

Appendix 4E Preliminary Final Report

For the Year Ended 30 June 2024

1. Company Details

Name of entity:	Cardiex Limited
ABN:	81 113 252 234
Reporting period	For the year ended 30 June 2024
Previous reporting period	For the year ended 30 June 2023

2. Results for Announcement to the Market

	30 June 2024	30 June 2023	%	% change to prior year
	\$	\$		
Revenue from ordinary activities	10,905,636	4,604,284	Up	137%
Loss from ordinary activities for the period after tax attributable to members	(7,638,147)	(18,886,936)	Down	60%
Net loss for the period attributable to members	(7,638,147)	(18,886,936)	Down	60%

3. Review of Operations and Financial Results

Revenue and Expenses

Revenue from ordinary activities increased by 137% to \$10,905,636, primarily due to revenue recorded upon the early conclusion and subsequent payment in full of the multi-year Clinichain clinical trial resulting in the recognition of \$7.67m in revenue.

The Group's net loss for the period attributable to members decreased by 60% to \$7,638,147, largely due to the increase in revenue as well as the following:

- A decrease of \$926,986 (73%) in marketing and sales expenses, primarily due to costs incurred in the prior year relating to the CES exhibition, as well as the streamlining of other marketing initiatives.
- A decrease of \$1,418,683 (36%) in product development expenditure, primarily due to higher costs incurred in the prior year relating to the FDA clearance for the CONNEQT Pulse, as well as a scale down of software development costs for the CONNEQT product ecosystem.
- A decrease of \$1,959,916 (95%) in share based payments (non-cash), due to the expiry of options and performance rights.
- A decrease of \$2,314,972 (38%) in administration expenses (including US listing expenses). A credit of US\$731,950 was received during the year towards the US legal fees outstanding following the withdrawal of the Company's Form F-1 registration statement.
- An increase of \$774,793 (190%) in interest expense, due to interest incurred on convertible notes, as well as effective interest adjustments on embedded derivatives.
- A \$1,076,381 fair value loss (2023: \$159,904), primarily due to fair value movements to Cardiex's InHealth Convertible Note and InHealth equity investment as per the half year accounts.

Statement of Financial Position

The Group's Balance Sheet has significantly changed during the financial year, with large decreases in both Current Liabilities and Current Assets. This has been driven by a combination of factors that are outlined below:

- Current Assets decreased by \$2,571,957 (22%) during the financial year, as follows:
 - Trade and other receivables decreased by 84% to \$1,888,254 due to the receipt of amounts owing from Clinical trials, specifically \$6.25m received from Clinichain.
 - Inventory has increased by 54% to \$2,553,503 as stock levels increased to meet forecast demand from Clinical trials and sales, in addition to purchase of components for Pulse and Xcel future builds.

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- Financial assets have decreased by 23% to \$4,470,760, as a result of fair value movements of the inHealth convertible note investment.
- Liabilities and Current Liabilities decreased in the year, driven by:
 - A 51% decrease in trade and other payables to \$3,644,070 due to a significant paydown of creditors in the year.
 - A 90% decrease in unearned revenue to \$309,353, due to the conclusion of the Clinichain clinical trial and subsequent revenue recognition.
 - A 40% decrease in borrowings to \$880,000, due to the repayment of the Company's R&D funding facility out of proceeds from the FY2023 R&D tax incentive.
 - All convertible note financial liabilities on hand at 30 June 2023 (\$2,175,794), as well as new notes issued during the year, were converted into equity resulting in a \$3,620,000 increase in share capital.
 - The closing balance of financial liabilities of \$2,347,752 (US\$1.5m plus accrued interest) reflects a promissory note held with Wilson Sonsini Goodrich & Rosati, and relates to the balance of US legal fees owing for the withdrawn Form F-1 registration statement. The promissory note is due in April 2025, however, subsequent to balance date the terms have been renegotiated to the following:
 - US\$250k before 31 January 2025.
 - US\$250k before 31 July 2025.
 - The final balance of US\$1m plus interest repayable by 31 October 2025.
- During the year, Cardix issued 150,709,047 new shares as follows:
 - 50,000,004 shares upon the completion of a placement raising \$4,000,000.
 - 50,000,000 shares upon the completion of an entitlements office raising \$4,000,000.
 - 45,250,000 shares upon the conversion of convertible notes to a value of \$3,620,000.
 - 5,459,043 shares issued to suppliers, employees, and for the deferred settlement of intangible assets, collectively reducing liabilities by \$484,685.
- As a result of the above, the Group's strengthened Statement of Financial Position shows net assets of \$3,204,081, compared to net liabilities of \$748,405 in the prior year.

