

**Movano Inc.**  
**Q2 2024 Earnings Conference Call**  
**August 14, 2024**

---

**Presenters**

**J. Cogan, CFO**

**John Mastrototaro, CEO**

**Tyla Bucher, CMO**

**Michael Leabman, Founder and CTO**

**Michael Soule, CCO**

**Q&A Participants**

**Bruce Jackson - Benchmark Company**

**Operator**

Greetings and welcome to Movano Health's Q2 2024 Earnings Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star zero on your telephone keypad. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Mr. J. Cogan, Chief Financial Officer. Thank you, Mr. Cogan. You may begin.

**J. Cogan**

Thanks, Operator. Good afternoon, everyone, and thank you for joining us today. Movano Health's CEO, John Mastrototaro, will open today's call with prepared remarks about the progress the company made during the second quarter of 2024 and in recent weeks. Our CMO, Tyla Bucher, will provide some remarks on the company's upcoming D2C plans, followed again by John, and then I'll provide highlights on the company's quarterly operating results and current financial position. Then we'll open the call for Q&A. John, J., and Tyla will be joined by our Chief Technology Officer and Founder, Michael Leabman, Chief Commercial Officer, Michael Soule, and Vice President of Product and Strategy, Stacy Salvi.

Movano Health issued a news release this afternoon detailing second quarter 2024 financial results. Before we begin, I'd like to remind everyone that the company will make forward-looking statements during today's call based on current expectations. Whether in prepared remarks or during the Q&A session, these forward-looking statements are subject to inherent risks and uncertainties, and actual results may be materially different from such statements.

These risks and uncertainties are detailed in the risk factors section of Movano Health's filings with the Securities and Exchange Commission, specifically in the company's Forms 10-Q and 10-K. Except as otherwise required by federal securities laws, Movano Health disclaims any obligation to update or make revisions to such forward-looking statements contained herein or elsewhere to reflect changes in expectations with regards to those events, conditions, and circumstances.

With that, I'll turn the call over to our CEO, John Mastrototaro.

**John Mastrototaro**

Good afternoon, everyone. Since we last reported earnings in May, we have been working diligently to prioritize the efficient use of our recent capital infusion while continuing to make progress on our key business initiatives as follows. Preparing for expansion of the direct-to-consumer launch at Evie Ring and taking orders again starting September 17. Continuing to work with the FDA to secure a 510(k) clearance for the Evie Med Ring. Delivering our first B2B commercial opportunities with healthcare partners. And lastly, preparing for upcoming blood pressure and glucose clinical trials using the most recent iteration of our wearable device, incorporating our proprietary RF solution.

We continue to be judicious with our capital and methodical in our approach to building out our direct-to-consumer and business-to-business market opportunities. I will provide an update on our progress with the FDA and preparations for B2B launch of EvieMED, and we'll then turn the call over to our CMO, Tyla Bucher, to discuss plans for the D2C business, including our plan to begin taking orders again and shipping product in September.

In preparation for the launch of EvieMED, we're working closely with the FDA to secure a 510(k) clearance. As we highlighted in a press release last week, we plan to meet with the FDA this month. You'll recall the EvieMED Ring is designed to not only provide medical device functionality with its pulse oximetry feature, but also offer numerous wellness metrics related to sleep, activity, and logging of mood, energy, and health symptoms.

Subsequent to our April 510(k) filing, in May and early June, the FDA review team requested two minor clarifications and our team promptly responded. In late June, the FDA review team requested some additional information related to the wellness aspects of EvieMED. Along with our regulatory advisors, Movano Health provided a draft response to the FDA's questions on July 10 and requested a meeting with the agency to review our draft response, which is now

scheduled, as I noted earlier. We look forward to meeting with the FDA and working towards resolving this issue in order to move forward with the review process.

We remain steadfast in our commitment to the opportunity EvieMED could unlock, given the clinical evidence provided as part of the filing related to the pulse oximetry feature and our desire to work collaboratively with the agency.

