experience in health technology senior management. Ms. Ortigas-Wedekind has been Chief Commercial Strategy Officer of Fogarty Innovation, a non-profit educational incubator for early stage medtech companies since December 2019, Executive Vice President of Marketing and Payer Relations for iRhythm Technologies Inc., a publicly-traded digital healthcare company from July 2015 through July 2019, Executive Vice President, Global Marketing and Product Development of Omnicell Inc., a publicly-traded developer of automated medication dispensing and analytics systems where she led the Marketing, International and Engineering departments from 2009 to 2015, Senior Vice President, Marketing, Development, and Clinical Affairs at Xoft, Inc, a developer of disruptive technology to deliver radiation therapy with capital equipment and high-end disposables from 2002 to December 2008. She started her medtech career at Guidant Vascular, now Abbott Vascular. Ms. Ortigas-Wedekind was on the board of Itamar Medical (NASDAQ: ITMR), which provides digitally-enabled systems for sleep apnea management until its sale to Zoll Medical in December 2021, Total Flow Cannula, an early stage company developing a mechanism to improve safety during on-pump open heart surgery and, the Bay Area Cancer Coalition, a non-profit organization that supports those affected by breast or ovarian cancer. Ms. Ortigas-Wedekind is a limited partner and advisory board member for Launchpad Digital Health, a venture fund focused on digital heath technologies and is also an angel investor with Health Tech Capital. Ms. Ortigas-Wedekind has an undergraduate degree from Wellesley College and an MBA from the Stanford Graduate School of Business.

We believe that Ms. Ortigas-Wedekind is qualified to serve on our board of directors because of her experience in leadership and management roles in the field of medicine, as well as her experience as a member in the healthcare industry.

Willem Elfrink - *Director*
Mr. Willem Elfrink, 70, was Chairman of the Board since our founding and in June 2021 stepped down from this position but remains a Board member. Mr. Elfrink has over 40 years of experience in bringing new technologies to the market. Mr. Elfrink actively contributes to portfolio companies via board participation, strategic marketing, governance and capital structure. Mr. Elfrink is also the Founder and President of WPE Ventures Digitized Solutions, a security and digitization solutions investment firm. Mr. Elfrink joined Cisco in 1997 and was Cisco's Executive Vice President of Industry Solutions and Chief Globalization Officer from 2000 to 2006 and 2007 to 2015 respectively, where Mr. Elfrink made and contributed to key strategic and operational decisions of the Company. Widely recognized as Cisco's Corporate Entrepreneur in residence, his global charter was to identify significant technology opportunities. Mr. Elfrink also led an industry initiative — called the Internet of Things World Forum. Before joining Cisco, Mr. Elfrink held management and senior management positions at Olivetti, Xerox, HP, Digital Equipment Corporation and Philips. Mr. Elfrink earned a Bachelor of Engineering degree from the Institute of Technology in Rotterdam, the Netherlands.

We believe that Mr. Elfrink is qualified to serve on our board of directors because of his experience in leadership and management roles in bringing new technologies to the market, as well as his globalization experience.

There are no agreements or understandings for any of our executive officers or directors to resign at the request of another person and no officer or director is acting on behalf of nor will any of them act at the direction of any other person.

Directors are elected to serve until their successors are duly qualified and elected.

Board Diversity

The table below provides information relating to certain voluntary self-identified characteristics of our directors. Each of the categories listed in the table below has the meaning as set forth in NASDAQ Rule 5605(f).

Board Diversity Matrix (As of December 31, 2022				
Total Number of Directors	5			
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	1	4	0	0
Part II: Demographic Background				
African American or Black				
Alaskan Native or Native American				
Asian				
Hispanic or Latinx		1		
Native Hawaiian or Pacific Islander				
White		3		
Two or More Races or Ethnicities	1			
LGBTQ				
Did Not Disclose Demographic Background				

Director Independence

The Board has affirmatively determined that four of the directors are "independent directors" under NASDAQ Listing Rule 5605(a)(2) and the related rules of the U.S. Securities and Exchange Commission (the "SEC"). In making this determination, our Board considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. The Company's independent directors conduct executive sessions at regularly scheduled meetings as required by NASDAQ Listing Rule 5605(b)(2).

Family Relationships

There are no family relationships among any of our directors and executive officers.

Board Leadership Structure

The Board does not have an express policy regarding the separation of the roles of Chief Executive Officer ("CEO") and Board Chairman, as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. Currently, Dr. Branislav Vajdic serves as the Company's President and CEO and Richard Ferrari serves as the Chairman of the Board. The Board believes that its current leadership structure best serves the objectives of the Board's oversight of management; the ability of the Board to carry out its roles and responsibilities on behalf of the stockholders; and the Company's overall corporate governance. The Board also believes that the current separation of the Chairman and CEO roles allows the CEO to focus his time and energy on operating and managing the Company and leverages the experience and perspectives of the Chairman.

Board Oversight of Risk Management

The full Board has responsibility for general oversight of risks facing the Company. The Board is informed by senior management on areas of risk facing the Company and periodically conducts discussions regarding risk assessment and risk management. The Board believes that evaluating how the executive team manages the various risks confronting the Company is one of its most important areas of oversight. While the Board has the ultimate oversight responsibility for the

risk management process, various committees of the Board also have responsibility for risk management. For example, the Audit Committee reviews and assesses the Company's processes to manage financial reporting risk and to manage investment, tax, and other financial risks; the Compensation Committee oversees risks relating to the compensation and incentives provided to our executive officers; and the Nominating and Governance Committee oversees risks associated with our overall compliance and corporate governance practices, as well as the independence and composition of our Board. Finally, management periodically reports to the Board or relevant committee, which provides guidance on risk assessment and mitigation.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of securities ownership and changes in such ownership with the SEC.

Based solely upon a review of such forms filed electronically with the SEC or written representations that no Form 5s were required, the Company believes that all Section 16(a) filing requirements were timely met during the year ended December 31, 2022, except for: Mr. George de Urioste submitted one late Form 3 filing in regards to disclosing initial securities, Mr. Willem Elfrink submitted one late Form 4 filing in regards to disclosing the distribution of equity from his venture partnership to the respective non-affiliated partners and Mr. Kenneth Persen one late Form 4 filing disclosing his options award.

Code of Ethics

The Company has adopted a code of ethics policy during 2022 for its principal executive officer and senior financial officers and that is applicable to all directors, officers and employees, a copy of which is available online at www.Heartbeam.com. Stockholders may also request a free copy of this document from: HeartBeam, Inc., 2118 Walsh Avenue, Suite 210, Santa Clara, CA 95050, Attn: Corporate Secretary.

Director Meeting Attendance

During the year ended December 31, 2022, the Board held five meetings of the full Board, The Board also took action by written consent on eleven occasions. During the year ended December 31, 2022, each member of the Board attended at least 75% of the aggregate of all meetings of the Board and the meetings of the committees on which he or she served (during the periods for which he or she served).

The Company does not have a written policy requiring directors to attend the annual meeting.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and governance committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. The charter of each committee is available on our corporate website at https://ir.heartbeam.com/corporate-governance/governance-documents.

Committee Composition

The following description below outlines our current membership for each committee of our board of directors:

Audit Committee
The Audit Committee, among other things, will be responsible for:

- appointing; approving the compensation of; overseeing the work of; and assessing the independence, qualifications, and performance of the independent auditor;
- reviewing the internal audit function, including its independence, plans, and budget;

- approving, in advance, audit and any permissible non-audit services performed by our independent auditor;
- reviewing our internal controls with the independent auditor, the internal auditor, and management;
- reviewing the adequacy of our accounting and financial controls as reported by the independent auditor, the internal auditor, and management;
- overseeing our financial compliance system; and
- overseeing our major risk exposures regarding the Company's accounting and financial reporting policies, the activities of our internal audit function, and information technology.

The Audit Committee will consist of Mr. de Urioste, Ms. Ortigas-Wedekind and Mr. Elfrink. Mr. de Urioste will chair the Audit Committee. We believe the Audit Committee will comply with the applicable requirements of the rules and regulations of the Nasdaq listing rules and the SEC.

Compensation Committee
The Compensation Committee will be responsible for:

- reviewing and making recommendations to the Board with respect to the compensation of our officers and directors, including the CEO;
- overseeing and administering the Company's executive compensation plans, including equity-based awards;
- negotiating and overseeing employment agreements with officers and directors; and
- overseeing how the Company's compensation policies and practices may affect the Company's risk management practices and/or risk-taking incentives.

The Compensation Committee will consist of Mr. Ferrari, Mr. Elfrink and Mr. de Urioste, Mr. Ferrari will serve as chairman of the Compensation Committee. The board of directors has affirmatively determined that each member of the Compensation Committee meets the independence criteria applicable to compensation committee members under SEC rules and Nasdaq listing rules.

Nominating and Governance Committee
The Nominating and Corporate Governance Committee, among other things, will be responsible for:

- reviewing and assessing the development of the executive officers and considering and making recommendations to the Board regarding promotion and succession issues;
- evaluating and reporting to the Board on the performance and effectiveness of the directors, committees and the Board as a whole;
- working with the Board to determine the appropriate and desirable mix of characteristics, skills, expertise and experience, including diversity considerations, for the full Board and each committee;
- annually presenting to the Board a list of individuals recommended to be nominated for election to the Board;
- reviewing, evaluating, and recommending changes to the Company's Corporate Governance Principles and Committee Charters;
- recommending to the Board individuals to be elected to fill vacancies and newly created directorships;
- overseeing the Company's compliance program, including the Code of Conduct; and
- overseeing and evaluating how the Company's corporate governance and legal and regulatory compliance policies and practices, including leadership, structure, and succession planning, may affect the Company's major risk exposures.

The Nominating and Corporate Governance Committee will consist of Ms. Ortigas-Wedekind and Mr. de Urioste. Ms. Ortigas-Wedekind will serve as chairperson. The Company's board of directors has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the independent director guidelines of Nasdaq listing rules.