Cashflows

- Net cash used in operating activities decreased to \$7,721,600 (2023: \$11,996,350) as a result of a significant increase in receipts from customers.
- Receipts from customers for the year increased to \$10,195,319 (2023: \$5,332,700), primarily due to the Clinichain clinical trial.
- Net cash used in investing activities increased to \$118,413 (2023: \$57,703) primarily due to expenditure incurred in the current year on procuring manufacturing equipment for new and existing devices.
- Net cash provided by financing activities was \$7,591,778 (2023: \$11,352,381), as required by the Group to support its growth initiatives.

4. Dividends

No dividends have been paid or proposed by Cardix Limited during the year.

5. Net tangible assets per security

	Current Period 2024 Cents per share	Previous Period 2023 Cents per share
Net tangible asset backing per ordinary share	0.88	(0.96)

6. Control gained or lost over entities

No gain or loss of control over any entities occurred in the reporting period.

7. Details of associates and joint venture entities

Not applicable.

8. Significant information needed by an investor

Further significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position will be included in the annual report.

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9. *Foreign entities set of accounting standards used in compiling the report (IAS)*

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

10. *Audit status*

The report is based on accounts that are in the process of being audited.

11. *Compliance statement*

The financial report includes the consolidated financial statements and notes of Cardix Limited and controlled entities ('Consolidated Group' or 'Group'). The financial report has been prepared in accordance with ASX Listing Rule 4.3A. The financial report is prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Niall Cairns
Executive Chairman**

Dated: 30 August 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Sales revenue	4	10,905,636	4,604,284
Other income	4	1,494,632	1,411,884
Total revenue and other income		12,400,268	6,016,168
Cost of sales		(797,873)	(905,849)
Bad debts expense		(34,739)	10,513
Marketing and sales expense		(345,113)	(1,272,099)
Product development and regulatory expense		(2,489,589)	(3,908,272)
Occupancy expense		(305,269)	(293,467)
Employee benefits expense		(9,844,015)	(9,879,027)
Share based payment expense		(107,783)	(2,067,699)
Administration expense		(3,265,399)	(2,726,428)
US listing expense		(438,460)	(3,292,403)
Interest expense		(1,183,262)	(408,469)
Fair value loss		(1,076,381)	(159,904)
Loss on foreign exchange		(150,532)	-
Loss before income tax expense		(7,638,147)	(18,886,936)
Income tax expense		-	-
Loss attributable to members of the parent entity		(7,638,147)	(18,886,936)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		(110,633)	(118,695)
Total comprehensive loss for the period attributable to members of the parent entity		(7,748,780)	(19,005,631)
Basic loss per share (cents)	5	(3.8)	(14.5)
Diluted loss per share (cents)	5	(3.8)	(14.5)