With regard to the B2B opportunity, we have three new B2B commercial opportunities to highlight for you today. In anticipation of an expected 510(k) clearance, we are engaged with two global pharmaceutical companies that could leverage EvieMED in building unique solutions for both clinical and consumer applications. In the first case, we are in the agreement phase for a program that could begin in late 2024 and, assuming success, would be expected to develop into a larger commercial opportunity in 2025.

In the second case, EvieMED is expected to be evaluated this fall by a Tier 1 global pharmaceutical company for a clinical trial that is scheduled to commence in 2025. We are also engaged with a large payer looking to better manage high-risk populations utilizing EvieMED. This opportunity is expected to kick off around the New Year and, assuming a positive outcome, the commercial opportunity could build into 2025. All three of these strategic partners, as well as the others in our funnel, see EvieMED as a game-changing solution that is not currently available in the market.

This is in addition to our recent announcement of the partnership with the Tal Research Group at MIT to use Evie Ring for its MAESTRO clinical study on the long-term health impacts of Lyme disease and long COVID.

To explain these health care opportunities in more depth, we recently hosted our first virtual event titled, B2B: The Next Wearables Boom, where Managing Director of Allele Capital, Matt Hughes, moderated a panel that included myself, our Chief Commercial Officer, Michael Soule, and Stanford Cardiologist, Dr. Fatima Rodriguez.

During the event, we identified and discussed the significant B2B possibilities that could be unlocked specifically for clinical trials and remote patient monitoring following a 510(k) clearance. As you'll recall, the clinical trials market we seek to address consists of pharmaceutical companies that need to gather data on FDA-cleared devices as part of their drug trials for FDA and other regulatory submissions. We've identified the TAM for FDA-cleared wearables in this market to be as much as \$5 billion annually.

Currently, trials are often cumbersome, expensive and suboptimal requiring in-person checkups, which can result in poor compliance. We believe EvieMED's unique offering and design aesthetic would improve compliance, lower cost significantly, and enable quicker enrollment, better data, and improved quality of results. The three examples I highlighted a few minutes ago speak to this need and we are aggressively pursuing opportunities across clinical trials and post-market surveillance.

The Remote Patient Monitoring, or RPM, market barely existed four years ago, however, COVID unlocked the reality that RPM can reduce the need for in-office visits, expand access and reduce costs. We believe EvieMED will be able to automate the collection of more complete and accurate data resulting in an RPM solution with meaningful advantages over RPM products on the market today.

During our conversation, Dr. Rodriguez also validated the need for RPM in her role as a physician, which would enable her to manage her patients in between visits and easily identify patterns. We recently completed beta testing our wearable technology with a leading U.S. RPM company that serves over 450 health care organizations and is the exclusive platform for one of the largest medical device companies in the world.

In anticipation of these partnerships and more, we are preparing our back-end operations to be able to meet our partners' requirements, including positioning the company to scale efficiently, establishing app and labelling modifications to support a medical device, and building our API and data sharing framework.

I will now turn it over to our CMO, Tyla Bucher, to provide an update on our D2C plans for the Evie Ring.

**Tyla Bucher**

Thanks, John. As you all know, we've been out of stock on the Evie Ring since Q1 and we've been using this time to implement a series of improvements for our existing and prospective customers, including operational and delivery timelines, better and more accurate ring functionality, best-in-class customer service, and finalizing some new and necessary features.

From an operations standpoint, we improved production yields and cycle times as well as our logistics and warehouse management system. This will result in greater efficiency on the production floor and allow us to keep more accurate real-time track of inventory and the flow of orders.

From a software perspective, we updated our ring algorithms, improving accuracy across sleep and wake times, sleep stages, heart rate measurement during activity and steps. In addition, we expanded our proprietary AI generated insights engine to include hundreds of new insights for our users, customized for their individual wellness journey and informed by a combination of tracked and logged data. An example of one of our newer insights would be, when you beat your average step by more than 1,000, you tend to report a better mood.

