



CARDIEX Limited

ACN 113 252 234

Options Prospectus

This Prospectus is being issued for an offer of up to 27,000,000 Quoted Options exercisable at \$0.20 each and expiring at 5:00pm (AEST) on 30 November 2025 (**Quoted Options**) comprising of the following offers:

1. an offer of up to 25,000,000 Quoted Options to C2 Ventures Pty Limited; and
 2. up to 2,000,000 Quoted Options to Directors, Mr Charles Taylor and Mr Randall King Nelson (or their nominees);
- (together, the **Offer**).

The Offer under this Prospectus closes at 5.00pm (AEST) on 25 June 2024.*

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR SUITABLY QUALIFIED PROFESSIONAL ADVISER WITHOUT DELAY.

The Options offered under this Prospectus are of a speculative nature.

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Offer.

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Important Information

This Prospectus is dated 17 June 2024 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Quoted Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory. The Company will also provide copies of other documents on request (see Section 5.3).

The Quoted Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Quoted Options will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

No action has been taken to permit the offer of Quoted Options under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Quoted Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any particular Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Sydney, New South Wales unless otherwise indicated.

Forward looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4

Corporate Directory

Directors

| | |
|---------------------|--|
| Niall Cairns | Executive Chair |
| Craig Cooper | Executive Director and Chief Executive Officer |
| Randall King Nelson | Non-Executive Director |
| Charles Taylor | Non-Executive Director |

Officers

| | |
|-----------|-------------------|
| Louisa Ho | Company Secretary |
|-----------|-------------------|

Registered and Principal Office

Suite 301, Level 3
55 Lime Street
Sydney NSW 2000

Phone: +61 2 9874 8761
Email: contact@cardiex.com
Website: www.cardiex.com

Share Registry*

Automic Pty Ltd
Level 5, 126 Phillip Street,
Sydney NSW 2000

Phone (within Australia): 1300 288 664
Phone (outside Australia): +61 2 9698 5414
Website: automicgroup.com.au

Auditor*

BDO Audit Pty Ltd
11/1 Margaret Street
Sydney NSW 2000

Solicitors*

Hamilton Locke
Level 42, Australia Square
264 George Street
Sydney NSW 2000

ASX Code:

CDX

* These entities are included for information purposes only.

Indicative Timetable

| Event | Date |
|--|--|
| Lodgement of Prospectus with ASIC | Monday, 17 June 2024 |
| Opening Date of Offer | Tuesday, 18 June 2024 |
| Closing Date of Offer* | 5:00pm (AEST) Tuesday, 25 June 2024 |
| Appendix 2A | Wednesday, 26 June 2024 |
| Issue of Options offered under this Prospectus | Wednesday, 26 June 2024 |
| Commencement of trading on a normal settlement basis of the Options issued under this Prospectus | Thursday, 27 June 2024 |

Note

- * The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times, including amending the Closing Date of the Offer, without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.

Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Quoted Options.

| Key Information | Further Information |
|---|----------------------|
| <p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p> | |
| <p>C2V Options Offer</p> <p>This Prospectus contains an offer of up to 25,000,000 Quoted Options to be issued to C2 Ventures Pty Limited (or its nominee) (C2V) pursuant to the Conversion Agreement.</p> <p>The issue of the Quoted Options to C2V was approved by Shareholders at the general meeting of Shareholders held on 3 June 2024 (Meeting).</p> | Sections 1.1 and 1.2 |
| <p>Director Options Offer</p> <p>The Company has agreed to issue 2,000,000 Quoted Options to Directors Charles Taylor and Randall King Nelson (and/or their nominees), as follows:</p> <ul style="list-style-type: none"> (a) up to 1,000,000 Quoted Options to Mr Charles Taylor; and (b) up to 1,000,000 Quoted Options to Mr Randall King Nelson, <p>Shareholders approved the issue of these 2,000,000 Director Options at the Meeting.</p> | Sections 1.1 and 1.3 |
| <p>Eligibility</p> <p>The C2V Options Offer - the C2V Options Offer is open to C2V only.</p> <p>The Director Options Offer - only Directors Charles Taylor and Randall King Nelson (or their respective nominees) may apply for Quoted Options under the Director Options Offer.</p> | Sections 1.2 and 1.3 |
| <p>What is the purpose of the Offer?</p> <p>The primary purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Quoted Options issued under the Offer and to facilitate the quotation of the Quoted Options.</p> | Section 1.4 |
| <p>Risk factors</p> <p>Potential investors should be aware that subscribing for Quoted Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> (a) Commercial operations risks: The Company has encountered challenges in relation to its financial performance, having incurred operating losses in the past, and there is no certainty that it will achieve or maintain profitability in the future. There are a number of risks to the | Section 4 |

| Key Information | Further Information |
|---|---------------------|
| <p>Company's commercial operations which, if any one or more of them occur, could adversely affect the Company's business, financial condition, and operating results. These risks include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Failure of the Company's SphygmoCor technology-enabled products, from which the majority of the Company's revenue is currently derived, to gain market acceptance. (ii) The Company's limited operating history with certain products which are still in development makes it challenging to predict long-term performance based solely on historical financial results. (iii) Accurate demand forecasting for products and effective inventory management are crucial for the Company's financial success. Increases in component costs, supply shortages, and supply changes could disrupt the supply chain. (iv) The inability to anticipate appropriate pricing levels for its products, and economic downturns or uncertainties could reduce consumer discretionary spending and demand for its products and services. (v) Consolidation in the healthcare industry may result in demands for price concessions or the exclusion of existing market participants from certain markets. (vi) Inefficient management of growth and expansion, including cost-effective and timely scaling of operations. <p>(b) Product risks: The Company's success is closely tied to maintaining the value and reputation of its brands, which may not be as successful as anticipated. The Company's products and services may encounter design and manufacturing defects, whether real or perceived, which could have adverse effects on its business and damage its reputation. Major defects could make the Company's products and services unsafe and create a risk of environmental or property damage and/or personal injury. Quality problems could also adversely affect the user's experience, and result in harm to the Company's brand or reputation, loss of competitive advantage, poor market acceptance, reduced demand for its products, delay in new product introductions, and lost revenue.</p> <p>(c) Product liability: As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. The Company may be subject to warranty claims that result in significant direct or indirect costs, or it could experience more extensive product returns than expected, both of which could negatively affect its business, financial condition, and operating results.</p> <p>(d) Supply Chain: The Company relies on a limited number of global suppliers, contract manufacturers, and logistics partners to manufacture its products, and any loss of supply or supply interruption from these partners could negatively affect its operations. A large portion of the Company's contract manufacturers' primary facilities are located in China. Thus, its business could be adversely affected if one or more of its suppliers is impacted by a natural disaster, an epidemic such as the current COVID-19 pandemic, or other interruption at a particular location.</p> | |