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	481,429	716,319
Trade and other receivables	7	350,987	2,239,241
Inventory		2,553,503	1,661,896
Financial assets	8	4,470,760	5,792,386
Other current assets		1,414,485	1,433,279
TOTAL CURRENT ASSETS		9,271,164	11,843,121
NON-CURRENT ASSETS			
Property, plant and equipment		1,215,816	1,471,717
Intangible assets		619,701	633,048
Financial assets	8	369,713	510,167
Other non-current assets		43,551	78,636
TOTAL NON-CURRENT ASSETS		2,248,781	2,693,568
TOTAL ASSETS		11,519,945	14,536,689
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	3,644,070	7,459,729
Unearned revenue	10	309,353	3,041,633
Provisions		490,604	488,774
Financial liabilities	11	2,347,751	2,175,794
Lease liabilities		158,920	168,951
Borrowings	12	880,000	1,460,959
TOTAL CURRENT LIABILITIES		7,830,698	14,795,840
NON-CURRENT LIABILITIES			
Provisions		8,976	6,158
Lease liabilities		476,190	483,096
TOTAL NON-CURRENT LIABILITIES		485,166	489,254
TOTAL LIABILITIES		8,315,864	15,285,094
NET ASSETS / NET (LIABILITIES)		3,204,081	(748,405)
EQUITY			
Contributed equity		88,108,332	76,615,802
Reserves		2,659,221	6,389,306
Accumulated losses		(87,563,472)	(83,753,513)
TOTAL EQUITY		3,204,081	(748,405)

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,195,319	5,332,700
Cash receipts from grants	550,870	363,947
Payments to suppliers and employees	(19,174,796)	(18,416,625)
Receipt for R&D tax incentives	691,624	723,628
Interest received	15,383	-
Net cash used in operating activities	(7,721,600)	(11,996,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(118,413)	(57,703)
Payments for intangible assets	-	(22,573)
Net cash used in investing activities	(118,413)	(80,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	8,000,000	9,913,412
Share issue costs	(673,039)	(535,910)
Proceeds from issue of convertible debt	1,445,000	2,175,000
Borrowings received	-	800,000
Borrowings repaid	(728,922)	(724,923)
Convertible notes repaid	(220,215)	(66,778)
Lease payments	(231,046)	(208,420)
Net cash provided by financing activities	7,591,778	11,352,381
Net decrease in cash held	(248,235)	(724,245)
Cash and cash equivalents at beginning of financial year	716,319	1,455,590
Effects of foreign currency exchange	13,345	(15,026)
Cash and cash equivalents at end of financial year	481,429	716,319

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2024

	Shares on Issue	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	67,552,468	3,925,422	(64,866,577)	6,611,313
Loss for the year	-	-	(18,886,936)	(18,886,936)
Other comprehensive income	-	(118,695)	-	(118,695)
Total comprehensive income (loss) for the year	-	(118,695)	(18,886,936)	(19,005,631)
Transactions with equity holders in their capacity as owners.				
Capital placement	9,913,412	-	-	9,913,412
Shares issued in lieu of payments to employees	35,000	-	-	35,000
Shares issued in lieu of payments to suppliers	89,715	-	-	89,715
Performance rights vesting expense	-	1,666,546	-	1,666,546
Options vesting expense	-	670,140	-	670,140
Options issuable for convertible notes		75,996		75,996
Share issue costs	(974,793)	169,897	-	(804,896)
Balance at 30 June 2023	76,615,802	6,389,306	(83,753,513)	(748,405)
Balance at 1 July 2023	76,615,802	6,389,306	(83,753,513)	(748,405)
Loss for the year	-	-	(7,638,147)	(7,638,147)
Other comprehensive income	-	(110,633)	-	(110,633)
Total comprehensive income (loss) for the year		(110,633)	(7,638,147)	(7,748,780)
Transactions with equity holders in their capacity as owners.				
Capital placement	8,000,000	-	-	8,000,000
Shares issued on conversion of convertible notes	3,620,000	-	-	3,620,000
Shares issued in lieu of payments to employees	97,642	-	-	97,642
Shares issued in lieu of payments to suppliers	157,299	-	-	157,299
Shares issued in lieu of payments for intangible assets	229,744	-	-	229,744
Performance rights vesting expense	-	14,973	-	14,973
Options vesting expense	-	92,810	-	92,810
Options issuable for convertible notes	-	100,953	-	100,953
Expiry of options and performance rights	-	(3,828,188)	3,828,188	-
Share issue costs	(612,155)	-	-	(612,155)
Balance at 30 June 2024	88,108,332	2,659,221	(87,563,472)	3,204,081

These financial statements should be read in conjunction with the accompanying notes.