Regarding customer service, we built out a new team of representatives with a combined 25-plus years of service in the direct-to-consumer space who have a solid understanding of the pace and real-time knowledge delivery that a product like ours requires. This team is currently responding live to all inquiries within 48 hours and has drafted a comprehensive library of useful articles and tips and tricks that can be shared with Evie Ring consumers as they work through any issues together, or the customers can use to self-serve if they prefer.

In addition, these articles feed into our AI-powered chatbot who can mitigate many easily solvable issues and gets smarter as it ingests both the inquiries and our information, responding quickly and accurately to customers in friendly and native language.

In addition to all these enhancements, we are also working on an auto activity detect workout feature, which will allow Evie to understand that you're working out even if you have not started a workout on the app. And following the workout, we'll be able to provide you with your results. Users will also be able to modify the details of their workout after the fact.

And finally, we expect to have an Android version of the app ready for our prospective Android users, of which there are quite a few, to purchase by Black Friday in November of this year.

We are pleased to announce that we'll be back in stock on September 17. This is post-summer season and time for when consumers begin turning their attention to the holidays and gift giving.

We have a full paid in organic social campaign prepared to support our launch which includes influencer and user-generated content across Instagram, Facebook, YouTube and TikTok as well as Google Search and Shop. We also have a robust e-mail lead list that has grown exponentially with consumers ready to buy, and we will be engaging them with a comprehensive outreach strategy. And we have a satellite press tour lined up with key tech and consumer press as well as a pitch campaign for holiday gift guides across print and television.

And finally, we couldn't be more excited to share the introduction of our brand partnership with digital creator, wife, mom and entrepreneur, Heidi D'Amelio. Heidi has been using the Evie Ring

for several months and has really become a true fan. Aligned with our mission of empowering women with better data and insights to help them live healthier lives, we have formed a strategic partnership with Heidi where we'll continue to grow the brand, drive awareness around women's health, and improve the ring experience together. We couldn't be more excited to welcome Heidi to the Evie family.

As you can see, we've been working around the clock to get the ring back in the hands of consumers, and we truly believe it will be worth the wait.

And with that, I'll turn things back over to John.

### **John Mastrototaro**

Thanks, Tyla. As you are aware, our product development plan extends far beyond Evie and EvieMED. We are deeply invested in multi-analyte sensing and pursuing additional FDA clearances with further research in respiration rate, core temperature and a solution to address sleep disturbances. Some of these metrics may only require a software update, while others may require new hardware components or potentially different form factors. We are in the planning stages now for several clinical trials related to these valuable analytes.

As a follow-on to the successful blood pressure study we conducted in Q4 '23, we completed our most recent blood pressure clinical study in June, which included the use of an arterial blood pressure line. We learned a great deal about improved ways to collect data, and we'll be redesigning for the next study with better placement of the sensors on the body to maximize their utility.

We're also in the process of designing a more consumer-friendly form factor as we focus on commercializing the solution. We will continue to develop this into Q4 with another study planned before year-end.

In summary, we remain committed to improving health monitoring through the introduction of additional analyte sensing, including blood pressure and glucose using our millimeter wave radio frequency and AI technology.

With that, I'll now hand the call over to J. for the financial review.

### **J. Cogan**

Thanks, John. We shipped 1,837 Evie Ring in the second quarter of 2024 as we completed fulfilment of our initial launch phase. You'll recall that we shipped approximately 5,300 rings in

the first quarter and stopped taking orders in mid-February given capital market conditions. The company did not report any revenue for the second quarter as previously deferred revenues were offset by refunds.

As we noted earlier in the call, we expect to begin taking orders and shipping rings again in September. We plan to have ample inventory prior to taking orders again in September, and as Tyla highlighted, we have made important strides across product manufacturing and customer service that should position us well for both an expanded launch of the Evie Ring in D2C and eventual launch of EvieMED in B2B upon an FDA clearance decision.