| Key Information | Further Information |
|--|---------------------|
| <p>(e) Cybersecurity risks: Expanding the company's solutions and capabilities that rely on network communications expose the Company to risks including cybersecurity threats, interruptions or delays in telecommunications systems, or data service losses, all of which could impair product and service delivery. Despite the Company's efforts and processes to prevent security breaches and incidents, its products and services, as well as its servers, computer systems, and those of third parties that it uses in its operations are vulnerable to cybersecurity risks, which could lead to interruptions, delays, loss, corruption, unavailability, and unauthorised processing of critical data, unauthorized access to or other processing of user health data, a negative impact on users' experience, and loss of consumer confidence.</p> <p>(f) Intellectual Property risks: The Company heavily relies on patent, intellectual property and other proprietary rights, and failing to protect these rights or succeed in litigation related to them could result in significant monetary damages and royalty payments, negatively impacting its ability to sell current or future products. Failure to protect the confidentiality of trade secrets could materially adversely affect the value of the Company's technology and harm its business. Infringement or perceived infringement of others' intellectual property rights by the Company's products could lead to costly patent and intellectual property litigation, substantial damages or royalties, limitations on technology essential to its products, or discontinuation of product sales.</p> <p>(g) Additional capital requirements: The Company may require capital in the future to execute its business plan and maintain ongoing operations in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all.</p> <p>(h) Going concern: The Company's annual financial report for the year ended 30 June 2023 (Financial Report) includes a note in the independent auditor's report on the financial condition of the Company and existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe the successful completion of the Company's most recent capital raising (as announced on ASX on 6 February 2024), the Company has sufficient funds to adequately meet the Company's current commitments and medium-term working capital requirements.</p> <p>(i) Regulatory risks: Extensive government regulation and oversight in the United States, Australia, and in other jurisdictions apply to the Company's products and operations, and non-compliance with these requirements could harm its business. Failure to comply with healthcare and other governmental regulations could result in substantial fines and penalties, adversely affecting the Company's business, results of operations, and financial condition.</p> <p>Misuse or off-label use of the Company's products may harm its reputation in the marketplace, result in injuries leading to product liability</p> | |

| Key Information | Further Information | | | | | | | | | | | | | | | | | | | | |
|---|---------------------|----------------|------------------|--------------------|--------------------|----------|-------------|------------|------------|-----------|---|---|------------|---|---|--------------|-------------|------------|------------|-----------|--------------|
| <p>suits, or result in costly investigations, fines, or sanctions by regulatory bodies, which could be costly to the Company.</p> <p>Changes in healthcare policies may also have a material adverse effect on the Company, including making it more difficult and costly for the Company to obtain regulatory clearances or approvals for its products or to manufacture, market, or distribute its products after clearance or approval is obtained. Further, healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organisations. A decline in coverage and reimbursement from government and third-party payors could lead to reduced product usage and sales.</p> <p>Numerous laws and regulations, govern the collection, dissemination, security, use and confidentiality of patient-identifiable health information. Failure to comply with applicable laws and regulations could result in significant penalties, and may negatively affect profitability and cash flows.</p> <p>(j) Competition: The Company operates in a highly competitive market and may struggle to attract and retain users, hindering its business growth. As the health wearable market is relatively new, any failure of the general market or specific demand for the Company's products to meet expectations, or if growth slows, could adversely impact its business, financial condition, and operating results. There is no assurance that the Company will be able to successfully compete in this landscape.</p> | | | | | | | | | | | | | | | | | | | | | |
| <p>Use of funds</p> <p>No funds will be raised from the issue of the Quoted Options pursuant to this Prospectus as:</p> <ul style="list-style-type: none">the C2V Options are effectively issued (by becoming exercisable after their initial issue) as free-attaching to conversion shares issued pursuant to the Conversion Agreement (as equity issued on the conversion of debt to equity); andthe Director Options are being issued to Charles Taylor and Randall Nelson King (or their nominees) for no cash cost. | Section 3.2 | | | | | | | | | | | | | | | | | | | | |
| <p>Effect on control of the Company</p> <p>It is not expected that the Offer will have any effect on the control of the Company because the Quoted Options do not have voting rights.</p> | Section 3.4 | | | | | | | | | | | | | | | | | | | | |
| <p>Indicative capital structure</p> <p>The indicative capital structure upon completion of the Offer is set out below:</p> <table><tr><th></th><th>Shares</th><th>Quoted Options</th><th>Unquoted Options</th><th>Performance Rights</th></tr><tr><td>Existing</td><td>294,174,568</td><td>51,416,851</td><td>16,474,688</td><td>6,750,000</td></tr><tr><td>Maximum Securities to be issued under the Offer</td><td>-</td><td>27,000,000</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>294,174,568</td><td>78,416,851</td><td>16,474,688</td><td>6,750,000</td></tr></table> | | Shares | Quoted Options | Unquoted Options | Performance Rights | Existing | 294,174,568 | 51,416,851 | 16,474,688 | 6,750,000 | Maximum Securities to be issued under the Offer | - | 27,000,000 | - | - | Total | 294,174,568 | 78,416,851 | 16,474,688 | 6,750,000 | Sections 3.1 |
| | Shares | Quoted Options | Unquoted Options | Performance Rights | | | | | | | | | | | | | | | | | |
| Existing | 294,174,568 | 51,416,851 | 16,474,688 | 6,750,000 | | | | | | | | | | | | | | | | | |
| Maximum Securities to be issued under the Offer | - | 27,000,000 | - | - | | | | | | | | | | | | | | | | | |
| Total | 294,174,568 | 78,416,851 | 16,474,688 | 6,750,000 | | | | | | | | | | | | | | | | | |