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1. General Information and Statement of Compliance

The financial report includes the consolidated financial statements and notes of Cardix Limited and controlled entities ('Consolidated Group' or 'Group'). The financial report has been prepared in accordance with ASX Listing Rule 4.3A. The financial report is prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. Summary of Significant Accounting Policies

Principles of Consolidation

A controlled entity is any entity Cardix Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

All controlled entities have a 30 June 2024 financial year-end.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Functional and presentation currency

The functional currency of the parent entity is Australian Dollars ("AUD") as the parent company is based in Australia and the majority of transactions take place in AUD. The financial statements are presented in AUD which is the presentational currency of the Group, which management have determined that this is the most relevant currency for the users of the financial statements.

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3. Segment Reporting

(a) Description of segments

In the 2024 financial year, the Group operated in one operating segment, being sales of cardiovascular devices and services to hospitals, clinics, research institutions and pharmaceutical companies.

Management has determined the reporting segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board generally considers the business from a geographical perspective and has identified three reportable segments by geographic area.

Geographic areas are:

- Americas (includes global pharmaceutical trials business)
- Europe (includes Middle East and Africa)
- Asia Pacific (includes Asia & Australia/NZ)

(b) Segmental information provided to the Board

2024	Americas	Europe	Asia Pacific	Inter-segment eliminations	Consolidated
	\$	\$	\$	\$	\$
Sales to external customers	10,228,942	340,725	335,969	-	10,905,636
Intersegment sales	-	-	1,962,696	(1,962,696)	-
Total sales revenue	10,228,942	340,725	2,298,665	(1,962,696)	10,905,636
Other income	556,754	-	937,878	-	1,494,632
Total segment revenue/income	10,785,696	340,725	3,236,543	(1,962,696)	12,400,268

Segment result

Loss before income tax	2,296,749	97,311	(9,720,921)	(311,286)	(7,638,147)
Income tax expense					-
Loss for the year					(7,638,147)
Segment assets	13,439,418	-	81,160,301	- 83,079,774	11,519,945
Segment liabilities	42,518,343	-	63,972,028	- 98,174,507	8,315,864

2023	Americas	Europe	Asia Pacific	Inter-segment eliminations	Consolidated
	\$	\$	\$	\$	\$
Sales to external customers	3,495,752	427,298	681,234	-	4,604,284
Intersegment sales	-	-	4,306,337	(4,306,337)	-
Total sales revenue	3,495,752	427,298	4,987,571	(4,306,337)	4,604,284
Other income	189,443	-	1,222,441	-	1,411,884
Total segment revenue/income	3,685,195	427,298	6,210,012	(4,306,337)	6,016,168

Segment result

Loss before income tax	(6,284,080)	328,563	(10,081,222)	(2,850,197)	(18,886,936)
Income tax expense					-
Loss for the year					(18,886,936)
Segment assets	17,148,504	-	81,746,388	(84,358,203)	14,536,689
Segment liabilities	48,472,296	-	66,635,502	(99,822,704)	15,285,094

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4. Revenue

Disaggregation of revenue

Revenue is disaggregated by the country in which the customer is located as this depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

2024	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
Sale of goods	1,959,979	330,780	317,141	2,607,900
Lease revenue ¹	8,004,682	-	-	8,004,682
Service revenue	229,911	2,621	15,123	247,655
Freight revenue	34,370	7,324	3,705	45,399
Royalty income	-	-	-	-
Total sales revenue	10,228,942	340,725	335,969	10,905,636
Other income	556,754	-	937,878	1,494,632
Total revenue/income	10,785,696	340,725	1,273,847	12,400,268

2023	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
Sale of goods	1,626,455	416,594	570,891	2,613,940
Lease revenue	1,121,588	-	-	1,121,588
Service revenue	553,486	1,615	1,295	556,396
Freight revenue	194,223	9,089	3,622	206,934
Royalty income	-	-	105,426	105,426
Total sales revenue	3,495,752	427,298	681,234	4,604,284
Other income	189,443	-	1,222,441	1,411,884
Total revenue/income	3,685,195	427,298	1,903,675	6,016,168

1. Includes \$7,669,307 in revenue recognised upon the early conclusion and subsequent payment in full of the multi-year Clinichain clinical trial.