Stockholder Communications with the Board

The Company's Stockholders who wish to communicate with the Board of Directors or with an individual director may do so by writing to the Corporate Secretary, HeartBeam, Inc., 2118 Walsh Avenue, Suite 210, Santa Clara, CA 95050. The letter should indicate that you are a stockholder and whether you own your shares in street name. Letters received will be reviewed by the Corporate Secretary and retained until the next Board meeting when they will be available to the addressed director. Such communications may receive an initial evaluation to determine, based on the substance and nature of the communication, a suitable process for internal distribution, review and response or other appropriate treatment. There is no assurance that all communications will receive a response.

Hedging, Short Sales and Related Policies

Pursuant to the Company's insider trading policy, the Company prohibits all directors, officers and employees of the Company (collectively, "Team Members"), as well as their spouses, minor children, other persons living in their household and entities over which they exercise control, from engaging in the following transactions involving Company's securities without the advance unanimous written approval from members of the compliance committee designated by the Board:

- **Hedging.** Team Members may not enter into hedging or monetization transactions or similar arrangements with respect to the Company's securities.
- **Short sales**. Team Members may not sell the Company's securities short;
- **Options trading**. Team Members may not buy or sell puts or calls or other derivative securities on the Company's securities; and
- **Trading on margin**. Team Members may not hold the Company's securities in a margin account or pledge the Company's securities as collateral for a loan.

Item 11. Executive Compensation

Summary Compensation Table

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to our Named Executive Officers ("NEOs") for services rendered in all capacities during the noted periods. The fiscal years ended December 31, 2022 and December 31, 2021 are indicated below:

Name and Principal Position	Year	Salary ($)	Bonus ($)(1,2)	Stock Awards ($)(3)	Option Awards ($)(3)	All Other Compensation ($)	Total ($)
Branislav Vajdic, PhD [2]	2022	$ 428,000	$ 203,642	$ —	$ 387,720	$ —	$ 1,019,362
Chief Executive Officer [1]	2021	$ 135,166	$ 350,000	$ —	$ —	$ —	$ 485,166
Richard Brounstein [2]	2022	$ 250,000	$ 79,300	$ —	$ 86,400	$ —	$ 415,700
Chief Financial Officer [1]	2021	$ 82,434	$ 40,000	$ —	$ —	$ —	$ 122,434

1. In 2021 the Company provided cash bonuses to its Chief Executive Officer and Chief Financial Officer based upon the Company's achievement of certain financial and strategic objectives. The bonuses were not based on any specific performance criteria.

2. In 2022 the Board of Directors ratified the Compensation Committee approval of cash bonuses to its Chief Executive Officer and Chief Financial Officer based on the Company's achievements of the performance metrics as defined in the bonus plan. The Bonuses will be paid in the second quarter of 2023.

3. Represents the full grant date fair value of the stock award or option grant, as applicable, calculated in accordance with FASB ASC Topic 718. Our policy and assumptions made in the valuation of share-based payments are contained in

Note 6 to our December 31, 2022 financial statements. The value of stock awards presented in the Summary Compensation Table reflects the grant date fair value of the awards and does not correspond to the actual value that will be recognized by the named executive officers.

Employment Agreements

We have entered into employment agreements, with Branislav Vajdic, the Company's Chief Executive Officer and Richard Brounstein the Company's Chief Financial Officer.

Branislav Vajdic Employment Agreement
On September 10, 2021 we entered into an employment agreement with Dr. Vajdic as its Chief Executive Officer and a member of the board of directors ("2021 Vajdic Agreement"), Dr. Vajdic will receive an annual salary of $325,000, commencing on September 15, 2021. During 2022 the Board of Directors approved an amendment to the 2021 Vajdic Agreement, whereby effective January 1, 2022 Dr. Vajdic's annual salary increased to $428,000 and he was awarded 359,000 stock options. The stock option will vest as to 25% on the 1-year anniversary of the vesting commencement date, and the remainder will vest monthly thereafter on the same day of the month as the vesting commencement date until fully vested. Pursuant to the amended 2021 Vajdic Agreement, Dr. Vajdic will be eligible to receive an annual bonus up to 60% of his annual compensation, subject to adjustment on an annual basis, based on his performance and overall progress of the Company.

Richard Brounstein Employment Agreement
On September 10, 2021 we entered into an employment agreement with Mr. Brounstein as its Chief Financial Officer ("2021 Brounstein Agreement"), Mr. Brounstein will receive an annual salary of $187,000, commencing on September 15, 2021. During 2022 the Board of Directors approved an amendment to the 2021 Brounstein Agreement, whereby effective January 1, 2022 Mr. Brounstein's annual salary increased to $250,000 and he was awarded 80,000 stock options. The stock option will vest as to 25% on the 1-year anniversary of the vesting commencement date, and the remainder will vest monthly thereafter on the same day of the month as the vesting commencement date until fully vested. Pursuant to the amended 2021 Brounstein Agreement, Mr. Brounstein will be eligible to receive an annual bonus up to 40% of his annual compensation, subject to adjustment on an annual basis, based upon his performance and overall progress of the Company.

2022 Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information with respect to the value of all equity awards that were outstanding at December 31, 2022:

Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($	Option Expiration Date	Equity: Unearned Shares, Units or Other Rights That Have Not Vested (#)	Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Branislav Vajdic, PhD[1]	—	359,000	$ 1.30	06/14/2032	—	$ —
Richard Brounstein[2]	—	80,000	$ 1.30	06/14/2032	—	$ —

1. Dr. Vajdic was awarded 359,000 options on June 15, 2022, these options are scheduled to vest over 4 years with 25% vesting on January 1, 2023 and the remainder vesting and exercisable monthly thereafter.

2. Mr. Brounstein was awarded 80,000 options on June 15, 2022, these options are scheduled to vest over 4 years with 25% vesting on January 1, 2023 and the remainder vesting and exercisable monthly thereafter.

Options Exercised and Stock Vested

The Following table summarizes, with respect to our named executive officers, all options that were exercised or stock that was vested during fiscal 2022:

Name	Option Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Exercise ($) (1)
Branislav Vajdic, PhD	—	$ —
Richard Brounstein	9,092	$ 44,369

1. Based on the closing market price of our Common Stock as reported on the NASDAQ Capital Market on December 31, 2022.

DIRECTOR COMPENSATION

Directors who are also employees of the Company do not receive any separate compensation in connection with their Board service, and we pay cash fees to our non-employee directors. Prior to 2022, our non-employee directors received a non-qualified initial stock option award upon joining the Board, which vest monthly over a four-year period, beginning on the date of the director's election to the Board.

On June 15, 2022, the Board of Directors approved a plan for the annual cash compensation of directors effective January 1, 2022:

	Board	Audit Committee	Compensation Committee	Nominating & Governance Committee
Chair	$ 120,000	$ 25,000	$ 15,000	$ 15,000
Member	$ 40,000	$ 10,000	$ 10,000	$ 10,000

The following table presents the total compensation for each person who served as a non-employee member of our board of directors and received compensation for such service during the fiscal year ended December 31, 2022. Other than as set forth in the table and described more fully below:

Name	Fees Earned or Paid in Cash ($) (1)	Option Awards ($)	Stock Awards($)(2)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation	Total ($)
Richard Ferrari	$ 135,000	$ —	$ 100,000	$ —	$ —	$ 235,000
George de Urioste	$ 85,000	$ —	$ 75,000	$ —	$ —	$ 160,000
Marga Ortigas-Wedekind	$ 65,000	$ —	$ 75,000	$ —	$ —	$ 140,000
Willem Elfrink	$ 60,000	$ —	$ 75,000	$ —	$ —	$ 135,000

1. Represents director fees paid to each of of Messrs Ferrari, de Urioste, Elfrink and Mmes Ortigas-Wedekind.

2. The annual RSU grants to Messrs Ferrari, de Urioste, Elfrink and Mmes Ortigas-Wedekind occur at each Annual Stockholder Meeting, vesting in full at the following annual meeting. The dollars convert to shares based on the FMV at the date of grant.

Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

The following table sets forth certain information regarding the Company's Common Stock, beneficially owned as of December 31, 2022 by:

- each person known to the Company to beneficially own more than 5% of its Common Stock,
- each executive officer, director and director nominee
- all officers, directors and director nominees as a group.

The Company calculated beneficial ownership according to Rule 13d-3 of the Securities Exchange Act of 1934, as amended as of that date. Shares of the Company's Common Stock issuable upon exercise of options or warrants or conversion of notes that are exercisable or convertible within 60 days after December 31, 2022 are included as beneficially owned by the holder, but not deemed outstanding for computing the percentage of any other stockholder for Percentage of Common Stock Beneficially Owned. For each individual and group included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 8,009,743 shares of Common Stock outstanding at December 31, 2022, plus the number of shares of Common Stock that such person or group had the right to acquire on or within 60 days after December 31, 2022. Beneficial ownership generally includes voting and dispositive power with respect to securities. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole dispositive power with respect to all shares beneficially owned.

Name	Shares Beneficially Owned	%
Richard Ferrari[1]	167,175	2.06 %
Branislav Vajdic. PhD[2]	1,048,151	12.86 %
George A. de Urioste[3]	16,504	*
Marga Ortigas-Wedekind[4]	54,959	*
Willem Pieter Elfrink[5]	391,603	4.84 %
Rick Brounstein[6]	150,044	1.86 %
Jon Hunt, PhD[7]	54,788	*
Kenneth Persen[8]	—	—
All directors and executive officers as a group (8 persons)	1,883,224	22.27 %
Bosko Bojovic[9] Alekse Nenadovica, 18 11000 Belgrade Serbia	517,272	6.46 %

* Less than 1 percent ownership

1. Includes (i) 65,653 shares acquired from the conversion of 2015 Convertible Notes and (ii) 101,522 options exercisable within 60 days after December 31, 2022. Does not include 107,568 unvested stock options and 73,529 unvested RSUs.
2. Includes (i) 794,545 shares acquired as founders equity, (ii) 115,559 shares acquired from the conversion of 2015 Convertible Notes, (iii) 97,229 options exercisable within 60 days after December 31, 2022, (iv) 35,000 BEATW exercisable warrants and (v) 5,818 four-year warrants acquired as a result of a short-term loan investment program. Does not include 261,771 unvested stock options.
3. Includes 16,504 options exercisable within 60 days after December 31, 2022. Does not include 27,496 unvested stock options and 55,147 unvested RSUs.
4. Includes (i) 9,000 shares and 9,000 BEATW warrants purchased November 11, 2021, (ii) 7,824 shares acquired from the conversion of 2015 Convertible Notes, and (iii) 29,135 options exercisable within 60 days after December 31, 2022. Does not include 14,500 unvested stock options and 55,147 unvested RSUs.
5. Includes (i) 101,818 shares acquired under the 2015 Incentive Plan (ii) 207,056 shares acquired from the conversion of 2015 Convertible Notes, (iii) 19,089 options exercisable within 60 days after December 31, 2022, (iv) 60,000 BEATW exercisable warrants and (v) 3,640 four-year warrants acquired as a result of a short-term loan investment program. Does not include (a) 24,547 unvested stock options, 55,147 unvested RSUs and (b) 43,636 unvested service warrants.