| Key Information | Further Information |
|---|---------------------|
| <p>Directors' participation</p> <p>Shareholder approval was obtained at the Meeting for the issue of 25,000,000 Quoted Options to C2V, which is a company controlled by directors Niall Cairns and Craig Cooper.</p> <p>Shareholder approval was also obtained at the Meeting for Non-Executive Directors Charles Taylor and Randall Nelson King (or their respective nominees) (Participating Directors) whereby:</p> <ul style="list-style-type: none"> (a) 1,000,000 Quoted Options will be issued to Charles Taylor; and (b) 1,000,000 Quoted will be issued to Randall Nelson King <p>(the Director Options).</p> <p>The Quoted Options issued to Participating Directors are included in the total number of Quoted Options being offered under this Prospectus.</p> | <p>Sections 1.1</p> |

1. Details of the Offer

1.1 Background to the Offers of Quoted Options

For an overview of background to and reasons for the Offers, please refer to the Notice of Meeting for the 3 June 2024 Meeting, which was released to ASX on 26 April 2024.

On 3 June 2024, the Company obtained Shareholder approval at the Meeting for the issue of:

- (a) up to 25,000,000 Quoted Options to C2V;
- (b) up to 1,000,000 Quoted Options to Mr Randall King Nelson; and
- (c) up to 1,000,000 Quoted Options to Mr Charles Taylor.

1.2 The C2V Options Offer

The C2V Options are offered to C2V on the terms of the Debt to Equity Conversion Agreement (**Conversion Agreement**).

A summary of the terms and conditions of the C2V Options is set out in Section 5.1, and in addition the restrictions on exercise as set out in the Conversion Agreement will apply to the C2V Options. If the C2V Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only C2V may apply for Quoted Options under the C2V Options Offer.

No funds are payable under the C2V Options Offer.

An Application Form in relation to the C2V Options will be issued to any person eligible to receive Quoted Options under the C2V Options Offer (or their nominees) together with a copy of this Prospectus in electronic form. Applications for C2V Options under the C2V Options Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date.

The Company will apply for quotation of the C2V Options (see Section 1.9).

1.3 Director Options Offer

The Company agreed to issue Directors Randall King Nelson and Charles Taylor up to 2,000,000 Quoted Options (at no cash cost to the Company) for the provision of Non-Executive Director services and commitments that will be required over the coming 12 months (**Director Options Offer**). Accordingly, no funds will be raised from the Director Options Offer.

The Director Options are to be issued on the same terms and conditions as the existing Quoted Options as summarised in Section 5.1. If the Director Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only Directors Randall King Nelson or Charles Taylor (**Participating Directors**) (or their respective nominees) may accept the Director Options Offer.

No funds are payable under the Director Options Offer.

An Application Form in relation to the Director Options will be issued to any person eligible to receive Quoted Options under the Director Options Offer (or their nominees) together with a copy of this Prospectus in electronic form. Applications for Director Options under the Director

Options Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date.

The Company will apply for quotation of the Director Options (see Section 1.9).

1.4 Purpose of the Offer

The primary purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Quoted Options that are issued under the Offer, and to facilitate the quotation on ASX of the Quoted Options.

The Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Quoted Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Quoted Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

1.5 Opening and Closing Dates

The Company will accept Application Forms from 18 June 2024 (**Opening Date**) until 5.00pm (AEST) on 25 June 2024 or such other date as the Directors in their absolute discretion determine, subject to the requirements of the Listing Rules (**Closing Date**).

1.6 Minimum subscription

There is no minimum subscription for the Offer.

1.7 Withdrawal of Offer

The Company reserves the right not to proceed with the Offer at any time before the issue of Quoted Options.

1.8 Issue date

The Quoted Options will be issued only after ASX has granted permission for the Quoted Options to be quoted. It is expected that Quoted Options will be issued on or about 26 June 2024 and trading of the Quoted Options on the ASX is expected to commence shortly afterwards.

It is the responsibility of Applicants to determine their allocation prior to trading in the Quoted Options. Applicants who sell Quoted Options before they receive their holding statements do so at their own risk.

1.9 ASX quotation

An initial application has been made to the ASX for Official Quotation of the Quoted Options offered under this Prospectus by the way of an Appendix 3B announced on the ASX market announcements platform 17 June 2024. The Company intends to submit an Appendix 2A for Official Quotation of the Quoted Options as soon as the Quoted Options are issued.

The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Quoted Options offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

1.10 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Quoted Options.

If you elect to hold your Securities on the CHESS sub-register, ASX Settlement Pty Limited will send you a CHESS statement.

If you elect to hold your Securities on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry.

The statements will set out the number of existing Securities held (where applicable) and the number of new Quoted Options allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Securities on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Securities on the Issuer Sponsored sub-register).

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.11 International Offer Restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Quoted Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Quoted Options may not be offered or sold, in any country outside Australia where it would be unlawful to do so.

1.12 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.13 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Quoted Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Quoted Options.

1.14 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2023, can be found in the Company's Annual Report announced on ASX on 31 August 2023. Copies of this document are available free of charge from the Company. The Company's continuous disclosure notices (i.e. ASX announcements) since 30 June 2023 are listed in Section 5.3. The Directors strongly recommend that Applicants review the Annual Report and all other announcements prior to deciding whether or not to participate in the Offer.

