



Supplementary Prospectus

CardieX Limited
(ACN 113 252 234)

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 19 December 2023 (**Prospectus**) issued by CardieX Limited (ACN 113 252 234) (**Company**).

This Supplementary Prospectus is dated 18 January 2024 and was lodged with ASIC on that date.

ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is any conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from www.cardiex.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. Purpose of this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide additional information to investors as set out below, being developments which have occurred since the Prospectus was lodged with ASIC.

2. ASX conditional approval to reinstatement of trading

ASX's advice on lifting suspension and reinstating trading

On 2 January 2024, the Company announced to ASX that ASX has now advised that it is minded to reinstate trading in the Company's Shares on the certain conditions, which were detailed in the announcement. The announcement can be accessed on the ASX website at www.asx.com.au (the Company's ASX code is CDX) and a copy of the announcement will be provided free of charge upon request to the Company.

One of the key conditions is that the Company provides confirmation that \$8 million has been raised pursuant to the Placement and Entitlement Offer, and that the relevant Shares and Quoted Options have been issued.

Steps being taken by the Company to satisfy ASX conditions

While the Placement has firm commitments for the full \$4 million (with Tranche 2 subject to Shareholder approval), the Entitlement Offer was not underwritten and so there is a risk that the full \$4 million sought under the Entitlement Offer would not be raised.

The Company has taken steps to mitigate this risk, including by:

- seeking binding commitments from certain existing shareholders to take up their Entitlements,
- seeking binding commitments from certain existing shareholders and new investors to apply for shortfall (either under the Top-Up Facility or under the Shortfall Offer which was made under the Prospectus), and
- entering into a Commitment and Underwriting Agreement with C2 Ventures Pty Ltd (**C2V**), a company controlled by Directors Niall Cairns and Craig Cooper. This is described in more detail in section 3 below.

No fees in excess of those already disclosed in the Prospectus will be payable, in aggregate, by the Company for these initiatives. In particular, C2V will not be paid a fee for its commitment to take up its Entitlement and its underwriting commitment. MST Financial Services Pty Ltd (**MST**) may pay certain shareholders (other than C2V and related parties of the Company) a fee for their binding commitment to take up their Entitlement, and fees may be paid to third parties for securing binding commitments to take up New Shares in the Shortfall Offer, but in each case the fee will either be paid by MST out of the fee payable to it or (if paid directly by the Company) will be in reduction of the fee otherwise payable to MST.

Taken together, these steps give the Directors confidence that the Company will satisfy ASX's conditions for reinstatement of trading (subject to Shareholder approval of Tranche 2 of the Placement and the issue of the Quoted Options). However, as noted in the 2 January ASX announcement, ASX's decision to reinstate trading is discretionary and ASX may impose additional conditions in the future.

3. Partial underwriting by C2 Ventures Pty Ltd

The Company (represented by its independent Director, Randall King Nelson) has entered into a Commitment and Underwriting Agreement with C2V (the **Agreement**). Under the Agreement:

- (a) C2V commits to take up its Entitlement in full, being for 8,893,518 Shares and 2,964,506 attaching Quoted Options (being approximately \$711,481 at \$0.08 per Share).
- (b) C2V commits to partially underwrite the Entitlement Offer by agreeing to subscribe for up to 12,500,000 Shares (**Underwritten Shares**) and 4,166,667 attaching Quoted Options (being up to \$1,000,000 at \$0.08 per Share) under

the Shortfall Offer, subject to there still being Shortfall Securities remaining after completion of the Entitlement Offer and allocation of applications for Top-Up Securities in accordance with the allocation policy in the Prospectus, and after receiving subscriptions from other investors in the Shortfall Offer. The underwriting commitment is in addition to (and is not reduced by) C2V's take up of its Entitlement, and C2V's participation in the Placement (which is subject to Shareholder approval).

- (c) C2V may engage third parties to sub-underwrite some or all of its underwriting commitment but only with the Company's consent, and in that case C2V is responsible for any fee that may be payable to the sub-underwriter.
- (d) No fee or commission is payable to C2V for its commitments in the Agreement.
- (e) The Company agrees (at its cost) to engage a nominee for the purposes of section 615 of the Corporations Act, and apply to ASIC for approval of that nominee. The Company has done this with the result that Taylor Collison Limited (ABN 53 008 172 450; AFSL 247083) has been appointed and has been approved by ASIC for this purpose.
- (f) C2V has very limited rights to terminate its obligations under the Agreement, essentially being limited to where the Company withdraws the Entitlement Offer or if it would be a breach of law or the ASX Listing Rules for C2V to perform its obligations.
- (g) Any amount subscribed by C2V for Underwritten Shares will count as part of the funds to be provided by C2V under the Funding Commitment Agreement, as announced to ASX on 8 November 2023.
- (h) The terms of the Agreement are otherwise no more favourable to C2V than would be expected were C2V and the Company dealing at arm's length.

References in the Prospectus to the Entitlement Offer not being underwritten have been superseded, and should be read subject to the terms of the Agreement. Likewise, the above disclosures should be read as an update to the related party transactions sections in the Prospectus.

4. Working capital statement

The Directors consider that following completion of the Placement and Entitlement Offer, the Company will have sufficient working capital to carry out its stated objectives.