6. Includes (i) 72,725 shares acquired under the 2015 Incentive Plan, (ii) 5,000 shares and 5,000 BEATW warrants purchased November 11, 2021, (iii) 5,000 shares and 10,000 BEATW warrants acquired on the open market, (iv) 29,197 shares acquired from the conversion of 2015 Convertible Notes, (v) 21,667 options which vest within 60 days after December 31, 2022 and (vi) 1,455 four-year warrants acquired as a result of a short-term loan investment. Does not include 58,333 unvested stock options.
7. Includes (i) 23,976 shares acquired from the conversion of the 2015 Convertible Notes and (ii) 30,812 options exercisable within 60 days after December 31, 2022. Does not include 128,188 unvested stock options.
8. Does not include 80,000 unvested stock options.
9. Represents 517,272 shares acquired as founders equity.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Company has established policies and other procedures regarding approval of transactions between the Company and any employee, officer, director, and certain of their family members and other related persons. These policies and procedures are generally not in writing but are evidenced by long standing principles adhered to by our Board. The disinterested members of the Board review, approve and ratify transactions that involve "related persons" and potential conflicts of interest. Related persons must disclose to the disinterested members of the Board any potential related person transactions and must disclose all material facts with respect to such transaction. All such transactions will be reviewed by the disinterested members of the Board and, in their discretion, approved or ratified. In determining whether to approve or ratify a related person transaction the disinterested members of the Board will consider the relevant facts and circumstances of the transaction, which may include factors such as the relationship of the related person with the Company, the materiality or significance of the transaction to the Company and the related person, the business purpose and reasonableness of the transaction, whether the transaction is comparable to a transaction that could be available to the Company on an arms-length basis, and the impact of the transaction on the Company's business and operations.

Since the beginning of fiscal year 2022, the Company did not have any transactions to which it has been a participant that involved amounts that exceeded or will exceed the lesser of (i) $120,000 or (ii) one percent of the average of the Company's total assets at year-end for the last two completed fiscal years, and in which any of the Company's directors, executive officers or any other "related person" as defined in Item 404(a) of Regulation S-K had or will have a direct or indirect material interest.

Item 14. Principal Accounting Fees and Services

Based on the Audit Committee's evaluation and determination that Marcum LLP ("Marcum") is independent, our Audit Committee has retained the firm of Marcum as our independent registered public accounting firm for fiscal year 2022. In making this determination, the Company is requesting its stockholders to ratify the appointment of Marcum at its next Annual Stockholder Meeting. In the event the stockholders fail to ratify the appointment, the Audit Committee will consider in its direction to select other auditors for the subsequent year. Even if the selection is ratified, the Audit Committee, in its discretion, may select a new independent registered public accounting firm at any time during the year if it feels that such a change would be in the best interest of the Company and its stockholders. Representatives of Marcum will be present at the 2023 Annual Stockholders' Meeting and will have the opportunity to make a statement and be available to answer questions.

Fees to Independent Registered Public Accounting Firm.

The merger of Marcum and Friedman LLP ("Friedman") was effective as September 1, 2022. The following table sets forth the fees that the Company was billed by Friedman and Marcum in 2022 and by Friedman in 2021, our independent registered public accountants for fiscal years 2022 and 2021:

	2022	2021
Audit Fees [1]	$ 126,000	$ 130,070
Audit Related Fees [2]		90,535
	12,722	90,535
Tax Fees	—	—
Total	$ 138,722	$ 220,605

1. Audit fees relate to professional services rendered in connection with the audit of the Company's annual financial statements, quarterly review of financial statements and audit services provided in connection with other statutory and regulatory filings.

2. Fees related to services provided for the S-1 registration statement during the fourth quarter of 2022 and initial public offering in November 2021.

Policy on Audit Committee Pre-Approval of Fees

The Audit Committee must pre-approve all services to be performed for us by our independent registered public accounting firm. Pre-approval is granted usually at regularly scheduled meetings of the Audit Committee. If unanticipated items arise between regularly scheduled meetings of the Audit Committee, the Audit Committee has delegated authority to the chairman of the Audit Committee to pre-approve services, in which case the chairman communicates such pre-approval to the full Audit Committee at its next meeting. The Audit Committee also may approve the additional unanticipated services by either convening a special meeting or acting by unanimous written consent. During the years ended prior to December 31, 2021 which was prior to the establishment of committees, all services billed by Friedman were pre-approved by the Board of Directors.

Part IV

Item 15. Exhibits and Financial Statement Schedules

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation filed with the State of Delaware on June 11, 2015 (incorporated by reference to Exhibit 3.1 to our current report on Form S-1 filed September 7, 2021)
3.2	Bylaws (incorporated by reference to Exhibit 3.2 to our current report on Form S-1 filed September 9, 2021)
3.3	Amendment to Articles of Incorporation filed with the State of Delaware on September 27, 2021 (incorporated by reference to Exhibit 3.3 to our current report on Form S-1 filed October 4, 2021)
3.4	Second Amended and Restated Articles of Incorporation dated November 15, 2022 (incorporated by reference to Exhibit 3.4 to our current report on Form S-1 filed February 10, 2023
4.13	Form of Representative's Warrant (incorporated by reference to Exhibit 4.13 to our current report on Form S-1/A filed November 9, 2021)
4.14	Form of Warrant Agency Agreement (incorporated by reference to Exhibit 4.14 to our current report on Form S-1/A filed November 9, 2021)
10.1	Employment Agreement with Branislav Vajdic (incorporated by reference to Exhibit 10.1 to our current report on Form S-1/A filed October 12, 2021)†
10.2	Employment Agreement with Richard Brounstein (incorporated by reference to Exhibit 10.2 to our current report on Form S-1/A filed October 12, 2021) †
10.3	Employment Agreement with Jon Hunt (incorporated by reference to Exhibit 10.3 to our current report on Form S-1/A filed October 12, 2021)†
10.4	Employment Agreement with Alan Baumel (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed December 23, 2021)†
10.5	Employment Agreement with Ken Persen, (incorporated by reference to Exhibit 10.5 to our current report on Form 8-K filed August 8, 2021) †
10.6	Employment Agreement with Robert Eno (incorporated by reference to Exhibit 10.6 to our current report on Form 8-K filed January 24, 2023) †
10.7	Stock Purchase Agreement, dated February 18, 2022 by and between HeartBeam, Inc. and the Purchaser with the Form of Warrant (incorporated by reference to Exhibit 10.7 to our current report on Form 8-K filed February 2, 2022)
10.8	Form of Professional Services Agreement between Triple Ring and HeartBeam, Inc. dated March 7, 2022 (incorporated by reference to Exhibit 10.8 to our current report on Form 8-K filed March 10, 2022)
10.9	Partnership Agreement between HeartBeam, Inc. and LIVMOR, Inc. dated January 31, 2022 (incorporated by reference to Exhibit 10.9 to our current report on Form 8-K filed February 2, 2022)
10.11	Supplemental Agreement between HeartBeam, Inc. and LIVMOR, Inc. dated August 2, 2022 (incorporated by reference to Exhibit 10.11 to our current report on Form 8-K filed August 8, 2022)
10.12	Sales Agreement by and between HeartBeam, Inc. and A.G.P./Alliance Global Partners, dated February 1, 2023 (incorporated by reference to Exhibit 10.12 to our current report on Form 8-K filed February 2, 2023)
10.13	Securities Purchase Agreement dated February 28, 2023 between HeartBeam Inc. and Investors (incorporated by reference to Exhibit 10.13 to our current report on Form 8-K filed February 28, 2023)
10.14	Note Purchase Agreement dated February 28, 2023 between HeartBeam Inc. and Investors (incorporated by reference to Exhibit 10.14 to our current report on Form 8-K filed February 28, 2023)
10.15	First Amendment to Securities Purchase Agreement dated March 7, 2023 to the Securities Purchase Agreement dated February 28, 2023 between HeartBeam, Inc. and Investors (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed March 9, 2023)
10.16	First Amendment to Note Purchase Agreement dated March 7, 2023 to the Note Purchase Agreement dated February 28, 2023 between HeartBeam, Inc. and Investors (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed March 9, 2023)
10.17	2022 Equity Incentive Plan (incorporated by reference to Exhibit 10.15 to our current report on Form 8-K filed June 16, 2022)
14.1	Code of Business and Ethics *
23.1	Consent of Marcum LLP Independent Registered Public Accounting Firm *
23.2	Consent of Friedman LLP Independent Registered Public Accounting Firm *
24.1	Power of Attorney *

31.1	Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*#
32.2	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *#
101.INS	XBRL Instance Document*+
101.SCH	XBRL Taxonomy Extension Schema Document*+
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*+
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*+
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*+
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*+
104	Cover Page Interactive Data File - The cover page iXBRL tags are embedded within the inline XBRL document.

*	Filed herewith.
†	Management or compensatory plan or arrangement.
#	This certification is being furnished and shall not be deemed "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.
+	Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEARTBEAM, Inc.