The disclosures in this Prospectus take into account that the only offerees are Directors of the Company or their controlled entities.

1.15 Privacy

If you complete an application for Quoted Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.16 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company by telephone on +61 2 9874 8761 or email at contact@cardiex.com.

For general Shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (international).

2. Application for Quoted Options

2.1 Application Form

Persons entitled to apply for Quoted Options under the Offer should complete and submit an Application Form, in accordance with the instructions on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided.

Completed Application Forms must be lodged at any time after the issue of this Prospectus and on or before the Closing Date.

2.2 Acceptance of Application

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Quoted Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Quoted Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form, you will be deemed to have represented that you are entitled to apply for Quoted Options under the Offer. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age (if you are an individual), and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Quoted Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you have a registered address in Australia, or another country which permits the Company to make the Offer to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Quoted Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Quoted Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

3. Effect of the Offer

3.1 Capital structure on completion of the Offer

Assuming that no existing Options are exercised into Shares, the effect of the Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

| | Shares | Quoted Options ² | Unquoted Options ³ | Performance Rights |
|--|--------------------|-----------------------------|-------------------------------|--------------------|
| Existing Securities on issue | 294,174,568 | 51,416,851 | 16,474,688 | 6,750,000 |
| Maximum Securities to be issued under the Offer ¹ | - | 27,000,000 | - | - |
| Total | 294,174,568 | 78,416,851 | 16,474,688 | 6,750,000 |

Notes:

1. Assumes that the Offer is fully subscribed, and no further Shares are issued and none of the existing Options are converted into Shares prior to the Record Date.
2. See Section 5.1 for the terms and conditions of the Quoted Options.
3. **Comprising:**

| Number | Exercise Price | Expiry Date |
|-----------|----------------|-------------|
| 1,825,000 | \$0.50 | 30/06/2028 |
| 4,990,000 | \$0.45 | 31/08/2026 |
| 1,415,318 | \$0.45 | 16/02/2026 |
| 1,300,000 | \$0.80 | 30/06/2027 |
| 125,000 | \$0.80 | 11/06/2026 |
| 400,000 | \$0.50 | 15/02/2026 |
| 2,925,000 | \$0.80 | 15/02/2026 |
| 1,244,370 | \$0.45 | 16/12/2025 |
| 250,000 | \$0.45 | 16/12/2025 |
| 1,000,000 | \$0.50 | 16/12/2027 |
| 150,000 | \$0.50 | 26/04/2027 |
| 850,000 | \$0.50 | 16/12/2027 |

3.2 Use of funds

No funds will be raised from the issue of the Quoted Options pursuant to this Prospectus as all the Quoted Options will be issued at no cost.

The Company will receive \$0.20 for each Quoted Option exercised. If all Quoted Options are issued and exercised, the Company will receive approximately \$5,400,000 (before costs). There is no certainty that any of the Quoted Option will be exercised, and the market price of the Company's Shares is currently below the exercise price. The application of funds from exercise (if any) will depend on if and when Quoted Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

3.3 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:¹

| Substantial Shareholders | Number of shares | Voting power ³ |
|---------------------------------------|------------------|---------------------------|
| C2V (and its associates) ² | 68,689,830 | 23.35% |
| Mr John Charles Plummer | 17,843,316 | 6.07% |
| Citicorp Nominees Pty Limited | 17,609,289 | 5.99% |

Notes:

1. The shareholdings listed above are as disclosed to the Company by shareholders. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.
2. Comprising the interests of Niall Cairns and Craig Cooper, and C2V's associates.
3. Assumes 294,174,568 Shares on issue as at the date of this Prospectus.

The Offer will not have an effect on the quantity of Shares held by existing Shareholders as only Quoted Options are being offered under this Prospectus.

3.4 Effect of the Offer on control of the Company

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company, because Quoted Options do not have voting rights. No new investor or existing Shareholder will gain or increase a voting power greater than 20% as a result of the completion of the Offer.

The potential overall effect on control upon the exercise of the Quoted Options was disclosed in detail in the Notice of Meeting which was lodged on ASX on 26 April 2024 together with an Independent Expert Report, and investors are directed to that document for further detail.

3.5 Financial effect of the Offer

The Company does not consider that the Offer will have a material effect on the financial position of the Company as the Quoted Options will be issued at no cost.

The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$10,000.

Please refer to Section 5.10 for further details on the estimated expenses of the Offer.

4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. You should carefully consider the following factors in addition to the other information presented in this Prospectus. You should also consider publicly available information on the Company, and consult their financial, tax and other professional advisers before making an investment decision.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) Commercial operations risks

The Company has encountered challenges in relation to its financial performance, having incurred operating losses in the past, and there is no certainty that it will achieve or maintain profitability in the future. There are a number of risks to the Company's commercial operations which, if any one or more of them occur, could adversely affect the Company's business, financial condition, and operating results. These risks include, but are not limited to:

- (i) Failure of the Company's SphygmoCor technology-enabled products, from which the majority of the Company's revenue is currently derived, to gain market acceptance.
- (ii) The Company's limited operating history with certain products which are still in development makes it challenging to predict long-term performance based solely on historical financial results.
- (iii) Accurate demand forecasting for products and effective inventory management are crucial for the Company's financial success. Increases in component costs, supply shortages, and supply changes could disrupt the supply chain.
- (iv) The inability to anticipate appropriate pricing levels for its products, and economic downturns or uncertainties could reduce consumer discretionary spending and demand for its products and services.
- (v) Consolidation in the healthcare industry may result in demands for price concessions or the exclusion of existing market participants from certain markets.
- (vi) Inefficient management of growth and expansion, including cost-effective and timely scaling of operations.

The Company's business can also be significantly impacted by political events, international disputes, natural disasters, public health issues, industrial accidents, and other interruptions. Unforeseen accidents, safety incidents, or workforce disruptions may also adversely affect the Company's business, while certain segments of the business may be influenced by seasonality.

