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DELTA REPORT

10-Q

CARDIO DIAGNOSTICS HOLDIN

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1455
CHANGES	181
DELETIONS	599
ADDITIONS	675

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023 March 31, 2024

☐ **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: 001-41097

Cardio Diagnostics Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**87-0925574**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
311 W West Superior St Street, Ste Suite 444 Chicago, Illinois	**60645 60654**
(Address of principal executive offices)	(Zip Code)

(855) 226-9991
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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, par value $0.00001 per share	CDIO	The NASDAQ Stock Market LLC
Redeemable Warrants, each whole warrant exercisable for one share of Common Stock	CDIOW	The NASDAQ Stock Market LLC

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 13, 2023 May 15, 2024, there were 20,516,940 22,685,589 shares of the registrant's Common Stock, $0.00001 par value, issued and outstanding.

CARDIO DIAGNOSTICS HOLDINGS, INC.

FORM 10-Q
For the Quarter Ended September 30, 2023 March 31, 2024

TABLE OF CONTENTS

INTRODUCTORY NOTE

As used Unless the context dictates otherwise, references in this Quarterly Report on Form 10-Q unless the context requires otherwise, references to the "Company, "Company," "Cardio, "Cardio," "we, "we," "us, "us," "our, "our," and similar terms refer words are references to Cardio Diagnostics Holdings, Inc., a Delaware corporation, formerly known as Mana Capital Acquisition Corp. ("Mana"), and its consolidated subsidiary. References to "Legacy "Legacy Cardio" refer refers to Cardio Diagnostics, Inc., a privately-held Delaware corporation that is now prior to the October 2022 Business Combination, which became our wholly-owned subsidiary. subsidiary as a result of that transaction.

On October 25, 2022, we consummated the previously announced Business Combination (pursuant to the Agreement Trade names and Plan trademarks of Merger, dated as of May 27, 2022, as amended on September 15, 2022, by and among Mana, Mana Merger Sub, Inc. ("Merger Sub"), Legacy Cardio and Meeshanthini Dogan, Ph.D., as representative of the shareholders of Legacy Cardio, the "Business Combination Agreement"). Pursuant to the terms of the Business Combination Agreement, a business combination (herein referred to as herein, and their respective logos, are our property. This Quarterly Report on Form 10-Q may contain additional trade names and/or trademarks of other companies, which are the "Business Combination" property of their respective owners. We do not intend our use or "Reverse Recapitalization" for accounting purposes) between Mana and Legacy Cardio was effected through the merger display of Merger Sub other companies' trade names and/or trademarks, if any, to imply an endorsement or sponsorship of us by such companies, or any relationship with and into Legacy Cardio with Legacy Cardio surviving as Mana's wholly-owned subsidiary. In connection with the Business Combination, Mana changed its name from Mana Capital Acquisition Corp. to Cardio Diagnostics Holdings, Inc. any of these companies.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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"). All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, changes in laws or regulations, any statements about our business (including the impact of the a re-emergence of COVID-19 variants or any other pandemic, epidemic or infectious disease outbreak on our business), financial condition, operating results, plans, objectives, expectations and intentions, any guidance on, or projections of, earnings, revenue or other financial items, or otherwise, and our future liquidity, including cash flows; any statements of any plans, strategies, and objectives of management for future operations, such as the material opportunities that we believe exist for our Company; any statements concerning proposed products and services, developments, mergers or acquisitions; or strategic transactions; any statements regarding management's view of future expectations and prospects for us; any statements about prospective adoption of new accounting standards or effects of changes in accounting standards; any statements regarding future economic conditions or performance; any statements of belief; any statements of assumptions underlying any of the foregoing; and other statements that are not historical facts. Forward-looking statements may be identified by the use of forward-looking terms such as "anticipate," "could," "can," "may," "might," "potential," "predict," "should," "estimate," "expect," "project," "believe," "think," "plan," "envision," "intend," "continue," "target," "seek," "contemplate," "budgeted," "will," "would," and the negative of such terms, other variations on such terms or other similar or comparable words, phrases, or terminology. These forward-looking statements present our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q and are subject to change.

Forward-looking statements involve risks and uncertainties and are based on the current beliefs, expectations, and certain assumptions of management. Some or all of such beliefs, expectations, and assumptions may not materialize or may vary significantly from actual results. Such statements are qualified by important economic, competitive, governmental, and technological factors that could cause our business, strategy, or actual results or events to differ materially from those in our forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, the risk factors discussed under the heading "Risk Factors" in Part I, Item IA of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the Securities and Exchange Commission ("SEC") on March 31, 2023 April 1, 2024 (the "2022 "2023 Form 10-K"), in Part II, Item 1A of our Form 10-Q for the three months ended March 31, 2023, filed with the SEC on May 15, 2023 and in Part II, Item 1A of this Form 10-Q. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change, and significant risks and uncertainties that could cause actual conditions, outcomes, and results to differ materially from those indicated by such statements. Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CARDO CARDIO DIAGNOSTICS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS		ASSETS		
Current assets				
Current assets				
Current assets				
Current assets				
Current assets				
Current assets				
Current assets				
Current assets				
Current assets				
Cash	$ 3,629,648	$ 4,117,521	$ 1,563,139	$ 1,283,523
Accounts receivable	350	—	18,988	4,960
Prepaid expenses and other current assets	892,300	1,768,366	1,007,147	1,477,197
Total current assets	4,522,298	5,885,887	2,589,274	2,765,680
Long-term assets				
Property and equipment	37,233	—		
Right of use asset, net	879,284			
Property and equipment, net			588,271	571,873
Right of use assets, net			555,270	575,227
Intangible assets, net	25,333	37,333	17,333	21,333
Deposits	12,850	4,950	12,850	12,850
Patent costs, net	486,309	321,308	564,565	515,402
Total assets	$ 5,963,307	$ 6,249,478	$ 4,327,563	$ 4,462,365
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued expenses	$ 623,075	$ 1,098,738	$ 224,719	$ 243,213

Lease liability - current	178,066	—	227,203	223,929
Convertible notes payable, net	967,184	—		
Derivative liability	1,186,783	—		
Finance agreement payable	—	849,032	233,750	374,000
Total current liabilities	2,955,108	1,947,770	685,672	841,142
Long-term liabilities				
Lease liability – long term	720,468	—	605,090	663,099
Total liabilities	3,675,576	1,947,770	1,290,762	1,504,241
Stockholders' equity				
Preferred stock, $.00001 par value; authorized - 100,000,000 shares; 0 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	—	—		
Common stock, $.00001 par value; authorized - 300,000,000 shares; 13,117,325 and 9,514,743 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	131	95		
Preferred stock, $.00001 par value; authorized - 100,000,000 shares; 0 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			—	—
Common stock, $.00001 par value; authorized - 300,000,000 shares; 21,628,974 and 20,540,409 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			216	205
Additional paid-in capital	15,267,051	10,293,159	21,568,549	17,326,299
Accumulated deficit	(12,979,451)	(5,991,546)	(18,531,964)	(14,368,380)
Total stockholders' equity	2,287,731	4,301,708	3,036,801	2,958,124
Total liabilities and stockholders' equity	$ 5,963,307	$ 6,249,478	$ 4,327,563	$ 4,462,365

The accompanying notes are an integral part of these unaudited financial statements.

CARDIO DIAGNOSTICS HOLDINGS, INC.
CONDENSED CONSOLIDATED
STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Revenue	$ 15,928	$ —
Operating expenses		
Sales and marketing	34,402	49,551
Research and development	10,840	86,665
General and administrative expenses	4,123,941	1,562,128
Amortization	4,793	4,785
Total operating expenses	4,173,976	1,703,129
Loss from operations	(4,158,048)	(1,703,129)
Other income (expenses)		
Change in fair value of derivative liability	—	5,686,901
Interest income	281	221
Interest expense	(5,817)	(5,016,611)
Total other income (expenses)	(5,536)	670,511
Loss before provision for income taxes	(4,163,584)	(1,032,618)
Provision for income taxes	—	—
Net loss	$ (4,163,584)	$ (1,032,618)
Basic and fully diluted income (loss) per common share:		
Net loss per common share	$ (.20)	$ (.11)
Weighted average common shares outstanding - basic and fully diluted	21,077,225	9,547,177

The accompanying notes are an integral part of these unaudited financial statements.

CARDIO DIAGNOSTICS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2024 and 2023
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	$ 10,030	$ —	$ 11,755	$ —
Operating expenses				
Sales and marketing	34,067	16,369	115,226	65,573
Research and development	38,708	3,190	137,690	9,361
General and administrative expenses	1,376,644	1,127,316	5,444,920	2,083,460
Amortization	4,802	4,000	14,380	12,000
Total operating expenses	1,454,221	1,150,875	5,712,216	2,170,394
Loss from operations	(1,444,191)	(1,150,875)	(5,700,461)	(2,170,394)
Other income (expenses)				
Change in fair value of derivative liability	(31,033)	—	5,602,052	—
Interest income	283	—	767	—
Interest expense	(570,385)	—	(6,638,912)	—
Gain (loss) on extinguishment of debt	112,944	—	(251,351)	—
Acquisition related expense	—	—	—	(112,534)
Total other income (expenses)	(488,191)	—	(1,287,444)	(112,534)
Loss before provision for income taxes	(1,932,382)	(1,150,875)	(6,987,905)	(2,282,928)
Provision for income taxes	—	—	—	—
Net loss	$ (1,932,382)	$ (1,150,875)	$ (6,987,905)	$ (2,282,928)
Basic and fully diluted income (loss) per common share:				
Net loss per common share	$ (.16)	$ (.17)	$ (.66)	$ (.42)
Weighted average common shares outstanding - basic and fully diluted	11,903,708	6,614,029	10,573,070	5,396,988

	Common stock		Additional Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Totals
Balances, December 31, 2023	20,540,409	$ 205	$ 17,326,299	$ (14,368,380)	$ 2,958,124

Common stock issued for cash	1,048,876	11	1,877,846	—	1,877,857
Restricted stock awards vested	39,689	—	58,000	—	58,000
Placement agent fee	—	—	(155,000)	—	(155,000)
Compensation for vested stock options	—	—	2,461,404	—	2,461,404
Net loss	—	—	—	(4,163,584)	(4,163,584)
Balances, March 31, 2024	21,628,974	$ 216	$ 21,568,549	$ (18,531,964)	$ 3,036,801
Balances, December 31, 2022	9,514,743	$ 95	$ 10,293,159	$ (5,991,546)	$ 4,301,708
Warrants converted to common stock	100,000	1	389,999	—	390,000
Restricted stock awards vested	1,092	—	4,000	—	4,000
Placement agent fee	—	—	(315,000)	—	(315,000)
Adjustment to liabilities assumed in merger with Mana	—	—	74,025	—	74,025
Net loss	—	—	—	(1,032,618)	(1,032,618)
Balances, March 31, 2023	9,615,835	$ 96	$ 10,446,183	$ (7,024,164)	$ 3,422,115

The accompanying notes are an integral part of these unaudited financial statements.

CARDIO DIAGNOSTICS HOLDINGS, INC.
CONDENSED CONSOLIDATED
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 2023 and 2022
(unaudited)

	Common stock		Additional Paid-in	Stock Subscriptions	Accumulated	
	Shares	Amount	Capital	Receivable	Deficit	Totals
Balances, December 31, 2022	9,514,743	$ 95	$ 10,293,159	$ —	$ (5,991,546)	$ 4,301,708
Warrants converted to common stock	100,000	1	389,999	—	—	390,000
Restricted stock awards vested	1,092	—	4,000	—	—	4,000
Placement agent fee	—	—	(315,000)	—	—	(315,000)

Adjustment to liabilities assumed in merger with Mana	—	—	74,025	—	—	74,025
Net loss					(1,032,618)	(1,032,618)
Balances, March 31, 2023	9,615,835	$ 96	$ 10,446,183	$ —	$ (7,024,164)	$ 3,422,115
Restricted stock awards vested	87,917	1	105,999	—	—	106,000
Notes payable converted to common stock	1,474,703	15	2,368,026	—	—	2,368,041
Compensation for vested stock options	—	—	1,035,273	—	—	1,035,273
Net loss					(4,022,905)	(4,022,905)
Balances, June 30, 2023	11,178,455	$ 112	$ 13,955,481	$ —	$ (11,047,069)	$ 2,908,524
Restricted stock awards vested	177,807	2	71,998	—	—	72,000
Notes payable converted to common stock	1,761,063	17	1,239,572	—	—	1,239,589
Net loss					(1,932,382)	(1,932,382)
Balances, September 30, 2023	13,117,325	$ 131	$ 15,267,051	$ —	$ (12,979,451)	$ 2,287,731
Balances, December 31, 2021	4,223,494	$ 42	$ 2,398,628	$ —	(1,330,561)	$ 1,068,109
Net loss		—	—	—	(290,055)	(290,055)
Balances, March 31, 2022	4,223,494	$ 42	$ 2,398,628	$ —	$ (1,620,616)	$ 778,054
Common stock and warrants issued for cash	2,291,445	23	10,963,014	(100,001)	—	10,863,036
Placement agent fee	—	—	(1,096,309)	—	—	(1,096,309)
Net loss					(841,998)	(841,998)
Balances, June 30, 2022	6,514,939	$ 65	$ 12,265,333	$ (100,001)	$ (2,462,614)	$ 9,702,783
Common stock issued for cash	193,427	2	1,022,998	100,001	—	1,123,001
Placement agent fee	—	—	(102,295)	—	—	(102,295)
Warrants converted to common stock	66,465	1	(1)	—	—	—

Net loss					(1,150,875)	(1,150,875)
Balances, September 30, 2022	6,774,831	$ 68	$ 13,186,035	$ —	$ (3,613,489)	$ 9,572,614

The accompanying notes are an integral part of these unaudited financial statements.

CARDIO DIAGNNOSTICS HOLDINGS, INC.
CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	**$ (6,987,905)**	**$ (2,282,928)**	$ (4,163,584)	$ (1,032,618)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation	**1,377**	**—**	3,587	—
Amortization	**48,426**	**12,000**	24,750	4,785
Acquisition related expense	**—**	**112,534**		
Stock-based compensation expense	**1,217,273**	**—**	2,519,404	4,000
Non-cash interest expense	**6,612,298**	**—**	—	5,007,740
Change in fair value of derivative liability	**(5,602,052)**	**—**	—	(5,686,901)
Loss on extinguishment of debt	**251,351**	**—**		
Changes in operating assets and liabilities:				
Accounts receivable	**(350)**	**901**	(14,028)	—
Prepaid expenses and other current assets	**876,066**	**(39,569)**	470,050	338,105
Deposits	**(7,900)**	**(4,950)**	—	(2,100)
Accounts payable and accrued expenses	**(401,638)**	**231,309**	(18,494)	(282,078)
Lease liability	**6,556**	**—**	(54,735)	—
NET CASH USED IN OPERATING ACTIVITIES	**(3,986,498)**	**(1,970,703)**	(1,233,050)	(1,649,067)
CASH FLOWS FROM INVESTING ACTIVITIES:				

Purchases of property and equipment	**(38,610)**	**—**	(19,985)	—
Repayment of deposit for acquisition		**137,466**		
Payments for notes receivable		**(433,334)**		
Payments for right of use asset	**(21,352)**			
Patent costs incurred	**(167,381)**	**(69,621)**	(49,956)	(52,674)
NET CASH USED IN INVESTING ACTIVITIES	**(227,343)**	**(365,489)**	(69,941)	(52,674)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from convertible notes payable, net of original issue discount of $500,000	**4,500,000**	**—**	—	4,500,000
Proceeds from exercise of warrants	**390,000**	**—**	—	390,000
Proceeds from sale of common stock			1,877,857	—
Payments of finance agreement			(140,250)	(283,010)
Payments of placement agent fee	**(315,000)**	**(1,198,604)**	(155,000)	(315,000)
Proceeds from sale of common stock and warrants	**—**	**11,986,037**		
Payments of finance agreement	**(849,032)**	**—**		
NET CASH PROVIDED BY FINANCING ACTIVITIES	**3,725,968**	**10,787,433**	1,582,607	4,291,990
NET INCREASE (DECREASE) IN CASH	**(487,873)**	**8,451,241**		
NET INCREASE IN CASH			279,616	2,590,249
CASH - BEGINNING OF PERIOD	**4,117,521**	**512,767**	1,283,523	4,117,521
CASH - END OF PERIOD	**$ 3,629,648**	**$ 8,964,008**	$ 1,563,139	$ 6,707,770
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid during the period for:				
Interest	**$ 26,613**	**$ —**	$ 5,817	$ 8,871
Income taxes			$ —	$ —

Non-cash investing and financing activities:				
Common stock issued for subscriptions receivable	**$ —**	**$ —**		
Debt discount related to derivative liability	**5,000,000**	**—**	$ —	$ 9,192,672
Notes payable converted to common stock	**3,300,000**	**—**		
Adjustment to liabilities assumed in acquisition	**74,025**	**—**	$ —	$ 74,025
Right of use asset added for operating lease	**891,978**	**—**		

The accompanying notes are an integral part of these unaudited financial statements.