By: /s/ Branislav Vajdic
Name: **Branislav Vajdic**
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Richard Brounstein
Name: **Richard Brounstein**
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: March 16, 2023

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Branislav Vajdic and Richard Brounstein and each of them, jointly and severally, his attorneys-in-fact, each with the power of substitution, for him in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Richard Ferrari **Richard Ferrari**	**Executive Chairman**	March 16, 2023
/s/ George deUrioste **George deUrioste**	**Director**	March 16, 2023
/s/ Marga Ortigas-Wedekind **Marga Ortigas-Wedekind**	**Director**	March 16, 2023
/s/ Willem Elfrink **Willem Elfrink**	**Director**	March 16, 2023
/s/ Branislav Vajdic **Branislav Vajdic**	**President & Chief Executive Officer** (Principal Executive Officer)	March 16, 2023
/s/ Richard Brounstein **Richard Brounstein**	**Chief Financial Officer & Treasurer** (Principal Financial and Accounting Officer)	March 16, 2023

Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
HeartBeam Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of HeartBeam, Inc. (the "Company") as of December 31, 2022, the related statements ofoperations, stockholders' equity and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP

We have served as the Company's auditor since 2020 (such date takes into account the acquisition of certain assets of Friedman LLP by Marcum LLP effective September 1, 2022)
East Hanover, New Jersey
March 16, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of HeartBeam, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of HeartBeam, Inc. (the "Company") as of December 31, 2021, and the related statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2021, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company's auditor from 2020 through 2022.
East Hanover, New Jersey
March 24, 2022

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

	December 31, 2022	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	$ 3,594	$ 13,192
Prepaid expenses and other assets	445	806
Total Assets	$ 4,039	$ 13,998
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses (includes related party $2 and $1, respectively)	1,665	588
Total Liabilities	1,665	588
Commitments and contingencies (Note 8)		
Stockholders' Equity		
Preferred Stock - $0.0001 par value; 10,000,000 shares authorized; 0 shares outstanding at December 31, 2022 and 2021	—	—
Common stock - $0.0001 par value; 100,000,000 shares authorized; 8,009,743 and 7,809,912 shares issued and outstanding at December 31, 2022 and 2021	1	1
Additional paid in capital	24,559	22,633
Accumulated deficit	(22,186)	(9,224)
Total Stockholders' Equity	$ 2,374	$ 13,410
Total Liabilities and Stockholders' Equity	$ 4,039	$ 13,998

See accompanying notes to the financial statements

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

	December 31,	
	2022	**2021**
Operating Expenses:		
General and administrative	$ 7,354	$ 2,030
Research and development	5,677	255
Total operating expenses	13,031	2,285
Loss from operations	(13,031)	(2,285)
Other Income (Expense)		
Interest income (expense)	66	(2,165)
Other income	3	22
Total other income (expense)	69	(2,143)
Loss before provision for income taxes	(12,962)	(4,428)
Income tax provision	—	—
Net Loss	$ (12,962)	$ (4,428)
Net loss per share, basic and diluted	$ (1.59)	$ (1.03)
Weighted average common shares outstanding, basic and diluted	8,168,516	4,284,714

See accompanying notes to the financial statements

HEARTBEAM, INC.
Statement of Changes in Stockholders' Equity
(In thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance – January 1, 2021	3,527,850	$ —	$ 11	$ (4,796)	$ (4,785)
Stock based compensation, expense		—	192	—	192
Common stock issued upon vesting and exercise of stock options	34,846	—	—	—	—
Sale of Common Stock & Warrants, net of fees	2,750,000	1	14,256	—	14,257
Common stock issuance upon conversion of 2015 Notes	1,497,216	—	8,174	—	8,174
Net loss	—	—	—	(4,428)	(4,428)
Balance – December 31, 2021	7,809,912	$ 1	$ 22,633	$ (9,224)	$ 13,410
Stock based compensation, expense	—	—	1,120	—	1,120
Stock issuance upon vesting and exercise of stock options	38,806	—	2	—	2
Stock issuance upon vesting of restricted stock units	25,000	—	—	—	—
Sale of Common Stock & Warrants	136,025	—	804	—	804
Net loss	—	—	—	(12,962)	(12,962)
Balance – December 31, 2022	8,009,743	$ 1	$ 24,559	$ (22,186)	$ 2,374

See accompanying notes to the financial statements

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

	December 31,	
	2022	**2021**
Cash Flows From Operating Activities		
Net loss	$ (12,962)	$ (4,428)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion expense, convertible notes	—	1,886
Non-cash interest expense	—	278
Stock-based compensation expense	1,120	192
PPP loan forgiveness	—	(22)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	361	(779)
Accounts payable, accrued expenses and other current liabilities	1,533	(357)
Net cash used in operating activities	**(9,948)**	**(3,230)**
Cash Flows From Financing Activities		
Proceeds from sale of equity	348	14,713
Proceeds from exercise of stock options	2	—
Proceeds from issuance of convertible notes	—	1,715
Repayment and interest paid on short-term loans	—	(30)
Net cash provided by financing activities	**350**	**16,398**
Net (decrease) increase in cash	(9,598)	13,168
Cash and Cash Equivalents – Beginning of the year	**13,192**	**24**
Cash and Cash Equivalents – End of the year	**$ 3,594**	**$ 13,192**
Supplemental Disclosures of Cash Flow Information:		
Taxes paid	$ —	$ —
Interest paid	—	—
Supplemental Disclosures of Non-cash Flow Information:		
Issuance of common stock and warrants to settle accrued expenses	456	—
Conversion of debt to equity	—	6,288
Debt discount	—	1,886
Common stock and awards accrued but not issued	—	456

See accompanying notes to the financial statements

HEARTBEAM, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND OPERATIONS

HeartBeam, Inc. ("HeartBeam" or the "Company") is a cardiac technology company focusing on developing and commercializing higher resolution ambulatory Electrocardiogram ("ECG") solutions that enable the detection and monitoring of cardiac disease outside a healthcare facility setting. The Company's ability to develop higher resolution ECG solutions is achieved through the development of the Company's proprietary and patented Vector Electrocardiography ("VECG") technology platform. HeartBeam's VECG is capable of developing three-dimensional (3D) images of cardiac electrical activity by displaying the spatial locations of ECG waveforms that demonstrated in early studies to deliver equal or superior diagnostic capability than traditional hospital-based ECG systems.

The Company has validated this novel technology and is seeking U.S. Food and Drug Administration ("FDA") clearance of its initial telehealth products during 2023.

The Company was incorporated in 2015 as a Delaware corporation. The Company's operations are based in Santa Clara, California and operates asone segment.

NOTE 2 – LIQUIDITY, GOING CONCERN AND OTHER UNCERTAINTIES

The Company is subject to a number of risks similar to those of early stage companies, including dependence on key individuals and products, the difficulties inherent in the development of a commercial market, the potential need to obtain additional capital, competition from larger companies, other technology companies and other technologies.

The Company has incurred losses each year since inception and has experienced negative cash flows from operations in each year since inception. As of December 31, 2022 and December 31, 2021, the Company had an accumulated deficit of approximately $22,186,000 and $9,224,000, respectively. As of December 31, 2022 the Company had approximately $3.6 million cash on hand.

The Company maintains cash balances in accounts which exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. On March 10, 2023 the FDIC took control of Silicon Valley Bank ("SVB") and as a result raised uncertainty about the Company's deposits at SVB. On March 13, 2023 the Federal Reserve announced that account holders at SVB with deposits in excess of the FDIC insurance limits would be protected against any losses.

In February 2023, the Company entered into a sales agreement (the "Sales Agreement") with A.G.P./Alliance Global Partners ("AGP") pursuant to which the Company may issue and sell, from time to time, shares of our common stock having an aggregate offering price of up to $13.0 million in at-the-market offerings ("ATM") sales. At the same time, the Company filed a prospectus supplement under a shelf registration relating to the Sales Agreement. AGP will act as sales agent and will be paid a 3% commission on each sale under the Sales Agreement. The Company's common stock will be sold at prevailing market prices at the time of the sale, and, as a result, prices will vary.

In February 2023, the Company entered into a securities purchase agreement and a note purchase agreement ("SPA", NPA" or together "Agreements") with Maverick Capital Partners, LLC ("Maverick" or "Investor"). Pursuant to the terms of the Agreements, as amended, the Company agreed to sell up to $4,000,000 of the Company's common stock at 75% of the average calculated Volume Weighted Average Price ("VWAP") per share during a Drawdown Pricing Period as defined in the Agreements.

In February 2023, the Company issued a $500,000 Convertible Note to the Investor pursuant to the NPA. On March 9, 2023 the Convertible Note was settled upon the execution of a SPA and related issuance of 0.2 million shares of common stock pursuant to the SPA drawdown notice dated March 7, 2023. These shares of common stock were registered under the Company's registration statement on Form S-3 dated February 10, 2023 and the related prospectus supplement dated March 9, 2023.

Based on its current business plan assumptions and expected cash burn rate, the Company believes that the existing cash is insufficient to fund operations for the next twelve months following the issuance of these financial statements. These

factors raise substantial doubt regarding the Company's ability to continue as a going concern. As of December 31, 2022 the Company has a cash and cash equivalents balance of $3.6 million.

The Company's continued operations will depend on its ability to raise additional capital through various potential sources, such as equity and/or debt financings, strategic relationships and revenue. Management can provide no assurance that such financing or strategic relationships will be available on acceptable terms, or at all, which would likely have a material adverse effect on the Company and its financial statements.

The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying audited financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and in conformity with the instructions on Form 10-K and Rule 8-03 of Regulation S-X and the related rules and regulations of the Securities and Exchange Commission ("SEC") and have been prepared on a basis which assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

USE OF ESTIMATES

The preparation of financial statements in conformity with US GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based on amounts that differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2022 the Company has $2.6 million held as cash equivalents and as of December 31, 2021 there wereno cash equivalents. The Company maintains cash balances in accounts which exceed the federally insured limits during the year ended December 31, 2022 and 2021.