Following our successful private placement in April, where the company raised \$24.1 million in gross proceeds, including a strategic seed investment from a Tier 1 multibillion-dollar medical device company, we recently executed a turnkey agreement with our production partner, which should free up both working capital and people resources for Movano Health going forward.

The company reported an operating loss of \$6.4 million in the second quarter of 2024 versus an operating loss of \$7.4 million in the year ago period. And we had \$16.9 million in cash and cash equivalents on our balance sheet at June 30, which takes into account our catching up on more than \$3 million of outstanding payables following the April private placement, putting us in good standing with our partners as we position the company to execute against key future milestones. Excluding the catch-up, our cash burn in the quarter was approximately \$4.4 million as managing resources continues to be a priority for the company.

Now I'll turn it back over to John for final remarks.

**John Mastrototaro**

Thanks, J. The team and I couldn't be more excited about all of the progress we just highlighted. We are nearing an inflection point for the company as we close in on key Evie and EvieMED milestones. We are laser focused on the expansion of our D2C business, bullish on the B2B opportunities for EvieMED, and optimistic about the potential of our RF chip. We look forward to continuing to share our progress as we head into the back half of the year.

With that, we'd be happy to take your questions.

**Operator**

Thank you. We will now be conducting a question and answer session. If you would like to ask a question, please press star one on the telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star two if you would like to remove your questions

from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. You can also ask questions via the webcast. One moment, please, while we poll for questions.

The first question comes from the line of Bruce Jackson with Benchmark Company. Please go ahead.

**Bruce Jackson**

Hi, good afternoon. Thank you for taking my questions. With the new Evie that's going to launch with the auto activity detect features, is that the same thing as the new heart rate in motion algo that you just developed?

**John Mastrototaro**

Michael Leabman, would you like to go ahead and respond to that question from Bruce?

**Michael Leabman**

Yeah, sure. I think the first big fix we've added is we've changed our heart rate algorithm to be really based on machine or deep learning to get much more accurate heart rate in motion if you're walking, jogging, running, etc. That's kind of a stand-alone algorithm. The auto activity is really twofold. One, to identify what activities you're doing as well as Tyla mentioned, to be able to start a workout and start collecting this data, even if you don't tell your watch or your ring or your app to start collecting. So, there are two separate things that combine to give you much better results for a workout.

**Bruce Jackson**

Okay. Great. And then moving over to the business-to-business side. With the provider organization where you've got an engagement, can you maybe go into a little bit more detail about that as to the depth of the engagement? Is it like parallel activities? Or do they have any minimum orders attached to the engagement?

**John Mastrototaro**

Thanks, Bruce. Michael Soule, do you want to go ahead and take that question?

**Michael Soule**

Yeah. So we are -- as we said earlier, we are engaged with a number of different channels, providers is one of them payers, remote patient monitoring. In the anticipation of our FDA approval, they are working with us in various formats through beta testing. We're also in the initial

agreement conversations with a number of folks, including providers, payers, and the remote patient monitoring channels as well.

**Bruce Jackson**

Okay. Great. And then last question for me. Any changes on the mid-August date for meeting with the FDA?

**John Mastrototaro**

I'll take that one, Bruce. Thanks for the question. No, no changes there. I'd just like to make a couple of comments about it. We still are very optimistic with regard to our ability to work with the agency for a few reasons. First off, we've got a pretty seasoned and deep regulatory team in the company itself, but we've gone one step beyond that. And in fact, we're also working with the leading regulatory firm in the U.S. and probably the principal of whom has probably had more meetings with the FDA than anyone ever through their career.

So, we've really got the top team that we could possibly have working on this to assure that we're complying with all the FDA policies. You know, when you're doing something new, with our ring and we've got the wellness and medical devices in the product, it can raise some new questions of the agency, but we feel really good about where we stand. We've had some already recent communication in preparation for the meeting, and it's all trending in the right direction. So that is all positive.

And then lastly, one thing we always kind of remember is that the whole filing is built on a really strong foundation of incredibly strong clinical data and results for the pulse oximetry feature. So, because of all of these reasons, we still feel really good about where we are and being able to work through the FDA and gain a clearance.