CARDIO DIAGNOSTICS HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 - Organization and Basis of Presentation

The unaudited condensed consolidated financial statements presented are those of Cardio Diagnostics Holdings, Inc., (the "Company") and its wholly-owned subsidiary, Cardio Diagnostics, Inc. ("Legacy Cardio"). The Company was incorporated as Mana Capital Acquisition Corp. ("Mana") under the laws of the state of Delaware on May 19, 2021, and Legacy Cardio was formed on January 16, 2017 as an Iowa limited liability company (Cardio Diagnostics, LLC) and was subsequently incorporated as a Delaware C-Corp on September 6, 2019. The Company was formed to develop and commercialize a patent-pending Artificial Intelligence ("AI")-driven DNA biomarker testing technology ("Core Technology") for cardiovascular disease invented at the University of Iowa by the Company's Founders, with the goal of becoming one of the leading medical technology companies for enabling precision prevention, early detection and treatment of cardiovascular disease. The Company is transforming the approach to cardiovascular disease from reactive to proactive. The Core Technology is being incorporated into a series of products for major types of cardiovascular disease and associated co-morbidities, including coronary heart disease ("CHD"), stroke, heart failure and diabetes.

Interim Financial Statements

The following (a) consolidated balance sheet as of December 31, 2023, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company as of and for the period ended March 31, 2024 have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by US Generally Accepted Accounting Principles ("GAAP") GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of results that may be expected for the year ending December 31, 2023 December 31, 2024. These condensed unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2022 December 31, 2023 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on March 31, 2023 April 1, 2024.

Business Combination

On May 27, 2022, Mana, Mana Merger Sub, Inc. ("Merger Sub"), a wholly-owned direct subsidiary of Mana, Meeshanthini Dogan, the Shareholders' Representative, and Legacy Cardio entered into the Business Combination Agreement (the "Merger Agreement"). On October 25, 2022, pursuant to the Merger Agreement, Legacy Cardio merged with and into Merger Sub, with Legacy Cardio surviving as the wholly-owned subsidiary of Mana. Subsequent to the merger, Mana changed its name to Cardio Diagnostics Holdings, Inc.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has generated only nominal revenue in the past two years. The Company had a net loss of $4,163,584 for the three months ended March 31, 2024 and an accumulated deficit of $18,531,964 at March 31, 2024. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to obtain necessary equity financing and ultimately from generating revenues to continue operations. The Company expects that working capital requirements will continue to be funded through a combination of its existing funds and further issuances of securities. Working capital requirements are expected to increase in line with the growth of the business. Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund operations over the next twelve months. The Company has no lines of credit or other bank financing arrangements. Additional issuances of equity or convertible debt securities will result in dilution to current stockholders. Further, such securities might have rights, preferences or privileges senior to common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict business operations.

The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 2 – Merger Agreement and Reverse Recapitalization

As discussed in Note 1, on October 25, 2022, the Company (formerly known as Mana) and Legacy Cardio entered into the Merger Agreement, which has been accounted for as a reverse recapitalization in accordance with GAAP. Pursuant to the Merger Agreement, the Company acquired cash of $4,021 and assumed liabilities of $928,500 from Mana. The liabilities assumed of $854,775, net of an early payment discount of $74,025 issued by a vendor on March 22, 2023, are $928,500 were payable to two investment bankers and due on October 25, 2023. The assumed liabilities decreased to $854,475, after net of an early payment discount of $74,025 issued by one of the two investment bankers on March 22, 2023. On March 27, 2023, the Company accepted the early pay payment discount and paid Ladenburg the net balance due and payable of $419,475. As of September 30, 2023 $419,475. On October 24, 2023, the Company paid the remaining post-merger liabilities balance was $435,000. As of the date of this filing of this report, the remaining assumed liabilities balance of $435,000 was paid. to Benchmark.

Mana’s common stock had a redemption right in connection with the business combination. Mana’s stockholders exercised their right to redeem 6,465,452 shares of common stock, which constituted approximately 99.5 99.5%% of the shares with redemption rights, for cash at a redemption price of approximately $10.10 per share, for an aggregate redemption amount of $65,310,892. In accounting for the reverse recapitalization, the Company’s legacy issued and outstanding 1,976,749 shares of common stock were reversed and the Mana shares of common stock totaling 9,514,743 were recorded, as described in Note 8. 10. Transactions costs incurred in connection with the recapitalization totaled $1,535,035 and were recorded as a reduction to additional paid in capital.

As additional consideration for the transaction, Cardio may issue to each holder who was entitled to merger consideration at the Closing, its *pro rata* proportion of up to 1,000,000 shares of our authorized but unissued common stock (the "Earnout Shares" or "Contingently Issuable Common Stock"), if on or prior to the fourth anniversary of the Closing Date (the "Earnout Period"), the VWAP of the Company's Common Stock equals or exceeds four different price triggers for 30 of any 40 consecutive trading days, as follows: (i) one-quarter of the Earnout Shares will be issued if the VWAP equals or exceeds $12.50 per share for the stated period; (ii) one-quarter of the Earnout Shares will be issued if the VWAP equals or exceeds $15.00 per share for the stated period; (iii) one-quarter of the Earnout Shares will be issued if the VWAP equals or exceeds $17.50 for the stated period; and (iv) one-quarter of the Earnout Shares will be issued if the VWAP equals or exceeds $20.00 for the stated period.

In evaluating the accounting treatment for the earnout, we have concluded that the earnout is not a liability under Accounting Standards Codification ("ASC") 480, Distinguishing Liabilities from Equity, is not subject to the accounting guidance under ASC 718, Compensation—Stock Compensation, and is not subject to derivative accounting under ASC 815, Derivative and Hedging. As such, the earnout is recognized in equity at fair value upon the closing of the Business Combination. As of the date of filing of this Quarterly Report on Form 10-Q, the Company's common stock did not trade at equal to or greater than $12.50 for a period of at least 30 trading days out of 40 consecutive trading days and the Company has not issued any Earnout Shares.

Note 3 –Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cardio Diagnostics, Inc. Legacy Cardio. All intercompany accounts and transactions have been eliminated.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures,* which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short- and long-term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The estimated fair value of the derivative liability was calculated using the Black-Scholes option pricing model. The Company uses Level 3 inputs to value its derivative liabilities. The following table provides a reconciliation of the beginning and ending balances for the major classes of assets and liabilities measured at fair value using significant unobservable inputs (Level 3) and reflects gains and losses for the nine three months ended September 30, 2023 March 31, 2024 and 2022.

	2023	2022

Liabilities:		
Balance of derivative liabilities - beginning of period	$ —	$ —
Issued	9,192,672	—
Converted	(2,403,837)	—
Change in fair value recognized in operations	(5,602,052)	—
Balance of derivative liabilities - end of period	$ 1,186,783	$ —

2023.

	2024	2023
Liabilities:		
Balance of derivative liabilities - beginning of period	$ —	$ —
Issued	—	9,192,672
Converted	—	—
Change in fair value recognized in operations	—	(5,686,901)
Balance of derivative liabilities - end of period	$ —	$ 3,505,771

The following table represents the Company’s derivative instruments that are measured at fair value on a recurring basis as of September 30, 2023 March 31, 2024, for each fair value hierarchy level:

September 30, 2023	Derivative Liabilities	Total
Level I	$ —	$ —
Level II	$ —	$ —
Level III	$ 1,186,783	$ 1,186,783

8

March 31, 2024	Derivative Liabilities	Total
Level I	$ —	$ —
Level II	$ —	$ —
Level III	$ —	$ —

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with Accounting Standards Codification ("ASC") ASC 815, *Derivatives and Hedging Activities.*

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free-standing free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company accounts for the conversion of convertible debt when a conversion option has been bifurcated using the general extinguishment standards. The debt and equity linked derivatives are removed at their carrying amounts and the shares issued are measured at their then-current fair value, with any difference recorded as a gain or loss on extinguishment of the two separate accounting liabilities.

Revenue Recognition

The Company hosts offers its products, Epi+Gen CHD™ and PrecisionCHD™ on a via telemedicine providers, provider platform (the "Provider"). organizations such as concierge practices, longevity clinics, and risk-bearing provider organizations, and employer organizations. The Provider Company is continuing to expand its markets and payment optionality, and therefore, other organization types not listed below may be added, and from time-to-time, there may be additional payment options.

- Telemedicine

  For telemedicine, the telemedicine provider collects payments from patients upon completion of eligibility screening. Upon receiving a sample collection kit from the Company, patients screening and test order. Patients then send their samples to an experienced laboratory with appropriate Clinical Laboratory Improvement Amendments of 1988 ("CLIA") certification and state licensure (the "Lab"), which performs the lab for biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the Company performs all quality control, analytical assessments and report generation and shares test reports with the Provider via their platform. The Provider is invoiced at the end of each month for each completed test. Revenue is recognized upon issuance of the invoice to the Provider.

For provider organizations such as concierge medicine and executive health practices, the Company's products are shared during a sales outreach to the organization (emails, calls, events, etc.). The provider organization places a request for a number of sample collection kits for each test. When the provider orders either test for a patient, it sends the test requisition form to the Company and

the patient's blood sample to the Lab, which performs the biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the Company performs all quality control, analytical assessments and report generation and shares test reports with the ordering healthcare provider. An invoice Revenue is sent to a provider organization recognized upon invoicing the telemedicine providers. Telemedicine providers are invoiced at the end of every each month for all tests completed since prior invoicing.

- Provider organizations

  For provider organizations, the tests performed that month, generally with cost of each test is negotiated prior to testing commencing. Pricing is determined based largely on the provider organization type and testing volume commitment. Upon ordering a net 30 term. Revenue test, a patient's sample is recognized upon issuance of the invoice sent to the provider organization.

For a Group Purchasing Organization ("GPO"), the pricing and payments terms are negotiated in the contracting phase. A GPO member organization (a "Provider Organization") places a request lab for a number of sample collection kits for each test. When the Provider Organization orders either test for a patient, it sends the test requisition form to the Company and the patient's blood sample to the Lab, which perform the biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the The Company performs all quality control, analytical assessments and report generation and shares test reports with the ordering healthcare provider. An invoice Revenue is sent to recognized upon invoicing the Provider Organization provider organization. The provider organization is invoiced the agreed upon pricing at the end of every each month for all samples accepted or tests completed since prior invoicing.

- Employer organizations

  For employer organizations, the tests performed that month or at cost of each test is negotiated prior to testing commencing. Pricing is determined based largely on testing volume commitment. Patient samples are sent to the time of order, lab for biomarker assessments. The Company performs all quality control, analytical assessments and report generation and shares test reports with the terms agreed upon with the GPO. ordering healthcare provider. Revenue is recognized upon issuance of invoice to invoicing the Provider Organization. employer organization. The employer organization is invoiced the agreed upon pricing once a heart disease fair is completed or all testing is completed.

The Company accounts for revenue under Accounting Standards Update ("ASU") 2014-09, "*Revenue* "*Revenue from Contracts with Customers* (Topic 606)", using the modified retrospective method. The modified retrospective adoption used by the Company did not result in a material cumulative effect adjustment to the opening balance of accumulated deficit.

The Company determines the measurement of revenue and the timing of revenue recognition utilizing the following core principles:

1. Identifying the contract with a customer;

2. Identifying the performance obligations in the contract;

3. Determining the transaction price;

4. Allocating the transaction price to the performance obligations in the contract; and

5. Recognizing revenue when (or as) the Company satisfies its performance obligations.

Research and Development

Research and development costs are expensed as incurred. Research and development costs charged to operations for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were $137,690 10,840 and $9,361 86,665, respectively.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs of $115,226 34,402 and $65,573 49,551 were charged to operations for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments with original maturities of 90 days or less at the date of purchase. The Company does not have any cash equivalents as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. Cash is maintained at a major financial institution. Accounts held at U.S. financial institutions are insured by the FDIC up to $250,000. The Company is exposed to credit risk in the event of default by the financial institutions or the issuers of these investments to the extent the amounts on deposit or invested are in excess of amounts that are insured.

Property and Equipment and Depreciation

Property and equipment are stated at cost. Maintenance and repairs are charged to expense when incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is credited or charged to income. Depreciation for both financial reporting and income tax purposes is computed using combinations of the straight line and accelerated methods over the estimated lives of the respective assets as follows:

Office and computer equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	7 years

Intangible Assets

Intangible assets are acquired individually or as part of a group of assets, and are initially recorded at cost. The cost of a group of assets acquired in a transaction is allocated to the individual assets based on their relative fair values. Intangible assets are carried at cost less accumulated amortization and any recorded impairment. Intangible assets with finite useful lives are amortized using a straight-line method over the period of estimated useful life. The estimated useful life of the Company's intangible assets (Know-how license) is 5 years. The Company evaluates intangible assets for impairment whenever events or changes in circumstances indicate that the assets might be impaired.

Patent Costs

The Company accounts for patents in accordance with ASC 350-30, *General Intangibles Other than Goodwill*. The Company capitalizes patent costs representing legal fees associated with filing patent applications and amortize them on a straight-line basis. The Company is in the process of evaluating each of evaluates its patent's patents' estimated useful life and will begin begins amortizing the patents when they are brought to the market or otherwise commercialized.

Impairment of Long-Lived Assets

The In accordance with ASC 360-10-35, the Company assesses the valuation of components of its long-lived assets whenever events or circumstances dictate that the carrying value might not be recoverable. The Company bases its evaluation on indicators such as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements and other external market conditions or factors that may be present. If such factors indicate that the carrying amount of an asset or asset group may not be recoverable, the Company determines whether an impairment has occurred by analyzing an estimate of undiscounted future cash flows at the lowest level for which identifiable cash flows exist. If the estimate of undiscounted cash flows during the estimated useful life of the asset is less than the carrying value of the asset, the Company recognizes a loss for the difference between the carrying value of the asset and its estimated fair value, generally measured by the present value of the estimated cash flows.