5. Loss per Share

	2024	2023
	\$	\$
Reconciliation of loss:		
Loss after tax	<u>(7,638,147)</u>	<u>(18,886,936)</u>
Weighted average number of ordinary shares outstanding during the year used in calculating loss per share	200,550,522	130,110,549
Basic and diluted loss per share	<u>(3.8)</u>	<u>(14.5)</u>

Performance rights and options to acquire shares that would be dilutive if the Group was generating a profit have been excluded from the weighted average number of issued ordinary shares as the Group is generating a loss.

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6. Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	481,429	716,319
Total	481,429	716,319

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less or that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Trade and Other Receivables

	2024	2023
	\$	\$
Trade receivables	373,648	2,276,474
Less: Provision for doubtful debts	(22,661)	(37,233)
	350,987	2,239,241

Accounting policy for trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Trade and other receivables are non-interest bearing and are generally on 30 to 60 day terms.

Collectability of trade receivables is reviewed on an ongoing basis in accordance with the expected credit loss ("ECL") model. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The ECL assessment completed by the Group as at year end has resulted in an immaterial credit loss and no impairment allowance has been recognized by the Group (2023: \$Nil). A specific provision of \$22,661 (2023: \$37,233) was recognized at financial year end.

Critical accounting judgements, estimates and assumptions

The provision for impairment of receivables and the ECL calculation assessment requires a degree of estimation and judgment. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

8. Financial Assets

	2024	2023
	\$	\$
CURRENT		
inHealth Medical Services convertible note	4,470,760	5,558,069
Derivative financial asset	-	234,317
	4,470,760	5,792,386
NON-CURRENT		
inHealth investment	369,713	510,167
	369,713	510,167
TOTAL FINANCIAL ASSETS	4,840,473	6,302,553

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InHealth Medical Services

- On 31 January 2019, the Company exercised in full its option under the agreement to purchase US\$3,000,000 of inHealth Medical Services "Tranche 2" (T2) Convertible Note (the "inHealth Note") securities.
- Both the debt and derivative components of the inHealth Note are measured as a single instrument at FVTPL as there is an embedded conversion feature. It is measured at FVTPL as a single instrument to significantly reduce any measurement or recognition inconsistencies that would arise from other methods.
- By 31 December 2019, the Company had paid the full US\$3,000,000 to inHealth under the Agreement for the T2 Notes.
- In July 2020, the Company and inHealth had signed an agreement to restructure the partnership. Key changes were reducing the outstanding convertible note to US\$2,500,000 by repayment of US\$500,000, extending the maturity date to 1 July 2021, and exchanging the option to move to 50.5% for the issuance of 1% of the fully diluted equity of inHealth.
- In July 2021 it was agreed to further extend the maturity date of the convertible note to 31 December 2021, and further agreed between the parties to forgive accrued interest up until 30 June 2020 totalling A\$338,373 in return for a further 1% of fully diluted equity of inHealth to Cardiex.
- In March 2022, the inHealth Note was extended to November 2023, incorporating all interest for the period 1 July 2021 to 28 February 2022 to the principal value of the inHealth Note totalling US\$2,875,317. Following the end of this term, the Note maturity was further extended to 31 May 2024.
- The Cardiex Board has commenced discussions with inHealth regarding its options following the extended maturity date of 31 May 2024. No extension has been formally set while these discussions are ongoing. It is currently expected that the Convertible Notes will be converted into equity with the transaction to be finalised in September 2024.
- As at 30 June 2024, the face value of the inHealth Note was A\$4,340,756 (US\$2,875,317) and A\$623,120 (US\$412,755) in interest had accrued, including A\$279k of interest income recognised in FY2024.
- At the balance date of 31 December 2023, the total convertible note asset was fair valued by an external expert at A\$4.47m (US\$3.05m (30 June 2023: A\$5.56m (US\$3.69m))). The external valuers use a Monte Carlo simulation to fair value the assets, and additional revenue multiple analysis to further support the equity value of InHealth used in the calculations.
- As at 30 June 2024, the Company holds 7.64% equity in inHealth Medical Services, Inc, currently valued at A\$370k (30 June 2023: A\$510k), based on an equity value of US\$3.31m, and is based on the valuation completed at 31 December 2023.
- The Company has commenced work with their external valuers and expects that adjustments will be made to the carrying value of the investment once this is completed, and appropriate adjustments and disclosures will be made in the Group's FY2024 Annual Report.