**Bruce Jackson**

Okay. Great. Congratulations on all of the progress. And thank you for taking my questions.

**John Mastrototaro**

Thank you, Bruce.

**J. Cogan**

Yeah. Thanks, Bruce. Operator, it looks like we have some questions on the webcast. I can go ahead and ask those and we'll see what happens with the phone lines thereafter.

John, I guess, if there's anything else -- there's a question here about the 510(k) submission. If there's anything else you wanted to add in terms of our confidence in securing or just anything else beyond the press release that we issued last week, if there's anything to discuss, otherwise we can move on to the next question.

**John Mastrototaro**

Yeah, I saw that question. I saw that question online, and I tried to answer it at the same time that I answered Bruce's. So I think that covered it pretty well. Bottom line is we still feel really confident and optimistic in where we stand and are very much looking forward to meeting with the agency soon to resolve this and move on to the next topic.

**J. Cogan**

Okay, great. I think the next couple of questions can be for Tyla. Tyla, there's a couple of questions about the press and marketing plan for the expanded launch of Evie Ring? And then also, what are the biggest changes that we've made to the ring and app heading into this expanded launch?

**Tyla Bucher**

Sure. As I noted on the call, we've obviously spent the last few months focusing on improvements across the board, including updating and fine-tuning the algorithms. I think the big focus has also been on our insights engine because really that is a key differentiator for us. And then I talked a little bit about our improved processes that we have on the operations side. But I think the other pieces are the auto activity detect that Bruce just mentioned, as well as an Android version of the app. Both of these are key features that consumers have been asking for. And we really do want our community to know that we're listening and we're really excited to actually roll out these enhancements. So those, I think, are the big pieces on the experience side.

And then as it relates to marketing, we have a full campaign ready to go that includes influencer and user-generated content across Instagram, Facebook, YouTube, all the other things I said, Google Search and Shop. We have a really engaged lead list and a comprehensive outreach strategy.

But above and beyond, we're just thrilled with the announcement of our partnership with influencer and digital creator, Heidi D'Amelio. Not only does she have a passion for fitness, but she has a highly and wonderfully engaged audience, and she really shared our vision of improving women's health with better data and insights. I think the idea that we'll be able to work closely with someone like Heidi who, again, has such an engaged audience to drive awareness around the Evie Ring as well as the importance of a wellness device for women is a big step forward for us.

**J. Cogan**

Great. All right. Michael Soule, you might have answered some of this or most of this in the prior question from Bruce. But a question on the webcast relates to taking a deeper dive into the first EvieMED commercial opportunities that we've announced recently and how they position the company for growth with pharma and other health partners in the future.

**Michael Soule**

Yeah. Sure. And I saw that as well online. I think in the last call, we talked a little bit about our beta partners, right? And we ran the gamut across various channels with our beta partners. But since coming out of that beta phase, other large strategic partners have come to us looking to work with us. And so they range in channels for medical device to pharma, to payers who are looking forward to our FDA clearance.

And so we -- when that clearance comes, we expect to unlock a host of initiatives across clinical trials, remote patient monitoring. And we're also, as John had mentioned earlier, building the back-end systems required for these partnerships so we can hit the ground running. So in advance of that clearance, we've moved, as I said, into some agreement discussions with a number of folks, and we're very excited about the pace with which this is happening.

**J. Cogan**

Terrific. Next question for Michael Leabman. What did you learn in your most recent blood pressure clinical study?

**Michael Leabman**

Yeah. Great. So, I think as John mentioned, we concluded our study in June, and we've been analyzing the data using the arterial line, which is really new to us giving us continuous data. And it's really allowed us to kind of fine tune our device, including new antennas that we've already completed designing as well as accommodating different wrist sizes with a smaller form factor, which gets us closer and closer to commercializing it.