On March 10, 2023 the FDIC took control of SVB and as a result raised uncertainty about the Company's deposits at SVB. On March 13, 2023 the Federal Reserve announced that account holders at SVB with deposits in excess of the FDIC insurance limits would be protected against any losses

RESEARCH AND DEVELOPMENT EXPENSE

The Company expenses the cost of research and development as incurred. Research and development expenses consist primarily of professional services costs associated with the development of cardiovascular technologies and products.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash, accounts payable, accrued liabilities and debt instruments.
Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset transaction between market participants on the measurement date. Where available, fair value is based on observable market prices or is derived from such prices. The Company uses the market approach valuation technique to value its investments. The market approach uses prices and other pertinent information generated from market transactions involving identical or comparable assets or liabilities. The types of factors that the Company may consider in fair value pricing the investments include available current market data, including relevant and applicable market quotes.

Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Observable inputs such as quoted prices in active markets.
- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the assignment of an asset or liability within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

ACCOUNTING FOR WARRANTS

The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) gives the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company accounts for its currently issued warrant instruments in conjunction with the Company's common stock in permanent equity. These warrants are indexed to the Company's stock and meet the requirements of equity classification as prescribed under ASC 815. Warrants classified as equity are initially measured at fair value, and subsequent changes in fair value are not recognized so long as the warrants continue to be classified as equity.

STOCK-BASED COMPENSATION

The Company periodically issues stock options and restricted stock awards ("RSUs") to employees and non-employees for services. The Company accounts for such grants issued and vesting to employees and non-employees based on ASC 718, whereby the value of the award is measured on the date of grant and recognized as compensation expense over the vesting period.

The fair value of stock options on the date of grant is calculated using the Black-Scholes option pricing model, based on key assumptions such as the fair value of common stock, expected volatility and expected term. These estimates require the input of subjective assumptions, including (i) the expected stock price volatility, (ii) the calculation of the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. These assumptions are primarily based on historical data, peer company data and the judgment of management regarding future trends and other factors. The Company has estimated the expected term of its employee stock options using the "simplified" method, whereby, the expected term equals the arithmetic average of the vesting term and the original contractual term of the option due to its lack of sufficient historical data. The risk-free interest rates for periods within the expected term of the option are based on the US Treasury securities with a maturity date commensurate with the expected term of the associated award. The Company has never paid and does not expect to pay dividends in the foreseeable future. The Company accounts for forfeitures when they occur. Stock-based compensation expense recognized in the financial statements is reduced by the actual awards forfeited.

Compensation cost for RSUs issued to employees and non-employees is measured using the grant date fair value of the award, and expense is recognized over the service period, adjusted to reflect actual forfeitures.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and tax carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A valuation allowance is established to reduce net deferred tax assets to the amount expected to be realized The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized

income tax positions are measured at the largest amount that is greater than 50% likely of being recognized. Changes in recognition and measurement are reflected in the period in which the change in judgment occurs. Interest and penalties related to unrecognized tax benefits are included in income tax expense.

NET LOSS PER COMMON SHARE

Basic net loss per share excludes the effect of dilution and is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding.

Diluted net loss per share is computed by giving effect to all potential shares of common stock, including stock options and warrants to the extent dilutive. Basic net loss per share was the same as diluted net loss per share for the years ended December 31, 2022 and 2021 as the inclusion of all potential common shares outstanding would have an anti-dilutive effect.

As of December 31, 2022, the penny warrants issued during 2019 have been excluded from the net loss per common share calculation following treatment of contingently issuable shares as there are circumstances under which these shares would not be issued and therefore not exercisable.

In accordance with ASC 260-10-45-13, exercisable penny options are included in the calculation of weighted average basic and diluted earnings per share. As of December 31, 2022, 175,958 penny options have been included in the calculation of weighted average basic and diluted earnings per share.

The following is a summary of awards outstanding as of December 31, 2022 and 2021, which are not included in the computation of basic and diluted weighted average shares:

	Year ended December 31,	
	2022	**2021**
Stock options (excluding exercisable penny stock options)	2,020,819	936,996
Restricted stock units	253,970	—
Warrants	3,908,276	3,777,549
Total	6,183,065 6,183,065	4,714,545

RECENTLY ISSUED ACCOUNTING STANDARDS

Not Yet Adopted as of December 31, 2022:

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments-Credit Losses-Measurement of Credit Losses on Financial Instruments”. This guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance applies to loans, accounts receivable, trade receivables and other financial assets measured at amortized cost, loan commitments, debt securities and beneficial interests in securitized financial assets, but the effect on the Company is projected to be limited to accounts receivable. In May 2019, the FASB issued ASU 2019-05 “Financial Instruments-Credit Losses (Topic 326)” which provides transition relief for companies adopting ASU 2016-13. This guidance amends ASU 2016-13 to allow companies to elect, upon adoption of ASU 2016-13, the fair value option on financial instruments that were previously recorded at amortized cost under certain circumstances. Companies are required to make this election on an instrument by instrument basis. The guidance will be effective for the fiscal year beginning January 1, 2023, including interim periods within that year. The impact from this guidance is expected to be immaterial.

In August 2020, the FASB issued ASU No. 2020-06 (“ASU 2020-06”) “Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.” ASU 2020-06 will simplify the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to

separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. ASU 2020-06 also amends the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. ASU 2020-06 will be effective January 1, 2024, for the Company. Early adoption is permitted, but no earlier than January 1, 2021, including interim periods within that year. The Company has not early adopted ASU 2020-06 and is currently evaluating the effects of the adoption, but currently believe the guidance will have no impact on the Company's accounting.

NOTE 4 – DEBT

CONVERTIBLE NOTES

On August 21, 2015, the Board of Directors approved the 2015 Note Subscription Agreement (the "2015 Notes") authorizing financing through the sale and issuance of 2015 convertible promissory notes (the "Financing") for an aggregate amount not to exceed $1,000,000, with a maturity date of August, 25, 2017, which was derived from the issuance of the first 2015 Note. The Company entered into a series of amendments over the years, of which the most recent during 2021 include the sixth amendment on March 22, 2021, expanding the definition of a Qualified Financing of at least $2,000,000 as defined in the 2015 Notes to include either preferred stock or common stock, followed by the seventh and final amendment on October 7, 2021, increasing the aggregate amount for issuance to $5,500,000. All amendments were updated in accordance with the 2015 Note Subscription Agreements and approved by the Board of Directors. The Company has accounted for the last amendment to the 2015 Notes in accordance with ASC 470-50-40-6, (modifications and exchanges), under modification accounting and there was no impact to the financial statements as a result of the amendment to the 2015 Notes.

The sale and purchase of the 2015 Notes took place at closing on the date of the agreements. At closing, the Company delivered to the investor the 2015 Note to be purchased by such investor, against receipt by the Company of the corresponding purchase price. The 2015 Notes have been registered in each investor's name in the Company's records. The 2015 Notes accrued interest payable at the rate of eight percent (8%) and the conversion price was equal to seventy percent (70%) of the per share price at which shares of preferred stock or common stock were sold, $4.20 per share.

On November 10, 2021, as a result of the completion of the IPO (see Note 5) and as required under the terms of the 2015 Notes, the Company converted the entirety of the outstanding principal of $5,084,000 and interest accrued of $1,204,404 to 1,497,216 shares of common stock at the Conversion Price of $4.20 per share and issued the shares to the 2015 Note holders, fully satisfying the Company's obligations.

The Company assessed the probability of a Qualified Financing occurring before maturity of the 2015 Notes to be greater than 50% (more likely than not). In accordance with the guidance ASC 480, the Company recorded the amount of the 2015 Notes' 30% conversion discount of the sum of principal and accrued interest to the earliest of conversion date (if known) or maturity. Through December 31, 2021, the Company recorded approximately $1,886,000 as debt discount. As all of the debt converted at the IPO, the Company fully accreted the debt discount as interest expense as of December 31, 2021.

NOTE 5 – STOCKHOLDERS' EQUITY

On November 14, 2022 the Company held a Special Meeting of Stockholders ("Special Meeting"), wherein the stockholders of the Company approved an amendment to the Company's Certificate of Incorporation ("Certificate of Incorporation") to increase the number of authorized shares of the Company's common stock, par value $0.0001 per share ("Common Stock") to 100,000,000, and to authorize 10,000,000 shares of the Company's preferred stock. The amendment to the Certificate of Incorporation became effective upon filing with, and acceptance for record by, the Secretary of State of Delaware on November 16, 2022.

COMMON STOCK

On September 27, 2021, the Company filed a certificate of amendment to its amended and restated certificate of incorporation with the Secretary of State of the State of Delaware to effect a 1-for-2.75 reverse stock split of its outstanding shares of common stock. As a result of the reverse stock split, every 2.75 shares of the Company's outstanding pre-reverse

split common stock were combined and reclassified into one share of common stock. Unless otherwise noted, all share and per share data included in these financial statements retroactively reflect the 1-for-2.75 reverse stock split.

On November 10, 2021, the Company concluded its IPO of 2,750,000 units, (the "Units"), with each Unit consisting of one share of common stock, par value $0.0001 per share Common Stock and one warrant (the "Warrants") to purchase Common Stock at a combined public offering price of $6.00 per Unit. The Common Stock and the Warrants were immediately separable and issued separately but were purchased together in the IPO. The Warrants will have a per share exercise price of $6.00 and are exercisable immediately. The Warrants will expire five years from the date of issuance.

The Company received approximately $14,713,000 in net proceeds from the IPO after deducting the underwriting discount and commission and other IPO expenses payable by the Company of approximately $1,800,000.

On November 10, 2021, as a result of the completion of the IPO and as required under the terms of the 2015 Notes, the Company converted the entirety of the outstanding principal of $5,084,000 and interest accrued of $1,204,404 to 1,497,216 shares of common stock at the Conversion Price of $4.20 per share and issued the shares to the 2015 Note holders, fully satisfying the Company's obligations.

On January 14, 2022, the Company issued 78,025 shares of Common Stock to a consulting firm for services provided that were related to the IPO. The Company calculated the value of the common stock using closing stock price on November 11, 2022, resulting in a fair value of approximately $365,000. Additionally, the Company was required to issue 72,727 warrants based on performance metrics achieved in 2021, the warrants have an exercise price of $5.50 with an expiration of five years from the date of issuance. The Company calculated the fair value of $1.25 each for these warrants using the Black-Scholes option pricing model on the date the consulting firm achieved the milestone, using the following assumptions: (a) fair value of $2.28 per share, (b) expected volatility of 90.81%, (c) dividend yield of 0%, (d) risk-free interest rate of 0.87%, and (e) expected life of 5 years, resulting in the fair value of approximately $91,000.