(b) **Product Risks**

The Company's success is closely tied to maintaining the value and reputation of its brands, which may not be as successful as anticipated.

The Company's products and services may encounter design and manufacturing defects, whether real or perceived, which could have adverse effects on its business and damage its reputation. The Company offers, and will offer, complex hardware and software products and services that can be affected by design and manufacturing defects. Sophisticated applications, such as the CONNEQT Portal, CONNEQT App and other products, often have issues that can unexpectedly interfere with the intended operation of hardware or software products. Defects may also exist in components and products that we source from third parties, or may arise from upgrades or changes to hardware that the Company or its third party manufacturing partners may make in the ordinary course of a product's lifecycle. Major defects could make the Company's products and services unsafe and create a risk of environmental or property damage and/or personal injury. Quality problems could also adversely affect the user's experience, and result in harm to the Company's brand or reputation, loss of competitive advantage, poor market acceptance, reduced demand for its products, delay in new product introductions, and lost revenue.

Users may rely on CONNEQT products and companion digital solutions to track and record health data accurately. Any failure to provide accurate metrics and data could harm the Company's brand and reputation, making it challenging to retain users.

Unsuccessful clinical trials related to products under development could adversely affect the Company's ability to obtain necessary clearance or approval of its new products and have a material adverse effect on the Company's future prospects. Such clinical trials are inherently uncertain and there can be no assurance that any clinical trial we conduct or sponsor will be completed in a timely or cost-effective manner or result in a commercially viable product.

(c) **Product liability**

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. The Company may be subject to warranty claims that result in significant direct or indirect costs, or it could experience more extensive product returns than expected, both of which could negatively affect its business, financial condition, and operating results. Adverse events could also expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(d) **Supply Chain**

The Company relies on a limited number of global suppliers, contract manufacturers, and logistics partners to manufacture its products, and any loss of supply or supply interruption from these partners could negatively affect its operations.

A large portion of the Company's contract manufacturers' primary facilities are located in Australia and for the Company's new products in China. Thus, its business could be adversely affected if one or more of its suppliers is impacted by a natural disaster, an epidemic such as the current COVID-19 pandemic, or other interruption at a particular location. Certain interruptions may be due to, among other things:

- (i) temporary closures of the Company's facilities or those of its manufacturers, and other vendors in the supply chain;
- (ii) restrictions on or delays surrounding travel or the import/export of goods and services from certain ports used by the Company; and
- (iii) local quarantines or other public safety measures.

Furthermore, the Company has limited control over suppliers, contract manufacturers and logistics partners, which may result in production delays or insufficient product quantities being available to the Company. If any of these suppliers, contract managers or logistics partners do not perform their obligations or meet the Company's and users' expectations, the Company's brand, reputation and business could suffer.

(e) Cybersecurity risks

Expanding the company's solutions and capabilities that rely on network communications expose the Company to risks including cybersecurity threats, interruptions or delays in telecommunications systems, or data service losses, all of which could impair product and service delivery.

Despite the Company's efforts and processes to prevent security breaches and incidents, its products and services, as well as its servers, computer systems, and those of third parties that it uses in its operations are vulnerable to cybersecurity risks, which could lead to interruptions, delays, loss, corruption, unavailability, and unauthorized processing of critical data, unauthorized access to or other processing of user health data, a negative impact on users' experience, and loss of consumer confidence. In the event of a breach or incident, the Company could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents. In addition, the Company's insurance applicable to these matters may not be adequate to cover a potential claim and may be subject to exclusions.

(f) Intellectual Property Risks

The Company heavily relies on patent, intellectual property and other proprietary rights, and failing to protect these rights or succeed in litigation related to them could result in significant monetary damages and royalty payments, negatively impacting its ability to sell current or future products. Protecting intellectual property rights worldwide may present challenges, and issued patents covering the Company's products and technologies could be found invalid or unenforceable if challenged. Failure to protect the confidentiality of trade secrets could materially adversely affect the value of the Company's technology and harm its business.

The value of the Company's products and brand is closely tied to its intellectual property rights. Infringement or perceived infringement of others' intellectual property rights by the Company's products could lead to costly patent and intellectual property litigation, substantial damages or royalties, limitations on technology essential to its products, or discontinuation of product sales. Obtaining and maintaining patent protection relies on compliance with various required procedures, document submissions, fee payments, and other requirements imposed by governmental patent agencies, and non-compliance with these requirements could reduce or eliminate patent protection.

The Company's use of open-source software and failure to comply with the terms of underlying open-source software licenses could impose limitations on

commercialising its products and providing third parties access to its proprietary software.

(g) Additional capital requirements

The Company may require capital to execute its business plan and maintain ongoing operations in the future. It is also possible that further capital may be required at an earlier stage if any risks, including those described in this Section 5 materialise. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy.

Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of the offering of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(h) Going concern risk

The Company's annual financial report for the year ended 30 June 2023 (**Financial Report**) includes a note in the independent auditor's report on the financial condition of the Company and existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe the successful completion of the Company's most recent capital raising (the results of which were announced on ASX on 6 February 2024) and, with the support of the Conversion Agreement and associated funding commitment agreement, the Company will have sufficient funds to adequately meet the Company's current commitments and medium-term working capital requirements.

(i) Potential acquisitions

The Company may in the future pursue strategic investments or acquisitions to add new products and technologies, acquire talent, gain new sales channels, or enter into new markets or sales territories. Growth through investment and acquisitions entails numerous operational and financial risks. These include, but are not limited to, execution risk, poor integration of the acquired business, entry into market segments with more risk than existing operations and loss of managerial focus on existing business. These risks may have an adverse effect on the Company's financial performance.