5. Effect of partial underwriting on the Company and Shareholders

Effect on C2V and associates' relevant interests in the Company

The partial underwriting described above may have the effect of increasing the relevant interests of C2V and its associates in the Company's Shares at the conclusion of the Entitlement Offer. C2V is able to acquire additional Shares under the Entitlement Offer in its capacity as underwriter above the 20% limit in section 606

of the Corporations Act in reliance on the exemptions in section 611 items 10 and 13 of the Corporations Act.

The ultimate percentage relevant interest of C2V and its associates will depend on matters including the commitments from existing Shareholders and new investors referred to above, and the take up of Entitlements by other Shareholders.

The maximum number of Shares to be issued under the Placement, on conversion of Convertible Notes and the Offers is 145,313,946, (subject to rounding) which will constitute approximately 50.28% of the Shares on issue following completion of the Offers (assuming the Placement is completed, the Entitlement Offer is fully subscribed, and all Convertible Notes are converted).

The following table illustrates the maximum potential combined relevant interest and voting power of C2V and its associates under different scenarios where the Entitlement Offer is:

- (a) fully subscribed by other Eligible Shareholders, and as a result C2V is not allocated any Shortfall Securities as underwriter;
- (b) fully subscribed by certain Eligible Shareholders (including C2V and its associates) and by investors in the Shortfall Offer, including Shortfall Securities being allocated to C2V as underwriter at the maximum number of Underwritten Shares; and
- (c) in the unlikely event that no other Eligible Shareholders take up their Entitlement under the Entitlement Offer other than C2V and its associates and no Shortfall Securities are placed with new investors, with the result that Shortfall Securities are allocated only to C2V as underwriter at the maximum number of Underwritten Shares.

Scenario	Voting power of C2V (and its associates) ¹	
	On completion of the Offers (undiluted) ²	On completion of the Offers (diluted) ²
(a) Full participation (no Underwritten Shares)	19.80%	22.48%
(b) Entitlement Offer is fully subscribed, with full underwriting	24.13%	26.71%
(c) C2V (and associates) Entitlements only, with full underwriting	28.07%	30.90%

Notes:

1. Assumes that Shareholder approval for the issue of the Related Party Securities is obtained.
2. Undiluted scenario assumes no Quoted Options are exercised. The diluted scenario assumes that only C2V (and its associates) converts all of its Quoted Options acquired under the Placement Offer, Convertible Note Offer and

Entitlement Offer, including those issued in respect of the Underwritten Shares. The diluted figure will be lower if other holders of Quoted Options also exercise any of their options.

These potential maximum levels of voting power supersede and replace the disclosures in section 4.3 of the Prospectus. However, scenario (a) above (full participation by all Eligible Shareholders) is unchanged from the Prospectus because it would not involve any issue of Underwritten Shares to C2V.

No change to dilution of Shareholders who do not participate

The indicative dilution table in section 4.4 of the Prospectus remains unchanged as a result of C2V's partial underwriting commitment, as that table already assumes the full issue of all Shares offered under the Entitlement Offer.

No effect on expenses of the Offer, use of funds, capital structure, and Pro forma consolidated statement of financial position

Because no fee is payable to C2V for its commitments under the Agreement, there are no material changes to the estimated expenses of the Offers, proposed use of funds, pro forma capital structure following the successful completion of the Offers, or pro forma consolidated statement of financial position, as those matters are respectively set out in the Prospectus.

Shortfall allocation policy

The allocation policy adopted by the Company for the Entitlement Offer is set out in Section 1.5 of the Prospectus. Pursuant to this Supplementary Prospectus, Step 3 of the allocation policy (relating to the allocation of Shortfall) is amended such that if, following the allocation of Top-Up Securities in accordance with Step 2, there remains any Shortfall, the Directors reserve the right, subject to the terms of the Agreement, to allocate any Shortfall Securities in their discretion in consultation with C2V, during the 3 month period following the Closing Date. No Shortfall Securities will be issued to an applicant via the Shortfall Offer if the issue of Shortfall Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

In exercising this discretion, the Board will take into consideration a number of factors, including the recommendations of the Lead Manager and ensuring the Company has an appropriate and optimal Shareholder base, which may be achieved through the introduction of new investors.

No material adverse effect on investors

The Directors consider that the developments described in this document and their effect on the Company are not materially adverse from the point of view of an investor in the Offers. Although C2V may further increase its percentage relevant interest in the Company as a result of its underwriting commitment, should C2V be called on to subscribe for that commitment it will necessarily mean that the Company

would not have met the ASX condition to reinstatement of trading in the absence of such underwriting.

6. Update on Placement

As noted in Section 1.1(a) of the Prospectus:

- (a) the Placement is split into two tranches;
- (b) Tranche 1 of the Placement (comprising 20,794,951 Shares) was originally intended to be issued on or about 27 December 2023; and
- (c) completion of the Placement is conditional on ASX agreeing to lift the Company's suspension from quotation.

Following the advice from ASX that it is minded to reinstate trading in the Company's Shares on satisfaction of certain conditions (which conditions were detailed in Company's ASX announcement on 2 January 2024), the Company and Placement Participants have agreed that Tranche 1 of the Placement will now be issued on the same date as the Shares to be issued under Tranche 2 of the Placement (subject to Shareholder approval of Tranche 2 at the General Meeting), which is anticipated to occur on or about 6 February 2024.

7. Consents

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

8. Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of the Company by:



Niall Cairns
Executive Chairperson

Dated: 18 January 2024