On February 18, 2022, the Company entered into a stock purchase agreement ("Stock Purchase Agreement") pursuant to which the Company agreed to issue and sell ("Private Placement") to OpenSky Opportunities Fund Ltd. 58,000 shares of common stock par value $0.0001 and 58,000 warrants to purchase one share of common stock at a combined price of $6.00 per share. The common stock and the warrants were immediately separable and issued separately but were purchased together in the Private Placement. These securities issued pursuant to the Stock Purchase Agreement. The Company received $348,000 in proceeds from the Private Placement. The Warrants will expire five years from the date of issuance. The Company paid no underwriting discounts or commissions.

During the years ended December 31, 2022 and 2021 the Company issued 63,806 and 34,846 shares of common stock upon exercise of vested stock options and vesting of restricted stock units.

WARRANTS

During 2019, milestone warrants were issued to certain executives totaling 407,272 warrants ("Penny Warrants"). These warrants were valued on the date of grant at $0.0003 to vest upon meeting certain milestones. These Penny Warrants have performance obligations to be met by the Company to become exercisable which are not met under any circumstance as of December 31, 2022, and are excluded from weighted-average shares outstanding in the net loss per share calculation. These warrants expired unissued in February 2023.

In accordance with *ASC Topic 480, Distinguishing Liabilities from Equity*, as no derivative feature exists, the penny warrants issued to executives were classified as equity and the Company determined that as of December 31, 2022 and December 31, 2021 it is not likely that these warrants would vest and as such the value of the warrants would be deemed immaterial with no impact on the accompanying financial statements.

In connection with the IPO, the Company issued 2,750,000 Warrants, with a per share exercise price of $6.00 and exercisable immediately. The Warrants expire five years from the date of issuance.

Pursuant to the Underwriting Agreement dated November 10, 2021 between the Company and The Benchmark Company, LLC (the "Underwriter") the Company granted the Underwriter a 30-day option to purchase up to an additional 412,500

shares of the Company's Common Stock and/or Warrants to cover over-allotments. On consummation of the IPO, the Underwriter exercised the over-allotment option to purchase 412,500 Offering Warrants.

The Company also issued warrants to purchase Common Stock (7% of the number of Common Stock sold in IPO) to be issued to the Underwriter, as a portion of the underwriting compensation payable in connection with IPO. The Company issued 192,500 warrants, exercisable at a per share exercise price equal to $7.50 per share. The warrants will expire five years from the date of issuance.

On January 14, 2022, the Company issued 72,727 warrants based on performance metrics achieved in 2021 to purchase 72,727 shares of common stock at an exercise price of $5.50 per share, with an expiration of five years from the date of issuance.

On February 28, 2022, the Company issued 58,000 warrants to purchase 58,000 shares of common stock at an exercise price of $6.00 per share.

A summary of the outstanding warrants as of December 31, 2022 and 2021 is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining life (years)	Aggregate intrinsic value (in thousands)
Outstanding and exercisable - December 31, 2020	422,549	$ 0.11	2.12	—
Exercised	—	—	—	—
Issued	3,355,000	6.09	—	—
Outstanding - December 31, 2021	3,777,549	$ 5.42	4.45	1,259
Exercised	—	—	—	—
Issued	130,727	5.72	—	—
Outstanding – December 31, 2022	3,908,276	5.42	3.47	2,020
Exercisable – December 31, 2022	3,501,004	$ 6.06	3.86	33

NOTE 6 – STOCK-BASED COMPENSATION

In 2015, the Company's Board of Directors approved the HeartBeam, Inc. 2015 Equity Incentive Plan ("2015 Plan"), to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors, and consultants, and to promote the success of the Company's business. The 2015 Plan provided for the grant of stock options and RSUs to purchase common stock of which 1,636,362 were authorized by the board, of these 1,243,194 are outstanding as of December 31, 2022. The 2015 Plan was terminated upon stockholder approval of the 2022 Equity Incentive Plan ("2022 Plan") whereby no new awards can be issued under the 2015 Plan.

The Company's stockholders approved the 2022 Plan at the annual meeting of stockholders held on June 15, 2022, pursuant to which 1,900,000 shares of common stock was authorized for issuance. The 2022 Plan includes a provision for add back of any cancelled options from the 2015 Plan up to 1,372,816 shares, and as of December 31, 2022, there are 64,917 shares from the 2015 Plan that are included in the 747,364 shares available for issuance under the 2022 Plan.

As of December 31, 2022 and 2021, the Company received proceeds of a de minimis amount from the exercise of stock options.

STOCK OPTIONS

The following is a summary of stock option activity during the years ended December 31, 2022 and 2021:

	Number of options outstanding	Weighted average exercise price (*)	Average remaining contractual life (in years)	Aggregate intrinsic value (in thousands) (**)
Outstanding – December 31, 2020	466,742	$ 0.14	8.2	$ 81
Options granted	679,495	3.22		
Forfeitures	(5,453)	0.07		
Options exercised	(34,846)	—		
Outstanding – December 31, 2021	1,105,938	$ 2.03	8.8	$ 1,535
Options granted	1,251,000	1.70		
Forfeitures	(121,334)	2.98		
Options exercised	(38,806)	—		
Outstanding – December 31, 2022	2,196,798	1.76	8.7	6,770
Exercisable – December 31, 2022	640,514	$ 1.41	7.3	$ 2,222

(*) $ - Indicates exercise price less than $0.01 per share
(**) Intrinsic value is based on the fair market value of the Company's common stock.

The Company estimates the fair values of stock options using the Black-Scholes option-pricing model on the date of grant.For the years ended December 31, 2022 and 2021, the assumptions used in the Black-Scholes option pricing model, which was used to estimate the grant date fair value per option, were as follows:

	Year ended December 31,	
	2022	2021
Weighted-average Black-Scholes option pricing model assumptions:		
Volatility	107.25% - 111.06%	90.01% - 106.22%
Expected term (in years)	5.62 - 5.94	5.69 - 5.93
Risk-free rate	1.47% - 3.17%	0.69% - 1.08%
Expected dividend yield	$ —	$ —
Weighted average grant date fair value per share	$1.08 - 3.34	$2.07 - 3.44

RESTRICTED STOCK UNITS

On December 14, 2021, the Company issued 30,000 shares of RSUs to a consultant to provide services over the next two years. The total fair value of the issuances is $96,000.

On July 15, 2022, the Company issued 238,970 and 10,000 shares of RSUs to the Board of Directors of the Company and a consultant, respectively. The total fair value of the issuances is approximately $325,000 and $13,600, respectively. The RSUs issued to the Board of Directors will vest upon the earlier of the one year anniversary of the Grant Date or the next annual meeting of the Company's stockholders. The RSUs issued to the consultant vested immediately.

The following is a summary of RSUs award activity:

	Year ended December 31,			
	2022		2021	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested at beginning of the year	30,000	$ 3.20	—	$ —
Shares granted	248,970	1.36	30,000	3.20
Shares vested	(25,000)	2.46	—	—
Non-vested at end of year	253,970	$ 1.47	30,000	$ 3.20

STOCK BASED COMPENSATION

The following is a summary of stock-based compensation expense:

	Year ended December 31,	
	2022	2021
General and administration		
Stock options	$ 657,368	$ 164,933
RSUs	235,035	—
Total general and administration	$ 892,403	$ 164,933
R&D		
Stock options	$ 213,813	$ 27,376
RSUs	13,601	—
Total R&D	$ 227,414	$ 27,376
Total stock based compensation	$ 1,119,817	$ 192,309

As of December 31, 2022 total compensation cost not yet recognized related to unvested stock options and unvested RSUs was approximately $1.2 million and $0.2 million, respectively, which is expected to be recognized over a weighted-average period of 2.56 years and 0.5 years, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the course of business, the Company obtains accounting services from CTRLCFO, a firm in which the Company's Chief Financial Officer has significant influence, as well as Hardesty, where he is a non-managing partner. The Company incurred accounting fees from these firms of approximately $ 21,000 and $88,000 during the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the Company had balances due to these firms amounting to approximately $ 2,000 and $1,000, respectively.

The Company's Directors and Officers invested in the 2015 Notes of the Company, as did several consultants who provide services. On November 10, 2021, on completion of the IPO and as required under the terms of the 2015 Notes, the

Company converted the entirety of the outstanding principal and interest accrued to the 2015 Notes to common stock, which included 586,256 shares issued to Directors and Officers, representing a principal amount of $1,927,000 and interest of $535,296 and 258,420 shares issued to consultants representing a principal amount of $923,000 and interest $162,363.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Lease Obligations

In May 2019, the Company entered into a month to month lease agreement for our headquarters. The agreement is for an undefined term and can be cancelled at any time, given one month's notice by either party. The Company's monthly rent expense associated with this agreement is approximately $1,440. The Company's month to month headquarters lease is in the name of the Company's Chief Executive Officer, and the cost is reimbursed monthly.

For the years ended December 31, 2022 and 2021, rent expense was approximately $17,000, for each year.

Partnership Agreement

In January 2022, the Company entered into a partnership agreement with LIVMOR Inc. ("LIVMOR") to build a Company-branded version of the LIVMOR's Halo+ FDA cleared turnkey solution for RPM to connect physicians and patients. As included in the agreement, the Company and LIVMOR have the right to enter into additional agreements as needed in order to further the Company's development of its products. The agreement with LIVMOR included a commitment in 2022 of $1.0 million.

In August 2022, the Company entered into a supplemental agreement with LIVMOR. The supplemental agreement stated the Company would pay an additional $0.2 million for the source code access under the partnership agreement. Payments totaling $0.2 million have been made by the Company and LIVMOR has delivered to the Company copies of source materials and codes. All licenses granted by LIVMOR will automatically be converted into a non-exclusive and perpetual license and become licenses granted on a royalty-free and fully paid-up basis, in which LIVMOR hereby expressly waives and relinquishes all HeartBeam payment obligations under the initial partnership agreement. Based on management's review of Topic ASC 805 and 730, it was determined that only the source code and perpetual license were purchased and it was determined there was no alternative future uses, therefore management recorded the expense as research and development expense.