Leases

The Company accounts for leases under ASC 842, "Leases". The Company determines if an arrangement is a lease or contains a lease at inception of the arrangement. Operating lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the discount rate for the lease at the commencement date. As the rate implicit in the lease is not readily determinable for the operating lease, the Company generally uses an incremental borrowing rate based on information available at the commencement date to determine the present value of future lease payments. Operating lease right-of-use assets ("ROU assets") represent the Company's right to control the use of an identified asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are generally recognized based on the amount of the initial measurement of the lease liability. Lease expense is recognized on a straight-line basis over the lease term. The Company elected to keep leases with an initial term of 12 months or less off the balance sheet.

ROU assets are reviewed for impairment when indicators of impairment are present. ROU assets from operating and finance leases are subject to the impairment guidance in ASC 360, Property, Plant, and Equipment, as ROU assets are long-lived nonfinancial assets. ROU assets are tested for impairment individually or as part of an asset group if the cash flows related to the ROU assets are not independent from the cash flows of other assets and liabilities. An asset group is the unit of accounting for long-lived assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities.

Stock-Based Compensation

The Company accounts for its stock-based awards granted under its employee compensation plan in accordance with ASC Topic No. 718-20, *Awards Classified as Equity*, which requires the measurement of compensation expense for all share-based compensation granted to employees and non-employee directors at fair value on the date of grant and recognition of compensation expense over the related service period for awards expected to vest. The Company uses the Black-Scholes option pricing model to estimate the fair value of its stock options and warrants. The Black-Scholes option pricing model requires the input of highly subjective assumptions including the expected stock price volatility of the Company's common stock, the risk-free risk free interest rate at the date of grant, the expected vesting term of the grant, expected dividends, and an assumption related to forfeitures of such

grants. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options and warrants.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC Topic No. 740, *Income Taxes*. Taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

The Company applies the provisions of ASC Topic No. 740 for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Company's financial statements.statements. In accordance with this provision, tax positions must meet a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position.

Recent Accounting Pronouncements

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the condensed consolidated financial statements as a result of future adoption.

Note 4 – Property and Equipment

Property and equipment are carried at cost and consist of the following at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

	2023	2022	2024	2023
Office and computer equipment	$ 11,683	$ —	$ 17,394	$ 17,394
Furniture and fixtures	26,927	—	76,099	76,099
Leasehold improvements			502,155	482,170
Less: Accumulated depreciation	(1,377)	—	(7,377)	(3,790)
Total	$ 37,233	$ —	$ 588,271	$ 571,873

Leasehold improvements of $502,155 represent costs of the buildout of the leased laboratory in Iowa City, Iowa that was completed in January 2024.

Depreciation expense of $1,377 3,587 and $0 was charged to operations for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Note 5 – Intangible Assets

The following tables provide table provides detail associated with the Company's acquired identifiable intangible assets: assets at March 31, 2024 and December 31, 2023:

	As of September 30, 2023				2024	2023
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life (in years)		
Amortized intangible assets:						
Know-how license	$ 80,000	$ (54,667)	$ 25,333	5	$ 80,000	$ 80,000
Less: Accumulated amortization					(62,667)	(58,667)
Total	$ 80,000	$ (54,667)	$ 25,333		$ 17,333	$ 21,333

Amortization expense charged to operations was $12,000 4,000 for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Note 6 – Patent Costs

As of September 30, 2023 March 31, 2024, in the Company has three first family of patents and patent applications owned solely by UIRF and is exclusively licensed by Cardio, there are seven granted patents (US of 2, EU, China, Australia, India and Hong Kong)

and other pending patent applications. The initial Company has pending patent applications consist of a US in patent families two, three, four and international patents filed in six countries. The US patent was granted on August 16, 2022. The EU patent was granted on March 31, 2021. The validation of the EU patent in each of the six countries is pending. five. Legal fees associated with the patents totaled $486,309 564,565 and $321,308 515,402, net of accumulated amortization of $2,380 3,975 and $0 3,182 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively and are presented in the consolidated balance sheet sheets as patent costs. Amortization expense charged to operations was $2,380 793 and $785 for the nine three months ended September 30, 2023.
March 31, 2024 and 2023, respectively.

Note 7 – Operating Leases

The Company determines if a contract is, or contains, a lease at contract inception. Operating leases are included in operating lease right-of-use ("ROU" (“ROU”) assets, current portion of operating lease liabilities and operating lease liabilities, net of current portion in the Company's Company’s consolidated balance sheets. Finance leases are included in property and equipment, current portion of finance lease obligations and finance lease obligations, net of current portion in the Company's audited Company’s consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. In addition, ROU assets include initial direct costs incurred by the lessee as well as any lease payments made at or before the commencement date and exclude lease incentives. The Company used the implicit rate in the lease in determining the present value of lease payments. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of one year or less are generally not included in ROU assets and corresponding operating lease liabilities.

Operating In 2023, the Company entered into a lease agreement for office space in Chicago, Illinois, commencing on August 1, 2023 for a term of three years and four months and expiring on November 30, 2026. The monthly rent for August to November 2023 was abated and the Company started to make monthly rental installments from December 2023 of $12,847. The monthly rental payment increases by approximately 2% every August starting from 2024.

On July 20, 2023, the Company entered into another lease agreement for laboratory facilities in Iowa City, Iowa, commencing on August 1, 2023 for a term of five years and four months and expiring on November 30, 2028. The monthly rent for August to November 2023 was abated and the Company agreed to pay a monthly rent of $8,505 ($102,060 annually) commencing December 1, 2023. In addition, the landlord agreed to provide the Company with a one-time Tenant Improvement Allowance ("TIA") in the amount of up to, but not exceeding $50 per rentable square foot of the premises for a maximum allowance of $253,000.

Pursuant to ASC Topic 842 Leases, the Company accounted for both leases as operating leases and accounted for the TIA as a lease incentive, which was estimated to be payable on December 1, 2023. The Company received the TIA from landlord in maximum amount of $253,000 on January 16, 2024 and recorded a reimbursement receivable from landlord of $253,000 as of December 31, 2023, which was included in Prepaid expenses and other current assets on the consolidated balance sheets.

During the year ended December 31, 2023, the Company recorded ROU assets of $663,875 and operating lease liabilities of $642,523 at the lease commencement date. The discount rate used to determine the present value is the incremental borrowing rate, estimated to be 4.57% for the Chicago lease and 4.24% for the Iowa City lease, respectively, as the interest rate implicit in our lease is not readily determinable.

As of March 31, 2024 and December 31,2023, operating lease ROU assets and operating lease liabilities are recorded on the consolidated balance sheet sheets as follows:

	March 31, 2024	December 31 2023
Operating Lease:		
Operating lease right-of-use assets, net	$ 555,270	$ 575,227
Current portion of operating lease liabilities	$ 227,203	$ 223,929
Operating lease liabilities, net of current portion	$ 605,090	$ 663,099

	September 30, 2023
Operating Lease:	
Operating lease right-of-use assets, net	$ 879,284
Current portion of operating lease liabilities	178,066
Operating lease liabilities, net of current portion	720,468

As of September 30, 2023 March 31, 2024, the weighted-average remaining lease terms of the two operating leases were 3.2 2.6 years and 5.2 4.6 years, respectively. The weighted-average discount rates for the operating leases were 4.57% and 4.24%, respectively.

As of September 30, 2023, the weighted-average remaining lease terms of the two operating leases were 3.2 years and 5.2 years, respectively. The weighted-average discount rates for the operating leases were 4.57% and 4.24%, respectively.

The following table summarizes maturities of operating lease liabilities based on lease terms as of December 31:

2023	**$ 21,352**	
2024	**257,508**	
2024 (remaining period)		**$ 193,452**
2025	**260,611**	**260,611**
2026	**250,152**	**250,152**
2027	**102,060**	**102,060**
2028	**93,555**	**93,555**
Total lease payments	**985,238**	**899,830**
Less: Imputed interest	**86,704**	**67,537**
Present value of lease liabilities	**$ 898,534**	**$ 832,293**

At September 30, 2023 March 31, 2024, the Company had the following future minimum payments due under the non-cancelable lease:

2023	**$ 21,352**	
2024	**257,508**	
2024 (remaining period)		**$ 193,452**
2025	**260,611**	**260,611**
2026	**250,152**	**250,152**
2027	**102,060**	**102,060**
2028	**93,555**	**93,555**
Total minimum lease payments	**$ 985,238**	**$ 899,830**

Consolidated rental expense for all operating leases was $97,815 35,816 and $33,994 26,853 for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The following table summarizes the cash paid and related right-of-use operating lease recognized for the nine three months ended September 30, 2023: March 31, 2024.

	Nine Months Ended September 30, 2023	Three Months Ended March 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 21,352**	**$ 64,056**
Right-of-use lease assets obtained in the exchange for lease liabilities:		
Operating leases	**6,556**	**$ 54,735**

Note 8 – Finance Agreement Payable

On October 31, 2022 October 25, 2023, the Company entered into an agreement with a premium financing company to finance its Directors and Officers insurance premiums for 12-month policies effective October 25, 2022 October 25, 2023. The amount financed of $1,037,706 467,500 is payable in 11 10 monthly installments plus interest at a rate of 6.216 8.95%% through September 28, 2023 August 25, 2024. Finance agreement payable was $0 233,750 and $849,032 374,000 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.
$449,041 has been recorded in prepaid expenses and is being amortized over the life of the policy.

Note 9 - Earnings (Loss) Per Common Share

The Company calculates net income (loss) per common share in accordance with ASC 260 "*Earnings* "*Earnings Per Share*" Share" ("ASC 260"). Basic and diluted net earnings (loss) per common share was determined by dividing net earnings (loss) applicable to common stockholders by the weighted average number of common shares outstanding during the period. The Company's potentially dilutive shares, which include outstanding common stock options, common stock warrants, and convertible debt have not been included in the computation of diluted net loss per share for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 as the result would be anti-dilutive.

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Stock warrants	7,854,620	7,954,620	8,528,766	7,854,620
Stock options	2,584,599	1,759,599	3,772,425	1,759,599
Total shares excluded from calculation	10,439,219	9,714,219	12,301,191	9,614,219

Note 10 – Stockholders' Equity

Stock Transactions

Pursuant to the Business Combination Agreement on October 25, 2022, the Company issued the following securities:
Holders of conversion rights issued as a component of units in Mana's initial public offering (the "Public Rights") were issued an aggregate of 928,571 shares of the Company's common stock. stock;

Holders of existing shares of common stock of Legacy Cardio and the holder of equity rights of Legacy Cardio (together, the "Legacy Cardio Stockholders") received an aggregate of 6,883,306 shares of the Company's Common Stock, calculated based on the exchange ratio of 3.427259 pursuant to the Merger Agreement (the (the "Exchange Ratio") for each share of Legacy Cardio Common Stock held or, in the case of the equity rights holder, that number of shares of the Company's Common Stock equal to 1% of the Aggregate Closing Merger Consideration, as defined in the Merger Agreement. Agreement;

The Legacy Cardio Stockholders received, in addition, an aggregate of 43,334 shares of the Company's Common Stock ("Conversion Shares") upon conversion of an aggregate of $433,334 in principal amount of promissory notes issued by Mana to Legacy Cardio in connection with its loan of such amount in order to extend Mana's duration through October 26, 2022 (the "Extension Notes"), which Conversion Shares were distributed to the Legacy Cardio Stockholders in proportion to their respective interest in Legacy Cardio.

Mana public stockholders (excluding Mana Capital, LLC, the SPAC sponsor (the "Sponsor"), and Mana's former officers and directors) own 34,548 shares of the Company's Common Stock and the Sponsor, Mana's former officers and directors and certain permitted transferees own 1,625,000 shares of the Company's Common Stock.

Immediately after giving effect to the Business Combination, there were 9,514,743 issued and outstanding shares of the Company's Common Stock.

On October 25, 2022, in connection with the approval of the Business Combination, the Company's stockholders approved the Cardio Diagnostics Holdings, Inc. 2022 Equity Incentive Plan (the "2022 Plan"). The purpose of the 2022 Plan is to promote the interests of the Company and its stockholders by providing eligible employees, officers, directors and consultants with additional incentives to remain with the Company and its subsidiaries, to increase their efforts to make the Company more successful, to reward such persons by providing an opportunity to acquire shares of Common Stock on favorable terms and to attract and retain the best available personnel to participate in the ongoing business operations of the Company. The 2022 Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

The 2022 Plan, as approved, permits the issuance of up to 3,256,383 3,265,516 shares of Common Stock (the "Share Reserve") upon exercise or conversion of grants and awards made from time to time to officers, directors, employees and consultants. However, consultants, however that the Share Reserve will increase on January 1st of each calendar year through and ending on and including January 1, 2027 (each, an "Evergreen Date"), in an amount equal to the lesser of (i) 7% of the total number of shares of Common Stock outstanding on the December 31st immediately preceding the applicable Evergreen Date and (ii) such lesser number of shares of Common Stock as determined to be appropriate by the Compensation Committee, which administers the 2022 Plan, in its sole discretion. There was no increase in the Share Reserve on January 1, 2023.
In January 2024, the Compensation Committee approved an annual increase in the Share Reserve of 1,060,458 shares.

Common Stock Issued

Private Placement

On March 2, 2023

In connection with a private offering memorandum that the Company issued through a placement agent on January 23, 2024, the Company completed entering into subscription agreements with 7 accredited investors (the "Subscription Agreements"), whereby the Company issued a stockholder exercised warrants in exchange for total of 100,000 561,793 units ("Units"), with each Unit consisting of (i) one share of the Company's common shares for proceeds stock, $0.00001 par value (the "Common Stock"), and (ii) one six year Common Stock purchase warrant (the "Warrants"), having an exercise price of $390,000 1.78 per share (the "Private Placement"). The Private Placement resulted in the issuance to investors of 561,793 shares of Common Stock and 561,793 Warrants. The purchase price of the securities was $1.78 per Unit, resulting in gross proceeds to the Company of $1,000,000 and paid a fee of $100,000, before deducting placement agent fees (10% or $100,000) and other offering expenses. The Company intends to use the net proceeds from the Private Placement for working capital and general corporate purposes. The Private Placement closed on February 2, 2024.

In connection with the Private Placement, the Company entered into a Placement Agent Agreement with Altitude Capital Group, LLC, as placement agent ("Altitude Capital" or the "Placement Agent"). Pursuant to the Placement Agent Agreement, at closing, Altitude Capital was paid a cash commission equal to 10% of the gross proceeds received by the Company, plus 20% warrant coverage, providing Altitude Capital with the right to purchase 112,353 shares of Common Stock at $1.78 per share through February 2, 2030 (the "Placement Agent Warrants").

At-the-Market Issuance

In connection with an At-the-Market Issuance Sales Agreement (the "Sales Agreement") that the Company issued through a placement agent on January 26, 2024, the Company sold 487,083 common shares at various amounts per share to investors for gross proceeds totaling $877,857 before deducting sales commissions of $21,947 to placement agent, during the three months ended March 31, 2024. The Company also paid the placement agent a fee of $55,000.

Other Common Stock Issuance

During the nine three months ended September 30, 2023 March 31, 2024, the Company issued 35,724 4,477 common shares to a consultant two consultants for services pursuant to vesting of Restricted Stock Units granted, valued at $32,000 8,000.

During the nine months ended September 30, 2023On March 31, 2024, the Company issued 231,092 35,212 common shares to the independent directors of the board of directors for services pursuant to vesting of Restricted Stock Units granted, valued at $150,000 50,000.
On March 2, 2023, a shareholder exercised warrants in exchange for 100,000 common shares for proceeds of $390,000.