(j) Unforeseen expenses

The Company's cost estimates and financial forecasts include what are believed to be appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

4.2 Industry risks

(a) Regulatory Risks

Extensive government regulation and oversight in the United States, Australia, and in other jurisdictions apply to the Company's products and operations, and non-compliance with these requirements could harm its business. Regulatory clearances, approvals, and certifications are vital for marketing and commercial distribution, and the revocation or revision of such authorisations by agencies such as the U.S. Food and Drug Administration or the Australian Therapeutic Goods Administration could harm the Company's commercial operations. Failure to comply with healthcare and other governmental regulations could result in substantial fines and penalties, adversely affecting the Company's business, results of operations, and financial condition.

Misuse or off-label use of the Company's products may harm its reputation in the marketplace, result in injuries leading to product liability suits, or result in costly investigations, fines, or sanctions by regulatory bodies, which could be costly to the Company. Misconduct or improper activities by employees, consultants, and commercial partners, including non-compliance with regulatory standards and requirements, pose further risks.

Changes in healthcare policies may also have a material adverse effect on the Company, including making it more difficult and costly for the Company to obtain regulatory clearances or approvals for its products or to manufacture, market, or distribute its products after clearance or approval is obtained. Further, healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organisations. A decline in coverage and reimbursement from government and third-party payors could lead to reduced product usage and sales.

Failure to comply with anti-corruption and anti-money laundering laws, including the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Financial Transactions Reports Act 1988 in Australia, the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws related to activities in other jurisdictions, could materially adversely affect the Company's business and result in civil and/or criminal sanctions.

Numerous laws and regulations, including the U.S. Health Insurance Portability and Accountability Act (HIPAA) and the U.S. Health Information Technology for Economic and Clinical Health Act (HITECH Act), govern the collection, dissemination, security, use and confidentiality of patient-identifiable health information. Failure to comply with HIPAA, the HITECH Act, and similar laws and regulations in Australia and other jurisdictions and implementing those regulations could result in significant penalties, and regulations requiring the use of "standard transactions" for healthcare services under HIPAA (and other regulations in Australia and other jurisdictions) may negatively affect profitability and cash flows. Enforcement of laws and regulations regarding privacy and security of patient information may adversely affect the Company's business, financial condition, or operations.

(b) Competition

The Company operates in a highly competitive market and may struggle to attract and retain users, hindering its business growth. As the health wearable market is relatively new, any failure of the general market or specific demand for the Company's products to meet expectations, or if growth slows, could adversely impact its business, financial condition, and operating results. There is no assurance that the

Company will be able to successfully compete in this landscape. Some of these competing companies may possess or develop technologies that are superior to the Company's, or have substantially greater financial, technical, and human resources. As a result, the Company's services, expertise, or products could be rendered obsolete, less attractive, or uneconomical due to advances in technology or alternative approaches developed by the Company's competitors.

(c) **Data security and privacy**

The collection, storage, processing, and use of personal data subject the Company to legal obligations and regulations related to security and privacy. Failure to meet these obligations, whether actual or perceived, could harm the Company's reputation and business. Data collection is further governed by restrictive regulations regarding the use, processing, and cross-border transfer of personal information.

(d) **Foreign exchange**

The Company operates in a variety of jurisdictions, including Australia, the United States, Europe and China, and as such, expects to generate revenue and incur costs and expenses in AUD, USD, EUR and CNY.

Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

4.3 Risks relevant to the Offers

(a) **Quotation risk**

The Company will apply for quotation of the Quoted Options. The Company makes no guarantee that any such application for quotation will be successful.

(b) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Quoted Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares. There is a risk that the Quoted Options may expire at a time when they have little or no value.

If exercised, the Quoted Options will be converted into Shares, thereby causing substantial dilution to the shareholdings of Shareholders. There is no certainty that Quoted Options, if issued, will be exercised in full, or at all.

4.4 General risks

(a) **Economic risks**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential exploration and development programs, as well as on its ability to fund those activities.

(b) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics or epidemics or quarantine restrictions.

(c) **Infectious diseases**

The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19 or other infectious diseases. Measures to limit the transmission of the virus or other infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. It could interrupt the Company carrying out its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

(d) **Market conditions**

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders.

(e) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(g) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

4.5 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Quoted Options offered under this Prospectus.

Therefore, the Quoted Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Quoted.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5. **Additional information**

5.1 **Terms and conditions of Quoted Options**

The terms and conditions of the Quoted Options (referred to as **Options** for the purposes of this Section 5.1) are as follows:

- (a) **(Entitlement)**: Each Quoted Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)**: The Options have an exercise price of \$0.20 per Option (**Exercise Price**).
- (c) **(Expiry Date)**: The Options expire at 5.00pm (Sydney time) on 30 November 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) **(Quotation of the Options)**:
 - (i) The Company will apply for quotation of the Options on ASX.
 - (ii) If official quotation of the Options is not granted by ASX in accordance with paragraph (e)(i) above, the Options will not be quoted.

- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
2. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 2,500 must be exercised on each occasion.
 3. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (a) **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
 - (b) **(Transferability):** The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws and paragraph (c) below.
 - (c) **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph (a)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
 - (d) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
 - (e) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
 - (f) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
 - (g) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
 - (h) **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

- (i) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

5.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to the Constitution, the Listing Rules and the rights or restrictions on voting which may attach to or be imposed on any class of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every Shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have one vote; and
- (iii) on a poll, every Shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have:
 - (A) one vote for each fully paid share held by that Shareholder; and
 - (B) a fraction of a vote for each partly paid share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) for that share (or, where applicable, a fraction of a Share), ignoring any amounts paid in advance of a call.

(c) **Issue of further Shares**

The Directors control the allotment and issue of Shares. Subject to the Corporations Act and the Listing Rules, the Directors may allot, issue, grant options over, cancel or otherwise dispose of Shares to any persons, on any terms and conditions terms, with the rights, at the issue price and at the times that the Directors decide.