As of December 31, 2022, the Company expensed a total of $1.2 million associated with the LIVMOR agreements, which has been recognized as R&D expense.

Professional Services Agreement

In March 2022, the Company entered into a professional services agreement with Triple Ring Technologies, Inc, a co-development company, to assist in the design and development of the Company's telehealth complete solution 3D vector ECG collection device for remote heart attack or MI monitoring, followed by an amendment for cost reduction initiatives. The agreement with Triple Ring includes a commitment totaling approximately $3.0 million.

As of December 31, 2022 the Company has expensed $2.3 million and included $0.4 million in accounts payable, $0.12 million in prepaid assets and $0.02 million in accrued expenses.

NOTE 9 - INCOME TAX

Income tax expense attributable to pretax loss from continuing operations differed from the amounts computed by applying the U.S. federal income tax rate of 21% to pretax loss from continuing operations as a result of the following:

	For the Years ended December 31,			
	2022		2021	
Computed "expected" tax benefit	(2,722,000)	21.00 %	(930,000)	21.00 %
Increase (reduction) in income taxes resulting from):				
State tax, net of federal benefit	(1,024,900)	7.95 %	(178,800)	4.04 %
Permanent items	—	— %	393,400	(8.88)%
State research and development credits	(224,100)	1.70 %	(6,200)	0.14 %
Change in valuation allowance	3,973,000	(30.65)%	726,800	(16.41)%
Other	(2,000)	— %	(5,200)	0.11 %
Total	—	— %	—	— %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are presented below as of December 31:

	2022	2021
Deferred tax assets (liabilities):		
Net operating loss carryforwards	$ 4,115,800	$ 1,982,000
Research and development credits	377,200	33,200
Stock based compensation	349,900	—
Sec. 174	1,032,700	—
Other	172,100	59,500
Total deferred tax assets	6,047,700	2,074,700
Valuation Allowance	(6,047,700)	(2,074,700)
Net Deferred Tax Assets	—	—

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by approximately $3,973,000 for the period ended December 31, 2022.

As of December 31, 2022, the Company had federal and state net operating loss ("NOL") carryforwards of approximately $13,482,000 and $18,396,000, respectively. The federal NOL carryforwards consist of $2,406,000 generated prior to 2018 which will begin to expire in 2034, however, are able to offset 100% of taxable income and $11,076,000 generated after December 31, 2017 that will carryforward indefinitely but will be subject to 80% taxable income limitation beginning tax years after December 31, 2021 as provided by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act (PL 116-136).

The Company has federal R&D credit carryforwards of approximately $328,000 which will begin to expire in 2041 and state R&D credit carryforwards of approximately $267,000 which do not expire.

The utilization of NOLs and tax credit carryforwards to offset future taxable income may be subject to an annual limitation as a result of ownership changes that have occurred previously or may occur in the future. Under Sections 382 and 383 of the Internal Revenue Code ("IRC") a corporation that undergoes an ownership change may be subject to limitations on its ability to utilize its pre-change NOLs and other tax attributes otherwise available to offset future taxable income and/or tax

liability. An ownership change is defined as a cumulative change of 50% or more in the ownership positions of certain stockholders during a rolling three-year period. The Company has not completed a formal study to determine if any ownership changes within the meaning of IRC Section 382 and 383 have occurred. If an ownership change has occurred, the Company's ability to use its NOLs or tax credit carryforwards may be restricted, which could require the Company to pay federal or state income taxes earlier than would be required if such limitations were not in effect.

Effective for tax years beginning after December 31, 2021, taxpayers are required to capitalize any expenses incurred that are considered incidental to research and experimentation ("R&E") activities under IRC Section 174. While taxpayers historically had the option of deducting these expenses under IRC Section 174, the December 2017 Tax Cuts and Jobs Act mandates capitalization and amortization of R&E expenses for tax years beginning after December 31, 2021. Expenses incurred in connection with R&E activities in the US must be amortized over a 5-year period if incurred, and R&E expenses incurred outside the US must be amortized over a 15-year period. R&E activities are broader in scope than qualified research activities considered under IRC Section 41 (relating to the research tax credit). For the year ended December 31, 2022, the Company performed an analysis based on available guidance and determined that it will continue to be in a loss position even after the required capitalization and amortization of its R&E expenses. The Company will continue to monitor this issue for future developments, but it does not expect R&E capitalization and amortization to require it to pay cash taxes now or in the near future.

The total amount of unrecognized tax benefits as of December 31, 2022 is approximately $178,000, which relates to federal and state R&D credits. If recognized none of the unrecognized tax benefits would affect the effective tax rate.

The Company's policy is to account for interest and penalties as income tax expense. As of the December 31, 2022 the Company had no interest related to unrecognized tax benefits. No amounts of penalties related to unrecognized tax benefits were recognized in the provision for income taxes. We do not anticipate any significant change within twelve months of this reporting date.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions, with varying statutes of limitations. The tax years from inception through 2022 remain open to examination due to the carryover of unused net operating losses that are being carried forward for tax purposes.

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated events and transactions subsequent to December 31, 2022 through the date of the financial statements were issued.

Appointment of President
In January 2023, the Board of Directors of the Company appointed Robert P. Eno as President of the Company.

LIVMOR, Inc. Asset Purchase
In February 2023, the Company acquired LIVMOR's Halo+™ Atrial Fibrillation Detection System, the world's first FDA-cleared (K201208) prescription wearable for continuous cardiac rhythm monitoring, comprising of intellectual property, including 3 issued United States patents.

Note Purchase Agreement and Security Purchase Agreement
In February 2023, the Company entered into and SPA and NPA with Maverick. Pursuant to the terms of the Agreements, as amended, the Company agreed to sell up to $4,000,000 of the Company's common stock at 75% of the average calculated VWAP per share during a Drawdown Pricing Period as defined in the Agreements.

In February 2023, the Company issued a $500,000 Convertible Note to the Investor pursuant to the NPA. On March 9, 2023 the Convertible Note was settled upon the execution of a Stock Purchase Agreement and related issuance of 0.2 million shares of common stock pursuant to the SPA drawdown notice dated March 7, 2023. These shares of common stock were registered under the Company's registration statement on Form S-3 dated February 10, 2023 and the related prospectus supplement dated March 9, 2023.

Collapse of Silicon Valley Bank

The Company maintains cash balances in accounts which exceed the FDIC insurance limits. On March 10, 2023 the FDIC took control of SVB, and as a result raised uncertainty about the Company's deposits at SVB. On March 13, 2023 the Federal Reserve announced that account holders at SVB with deposits in excess of the FDIC insurance limits would be protected against any losses.

HEARTBEAM, INC.

Code of Business Conduct and Ethics

I. Purpose
This Code of Business Conduct and Ethics (the "**Code**") was adopted to further the commitment of HeartBeam, Inc. (the "**Company**") to conducting its business with honesty and integrity. This Code applies to all the employees and officers (all of whom are referred to collectively as "**employees**") and directors on the board of directors of the Company ("**directors**").

The Code is intended to ensure and promote:

- fair and accurate financial reporting;
- ethical conduct and compliance with applicable laws, rules and regulations including, without limitation, full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to the U.S. Securities and Exchange Commission and in our other public communications;
- compliance with governmental laws, rules and regulations;
- the prompt internal reporting of violations of this Code as set forth in the Code;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- a culture of honesty and accountability; and
- the deterrence of wrongdoing.

The Code is not intended to create obligations of the Company or the Company's board of directors (the "**Board**") beyond those established by applicable laws or regulations. As a result, use of the word "shall," "should" or "will" with respect to an activity or responsibility, shall be interpreted to create only the legal obligation that would have been imposed on the Company or the Board in the absence of the Code. To the extent this Code might be interpreted to create any responsibility or obligation beyond that required by law or regulation (a "**Discretionary Responsibility**"), it will be interpreted to not create any material or legally enforceable obligation or responsibility, and any such Discretionary Responsibility may be waived or modified at the full discretion of the Company or the Board.

Employees and directors are expected to read the policies set forth in the Code and ensure that they understand and comply with them. The Company's chief financial officer (the "**CFO**") is responsible for applying these policies to specific situations in which questions may arise and has the authority to interpret these policies in any particular situation. Any questions about the Code or the appropriate course of conduct in a particular situation should be directed to the CFO, who may consult with the Company's outside legal counsel or the Board, as appropriate.

The Code should be read in conjunction with other policies applicable to an employee. Any determination with respect to the applicability of the provisions of this Code with respect to officers or directors of the Company may be made only by the Board.

II. Financial Reports and Other Records – Disclosure
Employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of financial and non-financial information that may be material to the Company. The Company expects all of its employees to take this responsibility very seriously to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with government agencies or releases to the general public.

Each employee to the extent involved in the Company's disclosure process, including without limitation, the principal executive officer, principal financial officer and other senior employees who perform similar functions in the Company (collectively, "**Senior Financial Officers**"), must familiarize themselves with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company, and must not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.

All of the Company's books, records, accounts, and financial statements must be maintained in reasonable detail, and reflect the matters to which they relate accurately, fairly, and completely. Furthermore, all books, records, accounts and financial statements must conform both to applicable legal requirements and to the Company's system of internal controls. All assets of the Company must be carefully and properly accounted for. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation and authorization. Misclassification of transactions as to

accounts, business units, or accounting periods is forbidden. Each employee bears responsibility for ensuring that he or she is not party to a false or misleading accounting entry.

III. Conflicts of Interest

A conflict of interest is any activity or interest that is inconsistent with or opposed to the best interests of the Company. An employee's and director's decision and actions in the course of employment or other relationship with the Company should be based on the best interests of the Company and not based on personal relationships or benefits. Employees and directors should never use or attempt to use their position with the Company to obtain improper personal benefits. Any situation, transaction or relationship that may give rise to an actual or potential conflict of interest should be disclosed to the Company and should be avoided, unless approved by the Company.