In connection with During the convertible notes payable (see Note 11 below) three months ended March 31, 2023, the noteholder converted Company issued 1,092 common shares to consultants for services pursuant to vesting of Restricted Stock Units granted, valued at $3,300,000 4,000 of the principal balance into 3,235,766 shares of common stock during the nine months ended September 30, 2023. The number of shares of common stock issued was determined based on the terms of the convertible notes.

Warrants

On October 1, 2019, Legacy Cardio the Company issued warrants to a seed funding firm equivalent to 2% of the fully-diluted equity of Legacy Cardio, the Company, or 22,500 common shares at the time of issuance. The warrant is exercisable on the earlier of the closing date of the next Qualified Equity Financing occurring after the issuance of the warrant, and immediately before a Change of Control. The exercise price is the price per share of the shares sold to investors in the next Qualified Equity Financing, or if the warrant becomes exercisable in connection with a Change in Control before the next Qualified Equity Financing, the greater of the quotient obtained by dividing $150,000$150,000 by the Pre-financing Capitalization, and the price per share paid by investors in the then-most recent Qualified Equity Financing, if any. The warrant will expire upon the earlier of the consummation of any Change of Control, or 15 years after the issuance of the warrant.

In April 2022, Legacy Cardio the Company issued fully vested warrants to investors as part of private placement subscription agreements pursuant to which Legacy Cardio the Company issued common stock. Each stockholder shareholder received warrants to purchase 50% of the common stock issued at an exercise price of $3.90 per share with an expiration date of June 30, 2027.

As of May 23, 2022, Legacy Cardio the Company issued fully vested warrants to investors as part of an additional private placement subscription agreements pursuant to which Legacy Cardio the Company issued common stock. Each stockholder shareholder received warrants to purchase 50% of the common stock issued at an exercise price of $6.21 per share with an expiration date of five years from the date of issue.
All of the warrants issued by Legacy Cardio were exchanged in the Business Combination for warrants of the Company based on the merger exchange ratio.

During the three months ended March 31, 2024, in connection with the Private Placement as described above, the Company issued an aggregate of 674,146 warrants.

Warrant activity during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	Warrants Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Warrants outstanding at December 31, 2021	215,654	$ 13.35	5.90			
Warrants granted	7,738,966	—				
Warrants outstanding at September 30, 2022	7,954,620	$ 15.85	4.75			
Warrants outstanding at December 31, 2022	7,954,620	9.63	4.46	7,954,620	$ 9.63	4.46
Warrants exercised	(100,000)	13.35		(100,000)	3.90	
Warrants outstanding at September 30, 2023	7,854,620	$ 9.70	3.72			
Warrants outstanding at March 31, 2023				7,854,620	$ 9.70	4.22
Warrants outstanding at December 31, 2023				7,854,620	$ 9.70	3.72
Warrants granted				674,146	1.78	
Warrants outstanding at March 31, 2024				8,528,766	$ 9.08	3.66

Options

In May 2022, On May 6, 2022, Legacy Cardio granted 513,413stock options to the board of directors management and advisors pursuant to the Cardio Diagnostics, Inc. 2022 Equity Incentive Plan. All of the options granted under this legacy plan were exchanged for options under the Company's 2022 Plan adopted by the Company's stockholders on October 25, 2022, and based on the exchange ratio for the merger, resulted in a total of 1,759,599options issued upon closing. Each exchanged option has an exercise price of $3.90per share with an expiration date of May 6, 2032. The exchanged options fully vested upon closing of the merger.

On January 23, 2024, the Company authorized an additional 1,060,458 shares to the Equity Incentive Plan Reserve (the "2022 Plan") and granted 1,187,826 options to management and employees, 1,166,826 of which vested immediately with the remaining 21,000 options subject to 50% vesting on June 30, 2024 and 100% vesting on December 31, 2024. Each option has an exercise price of $2.11 per share with an expiration date of January 23, 2034. The vested 1,166,826 stock options were valued at $2,461,404 at grant date based on the Black-Scholes Option Pricing model. The following assumptions were utilized in the Black-Scholes valuation of vested stock options during the three months ended March 31, 2024, risk free interest rate of 5.22%, volatility of 228%, and an exercise price of $2.11.

Option activity during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	Weighted	Average Remaining	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)

	Options Outstanding	Average Exercise Price	Contractual Life (Years)			
Options outstanding at December 31, 2021	—	$ —				
Options outstanding at December 31, 2022				1,759,599	$ 3.90	9.35
No option activity				—	—	
Options outstanding at March 31, 2023				1,759,599	$ 3.90	9.10
Options outstanding at December 31, 2023				2,584,599	$ 3.06	8.71
Options granted	1,759,599	3.90		1,187,826	2.11	
Options outstanding at September 30, 2022	1,759,599	$ 15.85	9.61			
Options outstanding at December 31, 2022	1,759,599	3.90	9.35			
Options granted	825,000	1.26				
Options outstanding at September 30, 2023	2,584,599	$ 3.06	9.13			
Options outstanding at March 31, 2024				3,772,425	$ 2.76	8.89
Options vested and exercisable at March 31, 2024				3,751,425	$ 2.76	

Note 11 – Convertible Notes Payable

On March 8, 2023, the Company entered into a securities purchase agreement (“Securities Purchase Agreement”) with YA II PN, Ltd., an investment fund managed by Yorkville Advisors Global, LP (“Yorkville”) under which the Company agreed to sell and issue to Yorkville convertible debentures (“Convertible Debentures”) in a gross aggregate principal amount of up to $11.2 million (“Subscription Amount”). The Convertible Debentures are were convertible into shares of common stock of the Company and are were subject to various contingencies being satisfied as set forth in the Securities Purchase Agreement. The notes are were convertible at any time through the maturity date, which, in each case, is was one year from the date of issuance. The conversion price shall would be determined on the basis of 92 92%% of the two lowest VWAP (Volume Weighted Average Prices) of the Common Stock during the prior seven trading day period, initially with a floor conversion price of $0.55, but subsequently lowered by mutual agreement of the parties to $0.20.

On March 8, 2023, the Company issued and sold to Yorkville a Convertible Debenture in the principal amount of $5 5.0.0 million, for which it received $4.5 million,, with a $500,000 original issue discount ("OID"). Interest on the outstanding principal balance accrues accrued at a rate of 0 0%% and will would increase to 15 15%% upon an Event of Default for so long as it remains remained uncured.

The Company recorded a debt discount related to identified embedded derivatives relating to the conversion features (see Note 12) based on fair values as of the inception date of the note. Note. The calculated debt discount, including the OID equaled the face of the note Note and is being amortized over the term of the note.
Yorkville fully converted the initial $5,000,000 Convertible Debenture into an aggregate of 10,622,119 common shares during the year ended December 31, 2023./

Convertible notes payable of $967,184 at September 30, 2023 is presented net of debt discount of $732,816.

At a special meeting of stockholders held on May 26, 2023 On January 4, 2024, the Company obtained stockholder approval and Yorkville terminated the Securities Purchase Agreement dated as of March 8, 2023, as amended, by the mutual consent of the parties, effective as of January 4, 2024. The First Convertible Debenture has been fully converted, and as of January 4, 2024, the obligation of the Company to issue and sell, and Yorkville's obligation to purchase, the second Second Convertible Debenture has been terminated. At the time of termination, there were no outstanding borrowings, advance notices or shares of Common Stock to Yorkville. On June 2, 2023, be issued under the Company entered into a Letter of Agreement with Yorkville pursuant to which Yorkville and the Company agreed that the date of the Second Closing shall be September 15, 2023 (or such other date that is mutually agreed Securities Purchase Agreement. In addition, there were no fees due by the Company and Yorkville). On September 13, 2023, or Yorkville in connection with the parties entered into a new Letter of Agreement pursuant to which they agreed that the date termination of the Second Closing will be December 29, 2023 (or such other date as the Company and Yorkville may mutually agree). Due to the decline in the stock price since the issuance of the initial Convertible Debenture, additional stockholder approval may be required in order to have a sufficient number of shares available for issuance of shares of common stock upon conversion of the second Convertible Debenture. A proposal that would give the Company that needed flexibility is being presented to the stockholders at its annual meeting to be held on December 4, 2023. If the proposal is not approved, depending on the then-current stock prices, the Company may not have a sufficient number of shares available to fully convert a $6.2 million Convertible Debenture, if issued in full.
Securities Purchase Agreement.

Note 12 – Derivative Liability

The Company has determined that the conversion features feature embedded in the convertible notes described in Note 11 contain a potential variable conversion amount which constitutes a derivative which has been bifurcated from the note and recorded as a derivative liability at fair value, with a corresponding discount recorded to the associated debt. The excess of the derivative value over the face amount of the note is recorded immediately to interest expense at inception, which aggregated $4,692,672. The Company used the Binomial Black-Scholes Option Pricing model to value the conversion features.

The Company used Level 3 inputs for its valuation methodology for the conversion option liability in determining the fair value using a Black-Scholes option-pricing model with the following assumption inputs:

	Three Months Ended March 31, 2023 Nine September 30, 2023
Annual dividend yield	—
Expected life (years)	1.0

Risk-free interest rate		4.89% - 5.56%
Expected volatility		164% - 185%
Exercise price	$	$0.35 – $3.53
Stock price	$	$0.37 – $5.32

Based upon ASC 840-15-25 (EITF Issue 00-19, paragraph 11), the Company has adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible notes. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

Note 13 – Commitments and Contingencies

Prior Relationship of Cardio with Boustead Securities, LLC

At the commencement of efforts to pursue what ultimately ended in the a terminated business acquisition, Legacy Cardio entered into a Placement Agent and Advisory Services Agreement (the "Placement Agent Agreement"), dated April 12, 2021, with Boustead Securities, LLC ("Boustead Securities"). This agreement was terminated in April 2022, when Legacy Cardio terminated the underlying agreement and plan of merger and the accompanying escrow agreement relating to that proposed business acquisition after efforts to complete the transaction failed, despite several extensions of the closing deadline.

Under the terminated Placement Agent Agreement, Legacy Cardio agreed to certain future rights in favor of Boustead Securities, including (i) a two-year tail period during which Boustead Securities would be entitled to compensation if Cardio were to close on a transaction (as defined in the Placement Agent Agreement) with any party that was introduced to Legacy Cardio by Boustead Securities; and (ii) a right of first refusal to act as the Company's exclusive placement agent for 24-months from the end of the term of the Placement Agent Agreement (the "right of first refusal"). Cardio has taken the position that due to Boustead Securities' failure to perform as contemplated by the Placement Agent Agreement, these provisions purporting to provide future rights are null and void.

Boustead Securities responded to the termination of the Placement Agent Agreement by disputing Legacy Cardio's contention that it had not performed under the Placement Agent Agreement because, among other things, Boustead Securities had never sought out prospective investors. In its response, Boustead Securities included a list of funds that they had supposedly contacted on Legacy Cardio's behalf. While Boustead Securities' contention appears to contradict earlier communications from Boustead Securities in which they indicated that they had not made any such contacts or introductions, Boustead Securities is currently contending that they are due success fees for two years following the termination of the Placement Agent Agreement on any transaction with any person on the list of supposed contacts or introductions. Legacy Cardio strongly disputes this position. Notwithstanding the foregoing, the Company has not consummated any transaction, as defined, with any potential party that purportedly was a contact of Boustead Securities in connection with the Placement Agent Agreement and has no plans to do so at any time during the tail period. No legal proceedings have been instigated by either party, and Cardio believes that the final outcome will not have a material adverse impact on its financial condition.

The Benchmark Company, LLC Right of First Refusal

As noted in Note 1, the Company completed the business combination on October 25, 2022. In connection with the proposed business combination, by agreement dated May 13, 2022, Mana engaged The Benchmark Company, LLC ("Benchmark") as its M&A advisor. Upon closing of the business combination, Legacy Cardio assumed the contractual engagement entered into by Mana. On November 14, 2022, the Company and Benchmark entered into Amendment No. 1 Engagement Letter (the "Amendment Engagement"). Pursuant to the Amendment Engagement, the parties agreed that the Company would pay Benchmark $230,000 at the closing of the business combination and an additional $435,000 on October 25, 2023. Both of those payments have been made in full. In addition, the Amendment Engagement provided that Benchmark has been granted a right of first refusal to act as lead or joint-lead investment banker, lead or joint-lead book-runner and/or lead or joint-lead placement agent for all future public and private equity and debt offerings through October 25, 2023. Based on the right of first refusal, Benchmark alleges that it is owed damages because the Company entered into the Yorkville Convertible Debenture Transaction (see Note 11) without first offering Benchmark the right to serve as the lead or joint-lead placement agent for the transaction. The Company is evaluating the claim. No legal proceedings have been instigated.

Demand Letter and Potential Mootness Fee Claim

On September 25, 2022,June 25, 2022, a plaintiffs' securities law firm sent a demand letter to the Company alleging that the Company's Registration Statement on Form S-4 filed (the "S-4 Registration Statement") with the Securities and Exchange Commission ("SEC") on May 31, 2022 omitted material information with respect to the Business Combination and demanding that the Company and its Board of Directors immediately provide corrective disclosures in an amendment or supplement to the Registration Statement. Subsequent thereto, the Company filed amendments to the S-4 Registration Statement on July 27, 2022, August 23, 2022, September 15, 2022, October 4, 2022 and October 5, 2022 in which it responded to various comments of the SEC staff and otherwise updated its disclosure. In October 2023, 2022, the SEC completed its review and declared the S-4 registration statement on October 6, 2022. On February 23, 2023 and February 27, 2023, plaintiffs' securities law firm contacted the Company's counsel asking who will be negotiating a mootness fee relating to the purported claims set forth in the September 25, 2022 June 25, 2022 demand letter. The Company vigorously denies that the S-4 Registration Statement, as amended and declared effective, is deficient in any respect and that no additional supplemental disclosures are material or required. The Company believes that the claims asserted in the Demand Letter are without merit and that no further disclosure is required to supplement the S-4 Registration Statement under applicable laws. As of the date of filing of this Quarterly Annual Report on Form 10-Q, 10-K, no lawsuit has been filed against the Company by that firm. The firm has indicated its willingness to litigate the matter if a mutually satisfactory resolution cannot be agreed upon; however, the Company Cardio believes that the final outcome will not have a material adverse impact on its financial condition.

Northland Securities, Inc.

In January 2024, following the Company's termination of its agreement with Yorkville and in connection with the Company's recent at the market offering and/or its February 2024 private placement, a managing director of Northland Securities, Inc. ("Northland") contacted the Company claiming the right to be paid a fee of approximately $150,000 pursuant to the agreement of March 1, 2023 between the Company and Northland regarding the Yorkville financing. Subsequently, the Company has been advised by another representative of Northland that Northland would not proceed with any such claim. The Company does not believe that it owes Northland any sum based on the termination of the Yorkville Securities Purchase Agreement and the subsequent financing transactions.

The Company cannot preclude the possibility that claims or lawsuits brought relating to any alleged securities law violations or breaches of fiduciary duty could potentially require significant time and resources to defend and/or settle and distract its management and board of directors from focusing on its business.

Note 14 – Subsequent Events

The Company evaluated its September 30, 2023 March 31, 2024 consolidated financial statements for subsequent events through the date the consolidated financial statements were issued.

Common Stock Issued

Subsequent to March 31, 2024, the end of Company sold 1,056,615 common shares for gross proceeds totaling $895,941 under the period through the date of the filing of this report, Yorkville converted the remaining $1,700,000 principal balance of its first tranche convertible debentures into 7,386,353 shares of the Company's common stock. As At-the-Market Issuance Sales Agreement as of the date of this report, the initial $5,000,000 Convertible Debenture has been converted in full. Report.