(d) **Variation of rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Subject to the Corporations Act and the Listing Rules, all or any of the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or cancelled, including by converting or reclassifying Shares from one class to another, by special resolution of the Company and with the written consent of the holders of at least 75% of the shares issued in the affected class, or by special resolution passed at a separate meeting of the holders of the shares issued in the affected class.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Dividends**

Subject to the Constitution, the Corporations Act, the Listing Rules and the rights of Shareholders entitled to Shares with preferential, special or qualified rights as to dividends, the Directors may from time to time determine that a dividend (including an interim dividend) is payable to Shareholders in proportion to the amounts paid up (not credited) on the Shares held by them. as paid on Shares. Any amount paid on a Share in advance of a call will be ignored when calculating the relevant proportion. Interest is not payable by the Company in respect of any dividend or other distribution.

Before determining payment of any dividends, the Directors may set aside out of the Company's profits any sums they think proper as reserves to be applied to meet contingencies, to equalise dividends, to pay special dividends, to repair, improve or maintain any Company property, or for any other purpose the Directors in their absolute discretion consider to be in the Company's interests.

The Directors may implement and in their discretion maintain, on terms and conditions determined by the Directors from time to time, dividend reinvestment plans for cash dividends paid by the Company in relation to shares to be reinvested by way of subscription for shares or other securities to be issued and allotted by the Company.

(g) **Winding up**

Subject to the Constitution, the Corporations Act, the Listing Rules and the rights of holders of shares issued on special terms and conditions (at present there are none), on a winding-up of the Company, the liquidator may, with the approval of a special resolution of the Company, divide among the contributories in specie or kind any part

of the assets of the Company and may set the values the liquidator considers fair and reasonable on any property to be divided and determine how the division is to be carried out.

(h) **Powers of the Directors**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage, or cause the management of, the business of the Company and may exercise, or cause to be exercised, all powers of the Company that are not, by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(i) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(j) **Preference Shares**

The Company may issue preference Shares including preference Shares which are, at the option of the Company or holder, liable to be redeemed or converted into ordinary Shares.

5.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2023 as lodged with ASX on 9 November 2023 (**Annual Report**), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the half yearly report and review financial statements of the Company for the half year ended 31 December 2023 as lodged with ASX on 29 February 2024; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) above, until the date of this Prospectus:

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (d) the Constitution; and
- (e) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

| Date lodged | Subject of Announcement |
|-------------|--|
| 03/06/2024 | Results of June 2024 Extraordinary General Meeting |

| Date lodged | Subject of Announcement |
|-------------|--|
| 29/05/2024 | Ceasing to be a substantial holder |
| 30/04/2024 | Change in substantial holding |
| 26/04/2024 | Notice of Extraordinary General Meeting/Proxy Form |
| 24/04/2024 | Corporate Webinar Presentation |
| 24/04/2024 | March Quarterly Activities Report |
| 24/04/2024 | March Quarterly Appendix 4C |
| 22/04/2024 | Change in substantial holding |
| 08/04/2024 | Appendix 3Y x2 |
| 08/04/2024 | Cardiex Corporate Update Webinar |
| 02/04/2024 | Completion of Wearable Study and New Wearable Patent |
| 27/03/2024 | Becoming a substantial holder |
| 14/03/2024 | Funding Commitment Agreement Update |
| 01/03/2024 | Appendix 3X |
| 29/02/2024 | Half Yearly Report and Accounts |
| 27/02/2024 | Application for quotation of securities – CDX |
| 26/02/2024 | Appendix 3Y x3 |
| 26/02/2024 | Notification of cessation of securities – CDX |
| 26/02/2024 | ASX Relisting and Market Update |
| 23/02/2024 | Reinstatement of Official Quotation |
| 23/02/2024 | Reinstatement Disclosure – CDX Pro-forma Balance Sheet |
| 23/02/2024 | Appointment of Director |
| 19/02/2024 | Notification of cessation of securities – CDX |
| 12/02/2024 | Top 20 and Distribution Schedule – Listed Options |
| 09/02/2024 | Change in substantial holding |
| 08/02/2024 | Appendix 3Y x2 |
| 08/02/2024 | Change in substantial holding |
| 08/02/2024 | Becoming a substantial holder |

| Date lodged | Subject of Announcement |
|-------------|--|
| 07/02/2024 | Application for quotation of securities – CDX |
| 06/02/2024 | Results of Entitlement Offer |
| 06/02/2024 | Application for quotation of securities – CDX |
| 06/02/2024 | Notification regarding unquoted securities – CDX |
| 06/02/2024 | Application for quotation of securities – CDX |
| 01/02/2024 | Results of Meeting |
| 31/01/2024 | Proposed issue of securities – CDX |
| 30/01/2024 | Entitlement Offer Closing & Deadline for Applications |
| 29/01/2024 | December Quarterly Activities Report |
| 29/01/2024 | December Quarterly Appendix 4C |
| 18/01/2024 | CDX January 2024 Webinar Presentation |
| 18/01/2024 | Supplementary Prospectus for Entitlement Offer |
| 15/01/2024 | Notification of cessation of securities – CDX |
| 15/01/2024 | CardieX Corporate Update Webinar |
| 4/01/2024 | Notice of Extraordinary General Meeting/Proxy Form |
| 2/01/2024 | ASX Conditional Approval to Lift Suspension |
| 29/12/2023 | Despatch of Prospectus for the Entitlement Offer |
| 20/12/2023 | Revised Timetable for Prospectus |
| 20/12/2023 | Update – Proposed issue of securities - CDX |
| 19/12/2023 | Entitlement Offer Letter to Ineligible Shareholders |
| 19/12/2023 | CDX December Investor Presentation |
| 19/12/2023 | Prospectus for Entitlement Offer & Quoted Options |
| 19/12/2023 | Proposed Issue of Securities - CDX |
| 19/12/2023 | CardieX Completes Placement and Launches Entitlement Offer |
| 18/12/2023 | Notification of cessation of securities - CDX |
| 12/12/2023 | Notification of cessation of securities - CDX |
| 07/12/2023 | Receipt of Clinichain Trial Funds |

| Date lodged | Subject of Announcement |
|-------------|---|
| 30/11/2023 | Amended Constitution |
| 30/11/2023 | Results of Meeting |
| 30/11/2023 | CardieX AGM Executive Update |
| 20/11/2023 | Finance Facility and Creditor Restructure Update |
| 09/11/2023 | Funding and Capital Update |
| 09/11/2023 | 2023 Appendix 4G and Corporate Governance Statement |
| 09/11/2023 | 2023 Annual Report |

5.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.6 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.082 on 18 March 2024.