9. Trade and Other Payables

	2024	2023
	\$	\$
Trade creditors	3,303,336	6,592,028
Other payables	340,734	867,701
	<u>3,644,070</u>	<u>7,459,729</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the fiscal year and which are unpaid. Due to their short-term nature they are measured at amortized cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

10. Unearned Revenue

	2024	2023
	\$	\$
Advances received from clinical trial contracts	109,662	2,908,456
Unearned revenue from sales of goods	-	16,409
Unearned revenue from customer service contracts	199,691	116,768
	<u>309,353</u>	<u>3,041,633</u>

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The above unearned revenue relates to contracts where payments have been received, but revenue has not yet been recognised.

Accounting policy for unearned revenue

The above unearned revenue relates to contracts where payments have been received, but revenue has not yet been recognized due to the fact revenue recognition criteria under AASB 15 has not yet been met as goods and services have not yet been provided to the customers.

11. Financial Liabilities

	2024	2023
	\$	\$
Host contract debt liability	-	1,680,008
Derivative financial liability	-	495,786
Promissory note	2,347,751	-
	2,347,751	2,175,794

On 7 November 2023, Cardix entered into a Promissory Note with Wilson Sonsini Goodrich & Rosati, Professional Corporation for a principal sum of US\$1,500,000. This amount reflects the balance owing of US legal fees in relation to the US listing, post a credit received of US\$731,950 (A\$1,104,997). The Promissory Note attracts an interest rate of 5.5% and is repayable on the earliest of:

- a) 20 April 2025;
- b) the closing of debt financing or equity financing of Cardix after 1 January 2024, the gross proceeds of which equal or exceeds US\$6,000,000;
- c) the closing of a change of control transaction;
- d) the Company becomes cash flow positive and is in a position to make payment of the outstanding invoices;
- e) upon the occurrence of an event of default.

Subsequent to balance date the repayment terms have been renegotiated to the following:

- US\$250k before 31 January 2025.
- US\$250k before 31 July 2025.
- The final balance repayable by 31 October 2025.

Accounting policy for financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

12. Borrowings

	2024	2023
	\$	\$
CURRENT		
R&D loan facility	-	580,959
Working capital loan facility	880,000	880,000
	880,000	1,460,959

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Working capital loan facility

In December 2022, wholly owned subsidiary Atcor Medical Pty Ltd entered into a short-term working capital loan facility for up to \$880,000, to support product and development expansion initiatives. The facility attracts an interest rate of 1.33% per calendar month (16%p.a) and expires on 31 October 2024. A general security is held over the Company. As at 30 June 2024 the facility was fully drawn, with \$80,000 withheld for prepaid interest and establishment fees.

Accounting policy for borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

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About Cardiex

Cardiex develops technologies to enable humans to lead better, more productive, and longer lives. The Company's suite of products includes medical and home health devices and digital solutions for hypertension, cardiovascular disease, and other vascular health disorders - all based on the Company's market leading SphygmoCor® vascular biomarker technology. Cardiex is listed on the Australian Stock Exchange ("ASX:CDX").