The following are some examples of conflicts of interest to be avoided:

- Family Members. Directors and employees should not conduct business on behalf of the Company with family members or an organization with which a family member is associated, unless such business relationship has been disclosed to and authorized by the Company and is a bona fide arms-length transaction. "Family members" include a spouse, parents, children, siblings, and in-laws.
- Interests in Other Businesses. Employees may not accept compensation in any form for services performed for the Company from any source other than the Company. Employees should not have an undisclosed material financial interest in a competitor, supplier or customer of the Company.
- Improper Conduct and Activities. Employees may not engage in any conduct or activities that materially disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- Gifts and Gratuities. This policy does not prohibit normal, appropriate and modest hospitality to or from third parties in compliance with applicable law. These customary courtesies are designed to build goodwill among business partners. You should, however, be mindful that public officials may be restricted in the benefits they can accept for performing their duties, including non-cash benefits such as travel, meals and entertainment. The practice of giving business gifts and taking part in corporate hospitality or undertaking speaking engagements varies between countries, regions and industries. What may be normal and acceptable in one may not be in another. Any gifts and gratuities must comply with U.S. and applicable local law.
- Corporate Opportunities. The treatment of corporate opportunities by officers and directors shall be governed in all respects by the provisions of the Company's certificate of incorporation.

Evaluating whether a conflict of interest exists can be difficult and may involve a number of considerations. We encourage you to seek guidance from your manager, human resources or the CFO when you have any questions or doubts.

If you are aware of an actual or potential conflict of interest where your interests may conflict with the Company's interests, or are concerned that a conflict might develop, please discuss with your manager and then obtain approval from the CFO or their designee before engaging in that activity or accepting anything of material value. Please also note that, to the extent your proposed engagement or activity could constitute a "related person transaction," it will also be addressed pursuant to our Related Party Transaction Policy.

IV. Confidentiality & Communications

In carrying out the Company's business, employees may learn confidential or proprietary information about the Company, its customers, suppliers, or joint venture parties. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful to competitors if disclosed.

Employees must maintain the confidentiality of information about the Company and other companies entrusted to them by the Company, use the information only for permissible business purposes and in accordance with any restrictions imposed by the disclosing party, and limit dissemination of the confidential information, both inside and outside the Company, to people who need to know the information for business purposes and who are bound by similar obligations of confidentiality, unless disclosure is authorized or legally mandated.

The obligation to protect confidential information does not end when an employee leaves the Company. Any questions about whether information is confidential should be directed to the CFO.

V. Compliance with Laws, Rules & Regulations

All directors and employees must respect and obey all laws when carrying out responsibilities on behalf of the Company and refrain from illegal conduct.

Employees have an obligation to be knowledgeable about specific laws, rules, and regulations that apply to their areas of responsibility. If a law conflicts with a policy in this Code, employees must comply with the law.

Any questions as to the applicability of any law should be directed to the CFO. The following is a brief summary of certain topics about which employees should be aware:

A. Antitrust
Competition laws and regulations throughout the world are designed to foster a competitive marketplace and prohibit activities that restrain trade. Generally, actions taken in combination with other companies that restrain competition may violate the antitrust laws. Certain antitrust violations involving agreements with competitors are crimes and can result in large fines and prison terms for the individuals involved. In addition, actions taken by an individual company in market segments in which it has a particularly strong position may violate the antitrust laws if the actions have the effect of excluding competition through unfair means.

The Company is dedicated to compliance with laws governing fair competition in all of its activities. Any activity that undermines this commitment is unacceptable. The laws governing this area are complex, and employees should seek counsel before taking any action whenever appropriate.

B. Health, Safety & Environment
The Company works to conduct its business activities and operations in a manner that promotes protection of people and the environment to the extent practicable. Compliance with all applicable laws, rules and regulations governing health, safety, and the environment are a responsibility of management and employees in all functions.

C. Fair Employment Practices
The Company works to maintain a work environment in which all individuals are treated with respect and dignity. Every individual has the right to work in a professional atmosphere that promotes equal employment opportunities and where discriminatory practices, including harassment, are prohibited.

The Company prohibits discrimination against or harassment of any employee on the basis of race, religion, color, sex, pregnancy, national origin, age, physical or mental disability, military or covered-veteran status, marital status, sexual orientation, family medical leave, gender identity or any other classification protected by applicable federal, state or local law. Any employee who is found to have discriminated against another employee on these bases is subject to discipline up to and including termination.

No individual will suffer any reprisals or retaliation for making complaints or reporting any incidents of discrimination or perceived discrimination, or for participating in any investigation of incidents of discrimination or perceived discrimination.

D. Foreign Corrupt Practices and Anti-Bribery Laws
Directors and employees may only transact business on behalf of the Company in foreign markets and with foreign government officials in accordance with the Foreign Corrupt Practices Act ("**FCPA**"), the UK Bribery Act and applicable local law. Directors and employees should never engage in any bribery, kickbacks or other types of corruption when dealing with customers, suppliers or other third parties regardless of local practices or competitive intensity. Specifically, directors and employees should never directly or indirectly via a third party make or provide a payment (including cash or any other items of value such as meals, gifts, travel, entertainment, etc.) to a foreign official or government employee to corruptly influence the foreign official or government employee, obtain or retain business for the Company or to acquire any improper advantage.

If a director or employee is unaware of the legal rules involving these activities, he or she should consult with the CFO before taking any such action. For more information about the FCPA and the rules governing providing things of value to foreign officials, please contact our CFO.

E. Insider Trading
Under federal and state securities laws, it is illegal to trade in the securities of a company while in possession of material non-public information about that company. It is your responsibility to comply with these laws and not to share material non-public information. We have also adopted an Insider Trading Policy with which you must comply. For more information about insider trading laws, please reference our Insider Trading Policy which can be found on the Company's internal website.

IX. Compliance & Reporting

A. Seeking Guidance
Employees are encouraged to seek guidance from supervisors, managers or other appropriate personnel when in doubt about the best course of action to take in a particular situation. In most instances, questions regarding the Code should be brought to the attention of the CFO.

B. Reporting Violations
If an employee knows of or suspects a violation of this Code, or of applicable laws and regulations (including complaints or concerns about accounting, internal accounting controls or auditing matters), he or she should report it immediately to the CFO. See the Whistleblower Policy for information about making anonymous reports.

All reports will be kept confidential, to the extent practical, except where disclosure is required to investigate a report or mandated by law. The Company does not permit retaliation of any kind for good faith reports of violations or possible violations.

C. Investigations
Reported violations will be promptly and thoroughly investigated. It is imperative that the person reporting the violation not conduct an investigation on his or her own. Directors and employees are expected to cooperate fully with any appropriately authorized investigation, whether internal or external, into reported violations. Directors and employees should never withhold, tamper with or fail to communicate relevant information in connection with an appropriately authorized investigation.

In addition, you are expected to maintain and safeguard the confidentiality of an investigation to the extent possible, except as otherwise provided below or by applicable law. Making false statements to or otherwise misleading internal or external auditors, investigators, legal counsel, Company representatives, regulators or other governmental entities may be grounds for immediate termination of employment or other relationship with the Company and also be a criminal act that can result in severe penalties.

D. Sanctions
Employees who violate this Code may be subject to disciplinary action, up to and including termination of employment. Moreover, employees or officers who direct or approve of any conduct in violation of this Code, or who have knowledge of such conduct but do not immediately report it may also be subject to disciplinary action, up to and including termination of employment. A director who violates this Code or directs or approves conduct in violation of this Code shall be subject to action as determined by the Board.

Furthermore, violations of some provisions of this Code are illegal and may subject the employee, officer or director to civil and criminal liability.

E. Disclosure
Nothing contained in this Code or any other Company agreement or policy is intended to prohibit or restrict you from disclosing confidential information to any government, regulatory or self-regulatory agency including under Section 21F of the Securities and Exchange Act of 1934 and the rules thereunder.

X. Waivers of this Code
Any amendment or waiver of any provision of this Code must be approved in writing by the Board or, if appropriate, its delegate(s), and promptly disclosed pursuant to applicable laws and regulations. Any waiver or modification of the Code for a Senior Financial Officer will be promptly disclosed to stockholders if and as required by applicable law or the rules of the applicable stock exchange.

XI. Amendment
The Company is continuously reviewing and updating its policies, and therefore reserves the right to amend this Code at any time for any reason.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of HeartBeam, Inc. on Form S-8 (File No. 333-261430 and 333-266114) and on Form S-3 (File No. 333-269520) of our report dated March 16, 2023, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, with respect to our audit of the financial statements of HeartBeam, Inc. as of and for the year ended December 31, 2022, which report is included in this Annual Report on Form 10-K of HeartBeam, Inc. for the year ended December 31, 2022.

/s/ Marcum LLP

East Hanover, NJ
March 16, 2023

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements of HeartBeam, Inc. on Form S-3 (File No. 333-269520) and Form S-8 (File No.'s 333-261430 and 333-266114) of our report dated March 24, 2022 with respect to our audit of the financial statements as of and for the year ended December 31, 2021 which was included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. We were dismissed as auditors on September 19, 2022 and, accordingly, we have not performed any audit or review procedures with respect to any financial statements incorporated by reference for the periods after the date of our dismissal.

/s/ Friedman LLP

East Hanover, NJ
March 16, 2023

Exhibit 31.1

CERTIFICATION

I, Branislav Vajdic, certify that:

1. I have reviewed this Annual Report on Form 10-K of HeartBeam, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/ Branislav Vajdic

Branislav Vajdic
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Richard Brounstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of HeartBeam, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/ Richard Brounstein

Richard Brounstein
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350), Branislav Vajdic, Chief Executive Officer of HeartBeam, Inc. (the "Company"), hereby certify that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2022, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023

By: /s/ Branislav Vajdic

Branislav Vajdic
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350), Richard Brounstein, Chief Financial Officer of HeartBeam, Inc. (the "Company"), hereby certify that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2022, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023

By: /s/ Richard Brounstein

Richard Brounstein
Chief Financial Officer
(Principal Financial and Accounting Officer)