Lowest: \$0.048 on 10 May 2024.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.057 per Share on 14 June 2024.

5.7 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (i) as an inducement to become, or to qualify as, a Director; or
- (iv) for services provided in connection with the formation or promotion of the Company, or the Offer.

(b) CEO and Directors' interests in Securities

| Director | Shares | Quoted Options | Unquoted Options | Performance Rights |
|----------------------------------|------------|----------------|------------------|--------------------|
| Niall Cairns ¹ | 62,195,392 | 11,853,668 | 1,700,000 | 3,000,000 |
| Craig Cooper ² | 65,943,068 | 13,272,892 | 1,500,000 | 3,000,000 |
| Randall King Nelson ³ | 15,385 | Nil | 500,000 | Nil |
| Charles Taylor | Nil | Nil | Nil | Nil |

Notes:

- Mr Cairns' interest is held indirectly via C2V, a company which is controlled by Mr Cairns and Mr Cooper, Carnethy Evergreen, a company controlled by Mr Cairns, and Carnethy Investments Pty Ltd, a company controlled by Mr Cairns.
- Mr Cooper's interest is held directly and indirectly via C2V, a company which is controlled by Mr Cairns and Mr Cooper.
- Mr Nelson's interest is held directly.

(c) Remuneration of Directors

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution, or consist of a commission on or percentage of profits or operating revenue. The aggregate amount of compensation for non-executive directors is currently set at \$500,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The remuneration of executive directors is to be fixed by the Board.

The Constitution also provides that:

- (i) if a director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including being a member on a committee of Directors or the chairperson of Directors or deputy chairperson of Directors), the Company may pay additional remuneration or provide benefits to that Director as the Directors resolve; and
- (ii) the Company must pay a director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in attending meetings of the Company, the Board, or a committee of the Board, on the business of the Company, or in carrying out duties as a director.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors' fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

| Director | FY ended 30 June 2023 | FY ended 30 June 2022 |
|---------------------|-----------------------|-----------------------|
| Niall Cairns | \$1,006,996 | \$759,325 |
| Craig Cooper | \$1,479,171 | \$1,215,746 |
| Randall King Nelson | \$115,652 | \$86,760 |

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2023, which was released to ASX on 9 November 2023.

5.8 Related party transactions

Other than the aggregate offer of 2,000,000 Director Options being offered under the Convertible Note Options Offer to Mr Charlie Taylor and Mr Randall Nelson King (or their respective nominees) and the offer of 25,000,000 C2V Options to C2V, there are no related party transactions involved in the Offer.

5.9 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (d) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Placement Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Placement Options offered under this Prospectus; or
- (e) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Placement Options offered under this Prospectus.

5.10 Expenses of Offer

The estimated expenses of the Offer are as follows:

| Estimated expenses of the Offer | \$ |
|--|---------------|
| ASIC lodgement fee | 3,206 |
| ASX quotation fee (excluding GST) | 16,222 |
| Legal and preparation expenses (excluding GST) | 5,000 |
| Total | 24,428 |

5.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Options under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (f) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (g) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Hamilton Locke has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5.12 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

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



Niall Cairns
Executive Chairperson
Cardiex Limited

7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application means a valid application for Placement Options made on an Application Form.

Application Form means the application form accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

AEDT means Australian Eastern Daylight Time.

AEST means Australian Eastern Standard Time.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

C2V means C2 Ventures Pty Limited (ACN 625 301 528) and its associates

C2V Options means the Quoted Options offered pursuant to the C2V Options Offer.

C2V Options Offer has the meaning given in Section 1.2.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date has the meaning given to it in Section 1.5.

Company means Cardiex Limited (ACN 113 252 234).

Constitution means the constitution of the Company as at the date of this Prospectus.

Conversion Agreement means the Debt to Equity Conversion Agreement between the Company and C2V.

Corporations Act means *Corporations Act 2001* (Cth), as amended or modified from time to time.

Director Options means 2,000,000 free-attaching Options proposed to be issued to Mr Randall King Nelson and Mr Charles Taylor respectively, as approved by Shareholders at the Meeting.

Director Options Offer has the meaning given in Section 1.3.

Directors mean the directors of the Company as at the date of this Prospectus.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website <https://cardiex.com/>.

Financial Report means the Company's annual financial report for the year ended 30 June 2023.

Group means the Company and any entity that it controls for the purpose of section 50AA of the Corporations Act (but read as though that section did not exclude fiduciary holdings where the relevant holdings are held for the ultimate benefit of the Company) or any other entity which is consolidated in the consolidated financial statements of the Company.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the listing rules of ASX.

Meeting means the general meeting of Shareholders held on 3 June 2024.

Offer means collectively, the C2V Options Offer and Director Options Offer.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Opening Date has the meaning given to it in Section 1.5.

Option means the right to acquire one Share in the capital of the Company.

Participating Directors means the Directors participating in the Director Options offer, being Messrs Nelson and Messrs Taylor.

Prospectus means this prospectus.

Quoted Options means Options in the class of Options that are currently on issued and quoted on ASX, having the terms summarised in Section 5.1.

Section means a Section of this Prospectus.

Securities mean any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Automic Pty Ltd.

Shareholder means a holder of Shares.