Subsequent to the end of the period through the date of the filing of this report, $4,000 in consulting Restricted Stock Units (RSUs) issued to Company advisors vested into 13,262 shares of the Company's common stock.

Post Merger Liabilities Balance Paid

Subsequent to the end of the period through the date of the filing of this report, the remaining assumed post-merger liabilities balance of $435,000 was paid.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As a result of the closing of the Business Combination, which was accounted for as a reverse recapitalization in accordance with U.S. GAAP as discussed in Note 2 – Merger Agreement and Reverse Recapitalization, the consolidated financial statements of Cardio Diagnostics, Inc., a Delaware corporation and our wholly owned subsidiary, are now the financial statements of the Company.

The following discussion and analysis provide information that Cardio's management believes is relevant to an assessment and understanding of Cardio's results of operations and financial condition. You should read the following discussion and analysis of Cardio's results of operations and financial condition together with its unaudited consolidated financial statements and related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q, and its audited consolidated financial statements and related notes to those statements included in the Company's 2022 2023 Annual Report on Form 10-K that was filed on March 31, 2023 April 1, 2024 (the "2023 Form 10-K"). In addition to historical financial information, this discussion contains forward-looking statements based upon Cardio's current expectations that involve risks and uncertainties, including those described in the section titled, "Special Note Regarding About Forward-Looking Statements. Statements," above. Cardio's actual results could differ materially from such forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in the Quarterly Report on Form 10-Q for the three months ended March 31, 2023 and in the Annual Report on 2023 Form 10-K for the year ended December 31, 2022 (Item 1A therein), as well as in Part II, Item 1A of this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Unless the context requires otherwise, references to "Cardio," the "Company," "we," "us" and "our" refer to Cardio Diagnostics Holdings, Inc., a Delaware corporation, together with its consolidated subsidiary.

Overview

Cardio was formed to further develop and commercialize a series of products for major types of cardiovascular disease and associated co-morbidities, including coronary heart disease (" ("CHD"), stroke, heart failure and diabetes, by leveraging our Artificial Intelligence (" ("AI")-driven Integrated Genetic-Epigenetic Engine™. As a company, we aspire to give every American adult insight into their unique risk for various cardiovascular diseases. Cardio aims to become one of the leading medical technology companies for enabling improved prevention, early detection and treatment of cardiovascular disease. Cardio is transforming the approach to cardiovascular disease from reactive to proactive and hope to accelerate the adoption of Precision Medicine for all. We believe that incorporating Cardio's solutions into routine practice in primary care and prevention efforts can help alter the trajectory that nearly one in two Americans is expected to develop some form of cardiovascular disease by 2035.

Cardio believes that it is the first company to develop and commercialize epigenetics-based clinical tests for cardiovascular disease that have clear value propositions for multiple stakeholders including (1) patients, (2) clinicians, (3) hospitals/health systems, (4) employers and (5) payors. According to the CDC, epigenetics is the study of how a person's behaviors and environment can cause changes that affect the way a person's genes work. Unlike genetic changes, epigenetic changes are reversible and do not change one's DNA sequence, but they can change how a person's body reads a DNA sequence.

Cardio's Cardio launched its first clinical test, Epi+Gen CHD™, a three-year symptomatic CHD risk assessment clinical blood test targeting CHD events, including heart attacks, in 2021 during the Covid-19 pandemic. As a result, the initial strategy for commercialization involved launching the test via telemedicine and in smaller provider practices such as concierge medicine practices. The volume of tests through these channels were minimal, and as the circumstances around Covid-19 pandemic improved, management re-vamped the Company's go-to-market strategy to include other healthcare verticals and stakeholders beyond patients and small providers, including larger provider organizations, group purchasing organizations, employers, payors and life insurers. This new approach allowed Cardio to expand the reach of our solutions beyond the initial focus areas. Beyond the launch of Epi+Gen CHD, in March 2023, we announced the launch of our second product, PrecisionCHD™, an integrated epigenetic-genetic clinical blood test for the detection of coronary heart disease. The Epi+Gen CHD™ and PrecisionCHD™ tests are coupled to Actionable Clinical Intelligence (ACI), a platform that offers new epigenetic and genetic insights to clinicians prescribing the to help improve chronic care management. In May 2023, we launched CardioInnovate360™, a research-use-only

(RUO) solution to support the discovery, development and validation of novel biopharmaceuticals for the assessment and management of cardiovascular diseases. In February 2024, we announce the launch of HeartRisk™, a cardiovascular risk intelligence platform. We believe that our Epi+Gen CHD™ and PrecisionCHD™ tests are categorized as laboratory-developed tests, or "LDTs." The new go-to-market strategy is also being implemented for these products.

Despite long partnership and sales cycles, in some instance as long as 14 months, Cardio in 2023 generated revenue from patient(s), small provider(s), larger provider(s) and employer(s) for the first time and has developed a more robust sales and partnership pipeline. In addition to increased revenue, other key developments since the 2023 Form 10-K, include:

- Published a key peer-reviewed economics study on PrecisionCHD™ demonstrating a potential savings of over $113 million annually to payers in Advances in Therapy journal;
- Our two Current Procedural Terminology ("CPT") Proprietary Laboratory Analysis ("PLA") codes from the American Medical Association, 0440U for PrecisionCHD™ and 0439U for Epi+Gen CHD™ went effective on April 1, 2024; and
- Entered into a nationwide telehealth agreement with Navierre.

Cardio expects that sales and partnership cycles will continue to be long. Our ongoing strategy for expanding its our business operations includes and increasing revenue generation include the following:

- Develop blood-based additional products, including clinical tests for stroke, congestive heart failure and diabetes;
- Build out Expand clinical and health economics evidence in order portfolio to obtain payer reimbursement for Cardio's tests; continue to demonstrate value of products and increase reach;
- Expand its testing process outside of a single high complexity CLIA laboratory to multiple laboratories, including hospital laboratories; Leverage our newly-awarded CPT PLA codes;
- Introduce Expand the test adoption of our products across several additional key channels, including health systems and self-insured employers; employers, including for HeartRisk, Cardio's new SaaS product;
- Scale our internal operations capabilities with a focus on improving efficiency and reducing our cost of goods sold; and
- Pursue the potential acquisition strategic partnership(s) and acquisition(s) of one or more synergistic companies in the telemedicine, AI or remote patient monitoring space. companies.

Recent Developments

The Business Combination At the Market Sales Agreement

On October 25, 2022 January 26, 2024, we consummated the Business Combination. Company entered into an At-the-Market Issuance Sales Agreement (the "Sales Agreement") with Craig-Hallum Capital Group LLC ("Craig-Hallum"). Pursuant to the Business Combination Sales Agreement, Merger Sub merged with and into Legacy Cardio, with Legacy Cardio surviving the merger and becoming a wholly-owned direct subsidiary Company may sell, at its option, up to an aggregate of Mana. Thereafter, Merger Sub ceased to exist, and Mana was renamed Cardio Diagnostics Holdings, Inc.

The Business Combination was accounted for $17 million in shares of its Common Stock through Craig-Hallum, as a reverse recapitalization, in accordance with GAAP. Under the guidance in ASC 805, Mana was treated as the "acquired" company for financial reporting purposes. Legacy Cardio was deemed the accounting predecessor sales agent. Sales of the combined business, Common Stock made pursuant to the Sales Agreement have been or will be made under the Company's Registration Statement on Form S-3 filed on January 26, 2024 (File No. 333-276725) (the "Registration Statement"), which was declared effective by the Securities and Cardio Diagnostics Holdings, Inc., as Exchange Commission on February 1, 2024. Subject to the parent company terms and conditions of the combined business, was Sales Agreement, Craig-Hallum may sell the successor SEC registrant, meaning that our financial statements for previous periods will shares, if any, only by methods deemed to be disclosed an "at the market" offering as defined in Rule 415 promulgated under the registrant's periodic reports filed with the SEC.

Securities Act. The Business Combination had Company has agreed to pay Craig-Hallum a significant impact on the Company's reported financial position and results as a consequence sales commission of 2.5% of the reverse recapitalization. As noted in Note 1 gross proceeds for sales under the Sales Agreement and to provide Craig-Hallum with customary indemnification and contribution rights, including for liabilities under the Company's consolidated financial statements, the Company's financial position reflects current liabilities that include existing, deferred liabilities originally incurred by Mana that are payable by the Company to Ladenburg Thalmann & Co., Inc. ("Ladenburg") and I-Bankers Securities Inc. ("I-Bankers"), the underwriters of Mana's initial public offering, and The Benchmark Company, LLC ("Benchmark"), the M&A advisor Mana retained in connection with the Business Combination. The aggregate amount of the liabilities owed to these investment bankers, as assumed by the Company in connection with the Business Combination, totals $928,500. This sum reflects a decrease in the amount of the original liabilities incurred by Mana, including a 30% decrease in the liability owed to Ladenburg and I-Bankers and a 46% decrease in the original liability incurred by Mana to Benchmark. The $928,500 is due and payable to the investment bankers on October 25, 2023. On March 25, 2023, Ladenburg offered the Company a 15% early pay discount on the balance due. On March 27, 2023, the Company accepted the early pay discount and paid Ladenburg the net balance due and payable of $419,475. As of the date of this filing of this report, the remaining assumed liabilities balance of $435,000 was paid.

Act. In addition, the Company received only $4,021 in cash from the SPAC trust account after the payment of transaction costs and outstanding accounts payable, primarily as a result of a redemption rate of over 99% by the holders of Mana's publicly-traded Common Stock, which shares had a redemption right is required to reimburse Craig-Hallum for certain specified expenses in connection with entering into the Business Combination. Specifically, Mana's public stockholders exercised their right to redeem 6,465,452 shares Sales Agreement.

As of Common Stock, which constituted approximately 99.5% of the shares with redemption rights, for cash at a redemption price of approximately $10.10 per share, for an aggregate redemption amount of $65,310,892. In accounting for the reverse recapitalization, Legacy Cardio's 1,976,749 issued and outstanding shares of common stock were reversed, and the Mana shares of common stock, totaling 9,514,743, were recorded, as described in Note 2.

As a result of the Business Combination, Cardio became an SEC-registered and Nasdaq-listed company, which will require the Company to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. The Company expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees, and additional internal and external accounting, legal and administrative resources.

NASDAQ Letter

On September 21, 2023, the Company received a letter (the "Nasdaq Staff Deficiency Letter") from The Nasdaq Stock Market LLC ("Nasdaq") indicating that, for the prior 30 consecutive business days, the bid price for the Company's common stock had closed below the minimum $1.00 per share requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Requirement").
In accordance with Nasdaq Listing Rule 5810(c)(3)(A) May 15, 2024, the Company has been provided an initial period sold 1,543,698 shares of 180 calendar days, or until March 19, 2024, its common stock under the Sales Agreement, resulting in proceeds to regain compliance. The letter states that the Nasdaq staff will provide written notification that the Company has achieved compliance with Rule 5550(a)(2) if at any time before March 19, 2024 (the "Compliance Period"), the bid price of the Company's common stock closes at $1.00 per share or more for a minimum approximately $1,729,464, net of 10 consecutive business days. The Nasdaq Staff Deficiency Letter has no immediate effect on the listing or trading of the Company's common stock.
offering costs. The Company intends to continue actively monitoring the bid price for its shares of common stock between now and the expiration of the Compliance Period and will consider all available options to resolve the deficiency with every intention to regain compliance with the Minimum Bid Price Requirement. has paid Craig-Hallum approximately $44,345 in sales commissions.
If the Company does not regain compliance with Rule 5550(a)(2) by March 19, 2024, the Company may be eligible for an additional 180 calendar day compliance period. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and would need to provide written notice of its intention to cure the deficiency during the second compliance period, for example, by effecting a reverse stock split, if necessary. However, if it appears to the Nasdaq staff that the Company will not be able to cure the deficiency, or if the Company is otherwise not eligible, Nasdaq would notify the Company that its securities would be subject to delisting. In the event of such a notification, the Company may appeal the Nasdaq staff's determination to delist its securities. There can be no assurance that the Company will be eligible for the additional 180 calendar day compliance period, if applicable, or that the Nasdaq staff would grant the Company's request for continued listing subsequent to any delisting notification.

Food and Drug Administration Proposed Regulation

The Food and Drug Administration (FDA) issued on September 29 On May 6, 2024, FDA published a proposed regulation final rule amending the definition of an in vitro diagnostic (IVD) device to regulate include IVDs manufactured by a clinical laboratory. Pursuant to the rule, laboratory developed tests as (LDTs), i.e., tests designed, manufactured, and used within a single CLIA-certified high complexity laboratory, are medical devices subject to FDA regulation under the Federal Food, Drug, and Cosmetic Act. The final rule also announced FDA's intention to apply its medical device requirements to LDTs. Under the final rule, all LDTs, unless subject to a specific exemption, will be subject to premarket authorization requirements (510(k), de novo classification, or PMA) for each LDT performed by the laboratory, and to postmarket registration and listing, medical device reporting, correction, removal, and recall, complaint handling, labeling, investigational device, and quality system requirements. FDA has proposed intends to phase in these requirements beginning May 6, 2025. The final rule states that certain categories of LDTs will be subject to enforcement discretion with respect to some or all of these requirements. For example, FDA will apply enforcement discretion to currently marketed LDTs that were first offered prior to May 6, 2024, with respect to most quality system requirements and the requirement for premarket authorization if they are not modified or modified in only limited ways. Laboratories performing these tests are subject to other requirements, including the submission of Medical Device Reports, company registration requirement to submit the labeling for the LDT to FDA for review. FDA will similarly exercise enforcement discretion with respect to premarket authorization for LDTs approved by the FDA, complying with New York State Clinical Laboratory Evaluation Program (NYS-CLEP). Unless overturned by a court or Congress, the Quality System Regulation, final rule will substantially increase costs and submission of marketing applications, be phased regulatory burdens for many clinical laboratories in over a four-year period. If enacted as proposed, the Proposed Rule will have a profound impact on clinical labs ways that may adversely affect their ability to develop, perform, and offer LDTs, and would impose significant additional costs on the Company. LDTs.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included elsewhere in this Quarterly Report on Form 10-Q. The following table sets forth Cardio's results of operations data for the periods presented:

Comparisons for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

The following table presents summary of consolidated operating results for the three-month periods indicated:

	Three Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Revenue				
Revenue	$ 10,030	$ —	$ 15,928	$ —
Operating Expenses				
Sales and marketing	34,067	16,369	34,402	49,551
Research and development	38,708	3,190	10,840	86,665
General and administrative expenses	1,376,644	1,127,316	4,123,941	1,562,128
Amortization	4,802	4,000	4,793	4,785
Total operating expenses	(1,454,221)	(1,150,875)	(4,173,976)	(1,703,129)
Other (expense) income	(488,191)	—	(5,536)	670,511
Net (loss)	$ (1,932,382)	$ (1,150,875)	$ (4,163,584)	$ (1,032,618)

Comparisons for the nine months ended September 30, 2023 and 2022:

The following table presents summary consolidated operating results for the nine-month periods indicated:

	Nine Months Ended September 30,	
	2023	2022
Revenue		
Revenue	$ 11,755	$ —
Operating Expenses		
Sales and marketing	115,226	65,573
Research and development	137,690	9,361
General and administrative expenses	5,444,920	2,083,460
Amortization	14,380	12,000
Total operating expenses	(5,712,216)	(2,170,394)
Other (expense) income	(1,287,444)	(112,534)
Net (loss)	$ (6,987,905)	$ (2,282,928)

Net Loss

Cardio's net loss for the three months ended September 30, 2023 March 31, 2024 was $1,932,382 $4,163,584 as compared to $1,150,875 $1,032,618 for the three months ended September 30, 2022 March 31, 2023, an increase of $781,507. $3,130,966. The increase in net loss was primarily the result of an increase in General and Administrative expenses associated with being a public company.