I think all these changes will really allow us to begin testing with B2B customers when we're ready. And the expected new design, we expect to arrive somewhere at the end of September, early October as we get ready for our next clinical arterial line study in November. And I think everything is kind of coming together nicely with this first study, and we really look forward to getting this hardware back and taking the next step.

**J. Cogan**

Okay. Thanks, Michael. John and Tyla, there's a question about the company taking the path of being a medical device company and with blood pressure and glucose on horizon and not specific to -- a specific gender, is Movano planning to expand its marketing to target beyond women?

**John Mastrototaro**

Yeah. From the Med Device perspective, I'll take that aspect. Certainly, as you're aware and alluded to for direct-to-consumer, we have had a female focus and Tyla can expand upon that in a moment. But for these opportunities that we have in the health care space, there are some which are products that are specific for women. So this dovetails in very nicely, but many of the opportunities that we've been looking at are for anyone. And just because we've targeted women with some aspects of the app experience and design and whatnot, doesn't mean that it's not of tremendous value for anyone.

And so all of our partners, no one said, oh, well, this won't suit all of our customers or subscribers to a plan or whatever it may be. They're looking at using it universally. And you're right, whether it's work related to continuous glucose monitoring in the future or the blood pressure and what we have today with heart rate, SpO2 and other future analytes, they're important to measuring everybody.

And we're all suffering from chronic conditions, and in the U.S., it's a major problem. We've got half of people over age 20 in the U.S. have high blood pressure, are pre-hypertensive, and diabetes is about a third of the people. And so having products like this that can be worn and used at home in a very user-friendly way, that feel good and look good on the finger, something that doesn't interfere with your lifestyle and is able to collect just a wealth of important data and can bring to light changes in your health are needed. And I think it's going to change the way health care is delivered in the future to bring more of this into the home with folks. And I think we're all more aware of our health than ever before after what's happened through the course of COVID and whatnot.

We're finding it to just be a massive opportunity, quite frankly, and are speaking to all the who's whom in the health care space about products like this that can be leveraged seamlessly and help support the health and wellness of people.

Tyla, do you have anything to add specifically about the D2C and the female focus there that you want to comment on?

**Tyla Bucher**

Sure. I mean I think you captured it really well. I think the only comment that I would make is to sort of echo your notes about we didn't design the Evie Ring to the exclusion of the male gender, but rather to really be present for an opportunity that we see among women who prioritize their health, prioritize the health of their family, control the purse strings, make decisions for the family and really coming up with a solution for them to make sure that they're taking good care of themselves and that they're prioritizing their wellness.

You can wear the Evie Ring now if you are -- whatever gender you are. And I think what we tried to do is really take into consideration how women would like to receive the data, how they want to see it displayed in their app, a comfortable fit and make sure that we're delivering insights that make them feel like this is a worthwhile endeavor and that they understand what to do with that data.

As we move forward, nothing is necessarily off the table, but certainly, the priority was to make something available to women where we see a tremendous, tremendous opportunity. But again, having said that, anyone can wear the ring. And it will still work, and it will still track your health and well-being.

**J. Cogan**

Thanks, Tyla, thanks John. I'll take the last question. It looks like you've made some good progress on reducing the quarterly burn rates, how do we see the trend in our expanded launch of Evie Ring and eventually EvieMED?

We appreciate the feedback. We continue to be focused as an organization on the highest and best use of our capital and the margin profile of the D2C and B2B businesses that we're rolling out. We believe the product, manufacturing and customer service improvements that we've implemented over the past few months should definitely help position us for growth and cash flow.

In addition, the turnkey agreement, which we've mentioned a couple of times over the last few calls, and which we've now executed with our contract manufacturing partner, that should very much improve our company's cash flow profile, better lining up sales and the actual cost of goods.

Operator, I'll just saying in closing, if investors would like to stay up to date on Movano Health, please continue to check into [ir.movano.com](http://ir.movano.com). We look forward to staying in touch. We'll see you next quarter and thank you for your support.

**Operator**

Thank you. This concludes today's teleconference. You may disconnect your lines at this time.  
Thank you for your participation.