Cardio's net loss for the nine months ended September 30, 2023, was $6,987,905 as compared to $2,282,928 for the nine months ended September 30, 2022, an increase of $4,704,977, The increase in net loss was primarily the result of an increase in General company, stock compensation issued, increased personnel and Administrative expenses and interest expenses related to the sale and issuance of convertible debentures in March 2023. increased rent.

Revenue

Cardio had $10,030 $15,928 and $0 in revenue for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Cardio had $11,755 and $0 in revenue for the nine months ended September 30, 2023 and 2022, respectively.

Sales and Marketing

Expenses related to sales and marketing for the three months ended September 30, 2023 March 31, 2024 were $34,067 $34,402 as compared to $16,369 $49,551 for the three months ended September 30, 2022 March 31, 2023, an increase a decrease of $17,698. $15,149. The overall increase decrease was due to an increase a decrease in sales and marketing efforts after in the Business Combination.

Expenses related to sales and marketing for the nine months ended September 30, 2023 were $115,226 as compared to $65,573 for the nine months ended September 30, 2022, an increase first quarter of $49,653. The overall increase was 2024 due to an increase fewer tradeshows in sales and marketing efforts after the Business Combination. 2024.

Research and Development

Research and development expense for the three months ended September 30, 2023 March 31, 2024 was $38,708 $10,840 as compared to $3,190 $86,665 for the three months ended September 30, 2022 March 31, 2023, an increase a decrease of $35,518. $75,825. The increase decrease was attributable to the decrease in laboratory runs performed in the 2023 2024 period on new product offerings in the pipeline.

Research and development expense for the nine months ended September 30, 2023 was $137,690 pipeline as compared to $9,361 for nine months ended September 30, 2022, an increase of $128,329. The increase was attributable to laboratory runs performed in the 2023 same period on recently launched product, PrecisionCHD, and new product offerings in the pipeline. 2023.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2023 March 31, 2024 were $1,376,644 $4,123,941 as compared to $1,127,316 $1,562,128 for the three months ended September 30, 2022 March 31, 2023, an increase of $249,328. $2,561,813. The overall increase is primarily due to stock compensation expenses of $2,519,404, an increase in rent, personnel, legal and accounting office and software expenses related to financing new offices and merger transactional activity, and increased expenses associated with being a publicly-traded company.

General and administrative expenses for the nine months ended September 30, 2023 were $5,444,920 as compared to $2,083,460 for the nine months ended September 30, 2022, an increase of $3,361,460. The overall increase is primarily due to, an increase in personnel, legal and accounting expenses related to financing and merger transactional activity, increased expenses associated with being a publicly-traded company and stock based compensation. new internal lab setup.

Amortization

Amortization expense for the three months ended September 30, 2023 March 31, 2024 was $4,802 $4,793 as compared to $4,000 $4,785 for the three months ended September 30, 2022 March 31, 2023. The total amortization expense includes the amortization of intangible assets.

Amortization expense for the nine months ended September 30, 2023 was $14,380 as compared to $12,000 for the nine months ended September 30, 2022. The total amortization expense includes the amortization of intangible assets.

Other income (expenses):

Total other income (expenses) for the three months ended September 30, 2023, was $(488,191) as compared to $(0) March 31, 2024 is for intangible assets of $4,000 and patent costs of $793, respectively.

Other income (expenses)

Total other expenses for the three months ended September 30, 2022. The March 31, 2024, was $(5,536) as compared to $670,511 total other income (expenses) for the three months ended September 30, 2023 March 31, 2023. The total other expenses

for the three months ended March 31, 2024 consists of interest expense of $570,385 and gain on extinguishment $5,817 net of debt interest income of $112,944, offset by $281. The total other income for the three months ended March 31, 2023 consists of change in fair value of derivative liability of $31,033 and $5,686,901 offset by interest expense of $5,016,611 net of interest income of $283. Interest expense includes amortization of original issuance discount of $126,028, amortization of debt discount related to the derivative liability of $435,486, and interest on finance agreement of $8,871. $221.

Total other income (expenses) for the nine months ended September 30, 2023 was $(1,287,444) as compared to $(112,534) for the nine months ended September 30, 2022. The total other income (expenses) for the nine months ended September 30, 2023 consists of interest expense of $6,638,912 and loss on extinguishment of debt of $251,351 offset by change in fair value of derivative liability of $5,602,052 and interest income of $767. Interest expense includes amortization of original issuance discount of $282,192, amortization of debt discount related to the derivative liability of $1,637,435, and $4,692,672 related to the excess fair value of the derivative liability in excess of the book value of the convertible note at inception, and interest on finance agreement of $26,613.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows in the short- and long-term to meet the cash requirements of its business operations, including working capital needs, debt service, acquisitions and investments, and other commitments and contractual obligations. We consider liquidity in terms of cash flows from operations and other sources, and their sufficiency to fund our operating and investing activities.

Historically, our principal sources of liquidity have been proceeds from the issuance of equity and warrant exercises. More recently, upon signing the YA Securities Purchase Agreement on March 8, 2023 (the "Securities Purchase Agreement"), we issued and sold to YA II PN, Ltd. (" ("Yorkville") a Convertible Debenture in the principal amount of $5.0 million $5,000,000 for a purchase price of $4.5 million (the "First Convertible Debenture") $4,500,000 to provide additional liquidity. Pursuant to Yorkville fully converted the YA $5,000,000 Convertible Debenture into an aggregate of 10,622,119 common shares during the year ended December 31, 2023. The Securities Purchase Agreement contemplated the issuance of a second convertible debenture in the amount of $6,200,000. However, prior to the issuance of the second convertible debenture, the Company and Yorkville terminated the Securities Purchase Agreement by the mutual consent of the parties, further agreed that effective as of January 4, 2024.

On February 2, 2024, we will issue closed a private placement with seven accredited investors, whereby we issued a total of 561,793 units ("Units"), with each Unit consisting of (i) one share of our Common Stock and sell (ii) one six-year Common Stock purchase warrant having an exercise price of $1.78 per share, subject to Yorkville, and Yorkville will purchase from us, a second Convertible Debenture adjustment (the "Private Placement"). The Private Placement resulted in the principal amount issuance to investors of $6.2 million for a purchase price of $5.58 million (the "Second Convertible Debenture"), subject to the satisfaction or waiver of the conditions set forth in the YA Securities Purchase Agreement. The conditions include, but are not limited to: (i) the SEC shall have declared effective a resale registration statement covering 561,793 shares of Common Stock issuable upon conversion and 561,793 warrants in an unregistered offering of securities. The purchase price of the First Convertible Debenture; and (ii) we shall have obtained stockholder approval for the issuance of the shares of Common Stock issuable upon conversion of the Debentures that would be securities was $1.78 per Unit, resulting in excess of the "Exchange Cap" (as defined in the YA Securities Purchase Agreement). The SEC declared effective the resale registration statement on April 11, 2023. Yorkville began converting the First Convertible Debenture shortly thereafter, and, as of October 26, 2023, the First Convertible Debenture has been converted in full.

By letter agreement dated June 2, 2023, we agreed with Yorkville that the date of the Second Closing will be September 15, 2023 (or such other date that is mutually agreed upon by the parties), provided that as of such date, the conditions gross proceeds to the Second Closing as set forth Company of $1,000,000, before deducting placement agent fees (10% or $100,000) and other offering expenses. We intend to use the net proceeds from the Private Placement for working capital and general corporate purposes.

As noted in Sections 6 and 7 of the Securities Purchase Agreement have been satisfied or waived. On September 13, 2023, Recent Developments, above, we entered into a second letter agreement an At-the Market Sales Agreement with Yorkville, changing the date Craig-Hallum on January 26, 2024. As of the Second Closing to December 29, 2023 (or such other date that is mutually agreed upon by the parties), and reducing the conversion price floor to $0.20, subject to adjustment for stock splits, reverse stock splits and other similar events of recapitalization. Based on recent stock prices, which have been highly volatile, we might not have a sufficient number of registered shares available for conversion if we complete the Second Closing by issuing a $6.2 million Convertible Debenture, depending on the then-current stock prices. In addition, again, depending on then-current stock prices, we might require additional stockholder approval to issue all of the shares upon conversion of a second Convertible Debenture. At the annual meeting of stockholders to be held on December 4, 2023 May 15, 2024, we are asking have received $1,773,809 in gross proceeds from the stockholders to approve the issuance of ATM sales, and we have available up to 50,000,000 shares of common stock that could be issued $15,226,191 in one or more private transactions, subject to specified limitations set forth in the proxy statement for the annual meeting. If approved, shares allocated to that proposal could be used for conversion of the second Convertible Debenture, if needed.

We continue to explore other financing options, such as equity private placement transactions. However, given recent stock prices and the extreme volatility future sales of our stock, it continues Common Stock that we may elect to be challenging to balance

cash make under the Sales Agreement.

We expect that could be raised and the dilution that might be required to close a particular transaction.

Our our primary cash needs are in 2024 will be for day-to-day operations, to fund funding working capital requirements, to fund funding our growth strategy, including investments and acquisitions, and to pay $928,500 paying the setup expenses of deferred contractual obligations originally incurred by Mana to its investment bankers, which is payable on October 25, 2023, as well as other accounts payable. On March 25, 2023, Ladenburg offered the Company a 15% early pay discount on the balance due. On March 27, 2023, the Company accepted Ladenburg's early pay discount offer and paid Ladenburg the net balance due and payable of $419,475. As of date of this report, the remaining assumed liabilities balance of $435,000 has been paid. Accordingly, as of the date of this report, the Company has paid in full all of the liabilities it assumed in the Business Combination.

Our principal uses of cash in recent periods have been funding operations our internal laboratory and paying expenses associated incurred in connection with the Business Combination. our ongoing FDA submission activities.

Our long-term future capital requirements will depend on many factors, including revenue growth rate, the timing and the amount of cash received from customers, the expansion of sales and marketing activities, the timing and extent of spending to support investments, including research and development efforts, and the continuing market adoption of our products. In each fiscal year since our inception, we have incurred losses from operations and generated negative cash flows from operating activities. Our total current liabilities We expect this trend to continue in future periods for the foreseeable future.

We continue to explore our financing options, such as equity private placement transactions. However, given recent stock prices and the extreme volatility of September 30, 2023 are $2,955,108. As noted above, on March 8, 2023, we issued our stock, it continues to be challenging to balance cash that could be raised and sold the First Convertible Debenture, thereby increasing our current liabilities by $5.0 million. Through September 30, 2023, dilution that might be required to close a particular transaction. We expect that for the debenture holder has converted an aggregate of $3,300,000 in principal and has been issued a total of 3,235,766 shares of common stock at an average per share price of $1.02. As of the date of this report, the debenture holder has converted the entire $5,000,000 in principal and has been issued a total of 10,622,119 shares of common stock at an average per share price of $0.47. The parties have extended the date of the closing for issuance and sale of the Second Convertible Debenture until December 29, 2023 (or such other date as the parties mutually agree). The Company is expecting to generate substantive income from various contracts in 2024, starting in the first quarter remainder of 2024, although we will rely on the Company still expects to need additional financing either through the Yorkville second tranche or other sources. ongoing ATM offering, provided that market conditions are favorable.

We received less proceeds from the Business Combination than we initially expected. The projections that we prepared in September 2022 in connection with the Business Combination assumed that we would receive at least an aggregate of $15 million in capital from the Business Combination and the Legacy Cardio private placements conducted in 2022 prior to the Business Combination. This base amount anticipated at least $5.0 million in proceeds remaining in the Trust Account following payment of the requested redemptions and other transaction costs. At Closing, we received only $4,021 in cash from the Trust Account due to higher than expected redemptions by Mana public stockholders and higher than expected expenses in connection with the Business Combination and residual Mana expenses. Accordingly, we have had less cash available to pursue our anticipated growth strategies and new initiatives than we projected. This has caused, and may continue to cause, significant delays in, or limit the scope of, our planned acquisition strategy and our planned product expansion timeline. Our failure to achieve our projected results has harmed, and could continue to harm, the trading price of our securities and our financial position, and adversely affect our future profitability and cash flows.

Because of the extremely high rate of redemptions by Mana public stockholders in connection with the Business Combination and higher than anticipated transaction costs, we received almost no Trust Account proceeds to pursue our anticipated growth strategies and new initiatives, including our acquisition strategy. This has had a material impact on our projected estimates and assumptions and actual results of operations and financial condition. We recorded nominal revenue in 2022 of $950 and through the nine months ended September 30, 2023, we have recorded only $11,755 in revenue in 2023. As a result, revenue in 2023 will also fall far short of the 2022 projections. Nevertheless, we believe that the fundamental elements of our business strategy remain unchanged, although the scale and timing of specific initiatives have been temporarily negatively impacted as a result of having significantly less than anticipated capital on hand following the Business Combination.

We have had, and expect that we will continue to have, an ongoing need to raise additional cash from outside sources to fund our operations and expand our business. If we are unable to raise additional capital when desired, our business, financial condition and results of operations would be harmed. Successful transition to attaining profitable operations depends upon achieving a level of revenue adequate to support the post-merger company. There is no assurance that we will be successful in reaching and sustaining profitability.

We expect that working capital requirements will continue to be funded through a combination of existing funds and further issuances of securities. Working capital requirements are expected to increase in line with the growth of the business. Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund operations over the next 12 months. . We have no lines of credit or other bank financing arrangements. In connection with our business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) developmental expenses associated with a start-up business and (ii) marketing expenses. Cardio intends to finance these expenses with further issuances of securities and debt issuances. Thereafter, we expect we will need to raise additional capital and generate revenues to meet long-term operating requirements. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our equity holders could be significantly diluted, particularly at current stock price levels, and these newly-issued securities may have rights, preferences or privileges senior to those of existing equity holders. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operating flexibility and also require us to incur interest expense.

The exercise prices of our currently outstanding warrants range from a high of $11.50 to a low of $3.90 $1.78 per share of Common Stock. We believe the likelihood that warrant holders will exercise their Warrants and therefore the amount of cash proceeds that we might receive, is dependent upon the trading price of our Common Stock, the last reported sales price for which was $1.02 $0.8140 on November 10, 2023 May 14, 2024. If the trading price of our Common Stock is less than the respective exercise prices of our outstanding Warrants, we believe holders of any of our Public Warrants, Sponsor Warrants and Private Placement Warrants will be unlikely to exercise their Warrants. There is no guarantee that the Warrants will be in the money prior to their respective expiration dates, and as such, the Warrants may expire worthless, and we may receive no proceeds from the exercise of Warrants. Given the current differential between the trading price of our Common Stock and the Warrant exercise prices and the volatility of our stock price, we are not making strategic business decisions based on an expectation that we will receive any cash from the exercise of Warrants. However, we will use any cash proceeds received from the exercise of Warrants for general corporate and working capital purposes, which would increase our liquidity. We will continue to evaluate the probability of Warrant exercises and the merit of including potential cash proceeds from the exercise of the Warrants in our future liquidity projections.

Cash at September 30, 2023 March 31, 2024 totaled $3,629,648 $1,563,139 as compared to $4,117,521 $1,283,523 at December 31, 2022 December 31, 2023, a decrease an increase of $487,873. $279,616. The following table shows Cardio's cash flows from operating activities, investing activities and financing activities for the stated periods:

	Nine Months Ended September 30,		Three months ended March 31,	
	2023	2022	2024	2023
Net cash used in operating activities	$ 3,986,498	$ 1,970,703	$ 1,233,050	$ 1,649,067
Net cash used in investing activities	227,343	365,489	69,941	52,674
Net cash provided by financing activities	3,725,968	10,787,433	1,582,607	4,291,990

Cash Used in Operating Activities

Cash used in operating activities for the nine three months ended September 30, 2023 March 31, 2024 was $3,986,498 $1,233,050 as compared to $1,970,703 $1,649,067 for the nine three months ended September 30, 2022 March 31, 2023. The cash used in operations during the nine three months ended September 30, 2023 March 31, 2024 is a function of net loss of $6,987,905 $4,163,584 adjusted for the following non-cash operating items: depreciation of $1,377, $3,587, amortization of $48,426, $1,217,273 $24,750, $2,519,404 in stock-based compensation, $6,612,298 an increase of $14,028 in accounts receivable, a decrease of $470,050 in prepaid expenses and other current assets, a decrease of $18,494 in accounts payable and accrued expenses and a decrease in lease liability of $54,735.

The cash used in operations during the three months ended March 31, 2023, is a function of net loss of $1,032,618 adjusted for the following non-cash operating items: amortization of $4,785, $4,000 in stock based compensation, $5,007,740 in non-cash interest expense offset by $5,602,052 $5,686,901 in change in fair value of derivative liability, $251,351 loss on extinguishment of debt, an increase of $350 in accounts receivable, a decrease of $876,066 $338,105 in prepaid expenses and other current assets, an increase in deposits of $7,900, $2,100 and a decrease of $401,638 $282,078 in accounts payable and accrued expenses and an increase in lease liability of $6,556. expenses.

Cash Used in Investing Activities

Cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2024 was $227,343 $69,941 compared to $365,489 $52,674 for the nine three months ended September 30, 2022 March 31, 2023. The cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2024 was due to purchases of property and equipment right of use asset associated with new office lease and patent costs incurred.The cash used in investing activities for the three months ended March 31, 2023 was due to patent costs incurred.

Cash Provided by Financing Activities

Cash provided by financing activities for the nine three months ended September 30, 2023 March 31, 2024 was $3,725,968 $1,582,607 as compared to $10,787,433 $4,291,990 for the nine three months ended September 30, 2022 March 31, 2023. This change was due to $1,877,857 in proceeds from the sale of common stock offset by $140,250 in payments pursuant to a finance agreement and $155,000 in payments of placement agent fees and all of which occurred during the three months ended

March 31, 2024. Cash provided by financing activities for the three months ended March 31, 2023 was due to $4,500,000 in proceeds from convertible notes payable, net of original issue discount ("OID") of $500,000, $390,000 in proceeds from exercise of warrants, offset by $283,010 in payments of finance agreement and $315,000 in payments of placement agent fees and $849,032 in payments pursuant to a finance agreement, all of which occurred during the nine three months ended September 30, 2023 March 31, 2023.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has generated only nominal revenue in the past two years. The Company had a net loss of $4,163,584 for the three months ended March 31, 2024 and an accumulated deficit of $18,531,964 at March 31, 2024. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to obtain necessary equity financing and ultimately from generating revenues to continue operations. The Company expects that working capital requirements will continue to be funded through a combination of its existing funds and further issuances of securities. Working capital requirements are expected to increase in line with the growth of the business. The Company has no lines of credit or other bank financing arrangements. Additional issuances of equity or convertible debt securities will result in dilution to current stockholders. Further, such securities might have rights, preferences or privileges senior to common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict business operations.

The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Off-Balance Sheet Financing Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2023 March 31, 2024.

Contractual Obligations

The following summarizes Cardio's As of March 31, 2024, we do not have any ongoing contractual obligations as that would have a negative impact on liquidity and cash flows. However, if one or more of September 30, 2023 and the effects following potential claims that such obligations are expected to arise from contracts we have entered into were pursued against us, there is the potential that we could see a negative impact on its liquidity and cash flows, in future periods:

Prior Mana Obligations to its Investment Bankers

See "*Recent Developments – Business Combination*" above for a discussion of the contractual obligations due and payable on October 25, 2023 to Ladenburg/I-Bankers and Benchmark in the aggregate amount of $928,500 for deferred investment banking fees originally entered into by Mana prior to the Business Combination, as reduced at and after the closing of the Business Combination.

On March 25, 2023, Ladenburg offered the Company a 15% early pay discount depending on the balance due. On March 27, 2023, the Company accepted the early pay discount and paid Ladenburg the net balance due and payable of $419,475. As of the filing of this report, the remaining assumed liabilities balance of $435,000 was paid in full. outcome.

Prior Relationships of Cardio with Boustead Securities, LLC

At the commencement of efforts to pursue what ultimately ended in the terminated business acquisition referred to above under "Deposit "Deposit for Acquisition," Legacy Cardio entered into a Placement Agent and Advisory Services Agreement (the "Placement "Placement Agent Agreement"), dated April 12, 2021, with Boustead Securities, LLC (" ("Boustead Securities"). This agreement was terminated in April 2022, when Legacy Cardio terminated the underlying agreement and plan of merger and the accompanying escrow agreement relating to that proposed business acquisition after efforts to complete the transaction failed, despite several extensions of the closing deadline.

Under the terminated Placement Agent Agreement, Legacy Cardio agreed to certain future rights in favor of Boustead Securities, including (i) a two-year tail period during which Boustead Securities would be entitled to compensation if Cardio were to close on a transaction (as defined in the Placement Agent Agreement) with any party that was introduced to Legacy Cardio by Boustead Securities; and (ii) a right of first refusal to act as the Company's exclusive placement agent for 24-months from the end of the term of the Placement Agent Agreement (the "right "right of first refusal"). Cardio has taken the position that due to Boustead Securities' failure to perform as contemplated by the Placement Agent Agreement, these provisions purporting to provide future rights are null and void.

Boustead Securities responded to the termination of the Placement Agent Agreement by disputing Legacy Cardio's contention that it had not performed under the Placement Agent Agreement because, among other things, Boustead Securities had never sought out prospective investors. In its response, Boustead Securities included a list of funds that they had supposedly contacted on Legacy Cardio's behalf. While Boustead Securities' contention appears to contradict earlier communications from Boustead Securities in which they indicated that they had not made any such contacts or introductions, Boustead Securities is currently contending that they are due success fees for two years following the termination of the Placement Agent Agreement on any transaction with any person on the list of supposed contacts or introductions. Legacy Cardio strongly disputes this position. Notwithstanding the foregoing, the Company has not consummated any transaction, as defined, with any potential party that purportedly was a contact of Boustead Securities in connection with the Placement Agent Agreement and has no plans to do so at any time during the tail period. No legal proceedings have been instigated by either party, and Cardio believes that the final outcome will not have a material adverse impact on its financial condition.

The Benchmark Company, LLC Right of First Refusal

As noted in Note 1, the Company completed a business combination with Mana on October 25, 2022. In connection with the proposed business combination, by agreement dated May 13, 2022, Mana engaged The Benchmark Company, LLC (" ("Benchmark") as its M&A advisor. Upon closing of the business combination, Cardio assumed the contractual engagement entered into by Mana. On November 14, 2022, Cardio and Benchmark entered into Amendment No. 1 Engagement Letter (the

“Amendment "Amendment Engagement”). Pursuant to the Amendment Engagement, the parties agreed that the Company would pay Benchmark $230,000 at the closing of the business combination and an additional $435,000 on October 25, 2023. Both of those payments have has been made in full. In addition, the Amendment Engagement provided that Benchmark be granted a right of first refusal to act as lead or joint-lead investment banker, lead or joint-lead book-runner and/or lead or joint-lead placement agent for all future public and private equity and debt offerings through October 25, 2023. Based on the right of first refusal, Benchmark alleges that it is owed damages because the Company entered into the Yorkville Convertible Debenture Transaction (see Note 11 to Notes to Condensed Consolidated Financial Statements) without first offering Benchmark the right to serve as the lead or joint-lead placement agent for the transaction. The Company is evaluating continues to evaluate the claim. No legal proceedings have been instigated.

Demand Letter and Potential Mootness Fee Claim

On September 25, 2022 June 25, 2022, a plaintiffs’ securities law firm sent a demand letter to the Company alleging that the Company’s Registration Statement on Form S-4 filed (the “S-4 "S-4 Registration Statement”) with the Securities and Exchange Commission (“ ("SEC”) on May 31, 2022 omitted material information with respect to the Business Combination and demanding that the Company and its Board of Directors immediately provide corrective disclosures in an amendment or supplement to the Registration Statement. Subsequent thereto, the Company filed amendments to the S-4 Registration Statement on July 27, 2022, August 23, 2022, September 15, 2022, October 4, 2022 and October 5, 2022 in which it responded to various comments of the SEC staff and otherwise updated its disclosure. In October 2023, 2022, the SEC completed its review and declared the S-4 registration statement effective on October 6, 2022. On February 23, 2023 and February 27, 2023, plaintiffs’ securities law firm contacted the Company’s counsel asking who will be negotiating a mootness fee relating to the purported claims set forth in the September 25, 2022 June 25, 2022 demand letter. The Company vigorously denies that the S-4 Registration Statement, as amended and declared effective, is deficient in any respect and believes that no additional supplemental disclosures are material or required. The Company believes that the claims asserted in the Demand Letter are without merit and that no further disclosure is required to supplement the S-4 Registration Statement under applicable laws. As of the date of filing of this Quarterly Annual Report on Form 10-Q, 10-K, no lawsuit has been filed against the Company by that firm. The firm has indicated its willingness to litigate the matter if a mutually satisfactory resolution cannot be agreed upon; however, Cardio believes that the final outcome will not have a material adverse impact on its financial condition.

Northland Securities, Inc.

In January 2024, following the Company's termination of its agreement with Yorkville and in connection with the Company's recent at the market offering and/or its February 2024 private placement, a managing director of Northland Securities, Inc. ("Northland") contacted the Company claiming the right to be paid a fee of approximately $150,000 pursuant to the agreement of March 1, 2023 between the Company and Northland regarding the Yorkville financing. Subsequently, the Company has been advised by another representative of Northland that Northland would not proceed with any such claim. The Company does not believe that it owes Northland any sum based on the termination of the Yorkville Securities Purchase Agreement and the subsequent financing transactions.

The Company cannot preclude the possibility that claims or lawsuits brought relating to any alleged securities law violations or breaches of fiduciary duty could potentially require significant time and resources to defend and/or settle and distract its management and board of directors from focusing on its business.

Critical Accounting Policies and Significant Judgments and Estimates

Cardio's consolidated financial statements are prepared in accordance with GAAP in the United States. The preparation of its consolidated financial statements and related disclosures requires it to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and the disclosure of contingent assets and liabilities in Cardio's financial statements. Cardio bases its estimates on historical experience, known trends and events and various other factors that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Cardio evaluates its estimates and assumptions on an ongoing basis. Cardio's actual results may differ from these estimates under different assumptions or conditions.

While Cardio's significant accounting policies are described in more detail in Note 2 to its consolidated financial statements, Cardio believes that the following accounting policies are those most critical to the judgments and estimates used in the preparation of its consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned-subsidiary, Cardio Diagnostics, Inc. All intercompany accounts and transactions have been eliminated.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures,* which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short- and long-term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Revenue Recognition

The Company hosts its products, Epi+Gen CHD™ and PrecisionCHD™ on a telemedicine provider platform (the "Provider"). The Provider collects payments from patients upon completion of eligibility screening. Upon receiving a sample collection kit from the Company, patients send their samples to an experienced laboratory with appropriate Clinical Laboratory Improvement Amendments of 1988 ("CLIA") certification and state licensure (the "Lab"), which performs the biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the Company performs all quality control, analytical assessments and report generation and shares test reports with the Provider via their platform. The Provider is invoiced at the end of each month for each completed test. Revenue is recognized upon issuance of the invoice to the Provider.

For provider organizations such as concierge medicine and executive health practices, the Company's products are shared during a sales outreach to the organization (emails, calls, events, etc.). The provider organization places a request for a number of sample collection kits for each test. When the provider orders either test for a patient, it sends the test requisition form to the Company and the patient's blood sample to the Lab, which performs the biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the Company performs all quality control, analytical assessments and report generation and shares test reports with the ordering provider. An invoice is sent to a provider organization at the end of every month for the tests performed that month, generally with a net 30 term. Revenue is recognized upon issuance of the invoice to the provider organization.

For a Group Purchasing Organization ("GPO"), the pricing and payments terms are negotiated in the contracting phase. A GPO member organization (a "Provider Organization") places a request for a number of sample collection kits for each test. When the Provider Organization orders either test for a patient, it sends the test requisition form to the Company and the patient's blood sample to the Lab, which perform the biomarker assessments. Upon receipt of the raw biomarker data from the Lab, the Company performs all quality control, analytical assessments and report generation and shares test reports with the ordering Provider Organization. An invoice is sent to the Provider Organization at the end of every month for the tests performed that month or at the time of order, with the terms agreed upon with the GPO. Revenue is recognized upon issuance of invoice to the Provider Organization.

The Company accounts for revenue under ("ASU") 2014-09, "*Revenue from Contracts with Customers* (Topic 606)", using the modified retrospective method. The modified retrospective adoption used by the Company did not result in a material cumulative effect adjustment to the opening balance of accumulated deficit.

The Company determines the measurement of revenue and the timing of revenue recognition utilizing the following core principles:

1. Identifying the contract with a customer;

2. Identifying the performance obligations in the contract;

3. Determining the transaction price;

4. Allocating the transaction price to the performance obligations in the contract; and

5. Recognizing revenue when (or as) the Company satisfies its performance obligations.

Patent Costs

Cardio accounts for patents in accordance with ASC 350-30, *General Intangibles Other than Goodwill*. The Company capitalizes patent costs representing legal fees associated with filing patent applications and amortize them on a straight-line basis. The Company is in the process of evaluating each of its patent's estimated useful life and will begin amortizing the patents when they are brought to the market or otherwise commercialized.

Stock-Based Compensation

Cardio accounts for its stock-based awards granted under its employee compensation plan in accordance with ASC Topic No. 718-20, *Awards Classified as Equity*, which requires the measurement of compensation expense for all share-based

compensation granted to employees and non-employee directors at fair value on the date of grant and recognition of compensation expense over the related service period for awards expected to vest. The Company uses the Black-Scholes option pricing model to estimate the fair value of its stock options and warrants. The Black-Scholes option pricing model requires the input of highly subjective assumptions including the expected stock price volatility of the Company's common stock, the risk-free interest rate at the date of grant, the expected vesting term of the grant, expected dividends, and an assumption related to forfeitures of such grants. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options and warrants.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Pursuant to Item 305(e) of Regulation S-K, the Company is not required to provide the information required by this Item as it is a "smaller reporting company."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this Report, our disclosure controls and procedures are not effective. As a result, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

There has not been any change in our internal control over financial reporting that occurred during the three months and nine months ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time-to-time, the Company may be involved in various civil actions as part of its normal course of business. The Company is not a party to any litigation that is material to ongoing operations as defined in Item 103 of Regulation S-K as of the period ended September 30, 2023 March 31, 2024.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously described in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as supplemented in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023, December 31, 2023 except as set forth below. These risk factors, collectively, describe some of the assumptions, risks, uncertainties and other factors that could adversely affect our business or that could otherwise result in changes that differ materially from our expectations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC, including as set forth below. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

We may not There can be no assurance that we will be able to maintain compliance comply with the continued listing requirements standards of The Nasdaq Stock Market. Nasdaq.

Our common stock is listed on The Nasdaq Capital Market ("Nasdaq"). In order to maintain that listing, we must satisfy minimum financial and other requirements including, without limitation, a requirement that or be subject to delisting. In the second half of 2023, we received deficiency notices from Nasdaq with respect to our closing failure to meet the minimum bid price be at least $1.00 per share. On September 21, 2023, the Company received a letter from Nasdaq indicating that, for the last 30 consecutive business days, the bid price for the Company's common stock had closed below and the minimum $1.00 per share stockholders' equity requirement necessary for continued listing on Nasdaq. In both instances, we were able to cure the deficiencies within the applicable cure period, and our securities continued to trade on Nasdaq under Nasdaq Listing Rule 5550(a)(2). without interruption. As reported on the Company's Current Report on Form 8-K dated September 25, 2023, the Company has an initial period of 180 calendar days, or until March 19, 2024 to regain compliance. If May 14, 2024 we fail to regain compliance or fail to continue have failed to meet all applicable continued listing requirements the minimum bid price for Nasdaq in the future and Nasdaq determines to delist 18 consecutive business days. Unless our common stock, the delisting could adversely affect the market liquidity of our common stock, our ability to obtain financing to repay debt and fund our operations.

Our stock price is highly volatile.

While many companies in closes above $1.00 on or before May 31, 2024, we can expect to receive a deficiency letter from Nasdaq, advising us that our stage of development experience significant volatility in the trading prices of their publicly-traded stock, our common stock has experienced extreme volatility. For example, on February 27, 2023, the closing price of the common stock was $1.335 and on March 2, 2023, securities will be delisted from Nasdaq unless the stock price closed at $7.90. More broadly, in 2023, closes above $1.00 for ten consecutive business days during the closing stock price has fluctuated between a high 180-day cure period. At our annual meeting held on December 18, 2023, our stockholders gave our board of $7.90 and a low of $0.20. These fluctuations have often been unrelated or disproportionate directors discretion to the operating performance of our company, in which we principally are still working to introduce our tests to various sales channel participants, with little revenue to date. Numerous broad market and industry factors may materially reduce the market price of our common stock and warrants. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. If we effect a reverse stock split in order the range of 1-for-5 to regain compliance 1-for-40 to address this potential deficiency, which approval is effective through December 18, 2024. Accordingly, we believe that in the event we do receive a deficiency letter from Nasdaq with Nasdaq's regard to the minimum bid price requirement, we will be able to address the public float could be significantly reduced, which could adversely impact stockholders' ability to sell their shares at times and at prices that fit their individual investment profiles. As deficiency by effecting a result, stockholders may suffer a loss of their investment.

We may not have a sufficient number of shares of our common reverse stock available to fully convert the $6.2 million convertible debenture, if issued in full, depending on our stock price.

At a special meeting of stockholders held on May 26, 2023, our stockholders approved the issuance of up to 20,363,637 shares of our common stock upon conversion of $11.2 million in principal amount of convertible debentures issued or issuable to Yorkville. The First Convertible Debenture in the principal amount of $5.0 million, issued in March 2023, has been fully converted into an aggregate of 10,622,119 shares, leaving 9,741,518 shares available for issuance upon conversion of a second Convertible Debenture. The Securities Purchase Agreement, as amended, contemplates the issuance of a second Convertible Debenture in the principal amount of $6.2 million. While it is impossible to predict the prices at which Yorkville would convert all or a portion of a second Convertible Debenture, given current stock prices, it is possible that we would not have the ability to issue all of the shares issuable upon conversion without receipt of additional stockholder approval to issue those shares in excess of 9,741,518. A proposal to be put before the stockholders at our annual meeting on December 4, 2023, if approved, would provide the flexibility to use a portion of the shares so approved to satisfy the conversion obligation. split. However, there is can be no assurance that the proposal to issue additional shares we will be approved by able to comply with the continued listing standards of Nasdaq at all times in the future.

If Nasdaq delists our stockholders. shares of Common Stock or Public Warrants for failure to meet the listing standards, we and our securityholderscould face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our common stock is a "penny stock," which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of our common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Although our financial statements have been prepared on a going concern basis, we must raise additional capital to fund our operations in order to continue as a going concern.

Prager Metis, our independent registered public accounting firm for the fiscal year ended December 31, 2013, has included an explanatory paragraph in their opinion that accompanies our audited consolidated financial statements as of and for the year ended December 31, 2023, indicating that our current liquidity position raises substantial doubt about our ability to continue as a going concern. If we are unable to honor the conversion requests, improve our liquidity position, we may not be able to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result if we are unable to continue as a going concern and, therefore, be required to repay realize our assets and discharge our liabilities other than in the outstanding normal course of business which could cause investors to suffer the loss of all or a substantial portion of their investment. We anticipate that our principal balance, accrued interest and any other amounts owed to Yorkville under the second Convertible Debenture, requiring us to use cash resources we otherwise would use sources of liquidity will only be sufficient to fund operations and grow our business. If a "Trigger Event" were activities over the next twelve (12) months. In order to occur (as defined in the Convertible Debentures), we could be required to make monthly payments to Yorkville prior to the Maturity Date, which is one year from the issuance date. We currently do not have any known source of funds for either the Maturity Date payment or monthly Trigger Event payments. Moreover, to the extent we are required to use sufficient cash to fulfill fund our obligations operations beyond the next twelve (12) months, we will need to Yorkville raise additional equity over the next twelve (12) months in lieu of issuing stock, that capital, order to the extent we are able to secure it, which continue as a going concern and we cannot guarantee, is unavailable for working capital and general corporate purposes, which could impede our growth strategy and harm our business. provide any assurance that we will be successful in doing so.

A proposed new FDA regulation of LDTs could negatively impact our business in the future.

In September 2023, the The U.S. Food & and Drug Administration (the "FDA" Administration's ("FDA's") announced a proposed newly-issued rule regarding for laboratory developed tests ("LDTs"), which will be phased in over a period of four years, will significantly change the regulatory landscape for LDTs. Unless the rule is overturned by a court or Congress, our currently marketed LDTs aimed at helping and those we develop in the future will be subject to ensure new requirements which may include, for some tests, premarket clearance, de novo authorization or premarket approval. We will incur substantial costs and delays associated with complying with the safety new rule.

We believe our Epi+Gen CHD™ and effectiveness of PrecisionCHD™ tests are LDTs. The FDA generally considers an LDT to be a test that is developed, validated, designed, manufactured, and used and performed within a single laboratory such as our tests. that is certified under CLIA and meets the regulatory requirements under CLIA to perform high complexity testing

The FDA has historically taken the position that it has the authority to regulate LDTs as in vitro diagnostic, or IVD medical devices in-vitro diagnostics ("IVDs") under the Federal Food, Drug, and Cosmetic Act but ("FDC Act"), although it has generally exercised enforcement discretion with regard to LDTs. This means that even though the FDA believes it can impose regulatory requirements on LDTs, such as requirements to obtain premarket approval, de novo authorization or clearance of LDTs, it has generally chosen not to enforce those requirements.

On May 6, 2024, the FDA published a final rule amending the definition of an IVD device to include IVDs manufactured by a clinical laboratory. The final rule also announced the FDA's intention to phase out its general enforcement discretion policy. Unless the rule is overturned by a court or Congress, the medical device requirements for most LDTs will be phased in beginning on May 6, 2025. These requirements include premarket clearance, de novo authorization or premarket approval for each LDT performed by a laboratory, and postmarket registration and listing, medical device reporting, correction, removal, and recall, complaint handling, labeling, investigational device, and quality system requirements. Certain categories of LDTs will be subject to date. The proposed regulation would alter this historical position by classifying enforcement discretion with respect to some or all of these requirements. For example, FDA will apply enforcement discretion to currently marketed LDTs as medical devices, that were first offered prior to May 6, 2024, with respect to most quality system requirements and the requirement for premarket authorization if they are not modified or modified in only limited ways. Laboratories performing these tests are subject to other requirements, including the requirement to submit the labeling for the LDT to FDA for review, which would likely require us could be burdensome and expensive. FDA will similarly exercise enforcement discretion with respect to adhere to a more stringent regulatory framework, including pre-market premarket clearance, de novo classification, or premarket approval requirements quality system regulations, and post-market surveillance obligations. for LDTs approved by the New York State Clinical Laboratory Evaluation Program.

Compliance with these additional regulatory requirements would will be time-consuming and expensive, potentially diverting resources from other aspects expensive. If we are required to obtain premarket notification, de novo authorization or premarket approval for our existing tests, or for any future tests we may develop, we may be required to successfully complete analytical, pre-clinical and/or clinical studies beyond the studies we have already performed or planned to perform for our LDTs. These studies may be extensive and costly and may take a substantial period of our business. time to complete. Any such studies may fail to generate data that meet the FDA's requirements. The proposed regulation, if adopted, could hinder our ability to introduce new tests to the market studies may also not be conducted in a timely manner which in turn, could impact our competitive position that meets the FDA's requirements, and market share. Moreover, failure to comply with these and other FDA regulations could result in legal actions, including fines and penalties. If adopted in its proposed form or otherwise, therefore may not support the regulation of LDTs as medical devices could have a significant negative impact on our operations and financial performance. marketing application. There can be no assurance that the submission of such an application will result in a timely response by the FDA or a favorable outcome that will allow the test to be marketed. In addition, we will may be able forced to fully mitigate stop selling our tests or we may be required to modify claims for or make other changes to our tests while we work to obtain FDA clearance, approval or de novo authorization. Our business may be adversely affected while such review is ongoing and if we are ultimately unable to obtain premarket clearance. de novo authorization or premarket approval.

Various bills have been introduced in Congress seeking to substantially revamp the risks associated with the FDA's proposed or final regulation. regulation of both LDTs and IVDs, but no legislation has been enacted thus far.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None of the Company's directors or officers adopted, modified or terminated a Rule 10b-5 trading arrangement or a non-Rule 10b-5 trading arrangement during the fiscal quarter ended September 30, 2023 March 31, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description	Incorporation by Reference		
		Form	Exhibit	Filing Date
2.1	Agreement and Plan of Merger dated as of May 27, 2022 by and among Mana Capital Acquisition Corp., Mana Merger Sub, Inc., Cardio Diagnostics, Inc., and Meeshanthini (Meesha) Dogan, as representatives of the shareholders (included as Annex A to the Proxy Statement/Prospectus)	S-4/A	2.1	10/4/22
2.2	Amendment dated September 15, 2022 to Agreement and Plan of Merger dated as of May 27, 2022 by and among Mana Capital Acquisition Corp., Mana Merger Sub, Inc., Cardio Diagnostics, Inc., and Meeshanthini (Meesha) Dogan, as representatives of the shareholders	S-4/A	2.2	10/4/22
2.3	Waiver Agreement dated as of October 25, 2022 with respect to Agreement and Plan of Merger dated as of May 27, 2022, as amended on September 15, 2022	8-K	2.3	10/31/22
3.1	Third Amended and Restated Certificate of Incorporation of Cardio Diagnostics Holdings, Inc., dated May 30, 2023	8-K	3.1	5/30/23
3.2	By-laws	S-1	3.3	10/19/21
4.1	Specimen Stock Certificate	S-1/A	4.2	11/10/21
4.2	Specimen Warrant Certificate (contained in Exhibit 4.3)	8-K	4.1	11/26/21
4.3	Warrant Agreement, dated November 22, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent	8-K	4.1	11/26/21
4.4	Convertible Debenture, dated March 8, 2023	8-K	4.1	3/13/23
4.5	Description of Securities	10-K	4.5	3/31/23

10.1	Letter Agreement, dated September 13, 2023, amending the Securities Purchase Agreement dated March 8, 2023 (previously filed as Exhibit 10.1 to the Form 8-K filed on March 13, 2023) and the Letter Agreement, dated June 2, 2023 (previously filed as Exhibit 10.1 to the Amended Form 8-K filed on June 5, 2023)	8-K	10.1	9/14/23
31.1*	Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
31.2*	Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32.1+	Certification of Principal 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 Principal 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*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 Date File (embedded with the Inline XBRL document)			

Exhibit Number	Description	Incorporation by Reference		
		Form	Exhibit	Filing Date
2.1	Agreement and Plan of Merger dated as of May 27, 2022 by and among Mana Capital Acquisition Corp., Mana Merger Sub, Inc., Cardio Diagnostics, Inc., and Meeshanthini (Meesha) Dogan, as representatives of the shareholders (included as Annex A to the Proxy Statement/Prospectus)	8-K	2.1	5/31/2022
2.2	Amendment dated September 15, 2022 to Agreement and Plan of Merger dated as of May 27, 2022 by and among Mana Capital Acquisition Corp., Mana Merger Sub, Inc., Cardio Diagnostics, Inc., and Meeshanthini (Meesha) Dogan, as representatives of the shareholders	8-K	2.1	9/15/22
2.3	Waiver Agreement dated as of October 25, 2022 with respect to Agreement and Plan of Merger dated as of May 27, 2022, as amended on September 15, 2022	8-K	2.3	10/31/22
3.1	Third Amended and Restated Certificate of Incorporation of Cardio Diagnostics Holdings, Inc., dated May 30, 2023	8-K	3.1	5/30/23
3.2	By-laws	S-1	3.3	10/19/21
4.1	Specimen Stock Certificate	S-1/A	4.2	11/10/21
4.2	Specimen Warrant Certificate (contained in Exhibit 4.3)	8-K	4.1	11/26/21
4.3	Warrant Agreement, dated November 22, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent	8-K	4.1	11/26/21
4.4	Description of Securities	10-K	4.5	4/1/24

10.1	At the Market Offering Agreement, dated January 26, 2024, between Cardio Diagnostics Holdings, Inc. and Craig-Hallum Capital Group, LLC	S-3	1.2	1/26/24
31.1*	Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
31.2*	Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32.1+	Certification of Principal 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 Principal 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*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 Date File (embedded with the Inline XBRL document)			

* Filed herewith.

+ Furnished herewith. The certifications attached as Exhibit 32.1 and Exhibit 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Cardio Diagnostics Holdings, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

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.

Cardio Diagnostics Holdings, Inc.

Date: November 13, 2023 May 15, 2024

By: /s/ Elisa Luqman
Elisa Luqman
Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, Meeshanthini V. Dogan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cardio Diagnostics Holdings, Inc. for the quarter ended September 30, 2023 March 31, 2024;

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.

Dated: November 13, 2023 May 15, 2024 /s/ Meeshanthini V. Dogan

Meeshanthini V. Dogan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Elisa Luqman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cardio Diagnostics Holdings, Inc. for the quarter ended September 30, 2023 March 31, 2024;

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.

Dated: November 13, 2023 May 15, 2024

/s/ Elisa Luqman

Elisa Luqman
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q, (the "Report") of Cardio Diagnostics Holdings, Inc. (the "Company") for the quarter ended September 30, 2023 March 31, 2024, the undersigned, Meeshanthini V. Dogan, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

November 13, 2023 May 15, 2024

/s/ Meeshanthini V. Dogan

Meeshanthini V. Dogan
Chief Executive Officer(Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q, (the "Report") of Cardio Diagnostics Holdings, Inc. (the "Company") for the quarter ended September 30, 2023 March 31, 2024, the undersigned, Elisa Luqman, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

November 13, 2023 May 15, 2024

/s/ Elisa Luqman

Elisa Luqman
Chief Financial Officer
(Principal Financial and Accounting Officer)

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