CARDIEX LIMITED
AND CONTROLLED ENTITIES

ABN 81 113 252 234

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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CORPORATE DIRECTORY

DIRECTORS
Mr. Niall Cairns
Mr. Craig Cooper
Mr. King Nelson
Mr. Charlie Taylor

COMPANY SECRETARY
Ms. Louisa Ho

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STOCK EXCHANGE LISTING
Cardiex Limited's shares are listed on the Australian Securities Exchange (ASX code: CDX).

CHAIRMAN’S LETTER

My Fellow Shareholders,

On behalf of the Board of Cardiex Limited, I am pleased to present the Company’s Annual Report for the 2024 Financial Year (FY24).

As detailed in the following “Chief Executive Officers Report and Overview of Operations” we have continued to make significant progress in the financial performance of your company while also continuing to execute on the operating and strategic plan for the business. This included delivering record revenues in the FY24 year and positioning the company for the first revenues from the launch of CONNEQT Pulse and our suite of digital solutions.

During the financial year we also overcome significant challenges to complete the three-part $14 million capital raising and recommence trading on the ASX in February. This followed the Company’s withdrawal of its NASDAQ listing and subsequent voluntary suspension from ASX securities trading, whilst appropriate replacement capital was put in place to support the execution of our strategic plan and provide a path towards sustainable profitability.

Cardiex’s largest shareholder C2 Ventures, jointly owned by Craig Cooper and Niall Cairns, supported the placement, partially underwrote the Entitlement Offer, and have committed to provide a further $6 million under a Funding Commitment Agreement (FCA) for a total of $8.5 million of new investment. The FCA is being drawn down and will be fully invested by 31 December 2024 at which time it will be immediately converted into shares as per the shareholder approval received earlier this year.

With the requisite funding in place, a strong outlook for our traditional business and new products and regulatory clearances set to significantly expand our market opportunities in the short term, we are excited about the future and look forward to updating you on our progress in the coming year.

In closing, I would like to thank my fellow Board members for their support and guidance throughout the year, our employees for their hard work and dedication, and our loyal shareholders for the continuing support.

My best regards,

Niall Cairns
Executive Chairman
Cardiex Limited

CHIEF EXECUTIVE OFFICERS REPORT & OVERVIEW OF OPERATIONS

Dear Shareholders,

I'm pleased to report that Cardiex achieved record financial results for FY24, while advancing our pipeline of innovative products and forging strategic partnerships that position us for continued success in FY25. Looking forward, we are poised to leverage our industry-leading vascular biomarker technology to deliver transformative cardiovascular monitoring solutions across a broader range of healthcare markets.

One of the key highlights for the year was the strong financial performance of our ATCOR division, which saw group revenues and other income rise to a record $13.1 million (including $7.67 in revenue recorded upon the early conclusion and subsequent payment in full of the multi-year Clinichain clinical trial), up from $6.0 million in FY23. This growth is set to continue as we prepare to introduce innovative new solutions tailored to our core clinical, pharmaceutical, and healthcare markets.

Our leadership team has also been strengthened by key appointments, particularly within our sales, marketing, and pharmaceutical divisions. And we have also increased our direct and digital sales initiatives expanding our participation in major industry conferences and launching online demand generation campaigns targeting both existing and new clients. The growing interest we have seen from these initiatives has resulted in a material expansion of our pipeline of opportunities for deploying devices and services in large-scale clinical trials, providing much confidence in the continued growth for the ATCOR division in the years ahead.

A major focus of the year has been the launch of the CONNEQT Pulse, a world's-first arterial health monitor incorporating our market leading SphygmoCor technology. Initial shipments of the Pulse arrived in the U.S. and Australia in July 2024, post-period end. These units incorporate critical Over-the-Air (OTA) firmware upgrades, which are vital for improving the functionality, security, and user experience of the Pulse.

While the inclusion of OTA upgrades resulted in a delay to the Pulse's market launch, early user feedback has been overwhelmingly positive, affirming management's decision to ensure this feature was integrated prior to a full market launch. To further underscore the growing demand for the Pulse, as of September 30, 2024, our waitlist has surpassed 15,000 pre-registered customers. This strong interest has prompted us to significantly increase our initial production orders to ensure we can meet this high level of demand.

In addition, we have taken a more strategic marketing approach this year, developing partnerships to integrate the Pulse into broader health solutions. Notably, our collaboration with PhysioAge will integrate Pulse into their global health analytics platform, expanding our reach into the concierge and functional medicine markets. This partnership enhances the ability of physician's to deliver comprehensive health assessments and unique insights into cardiovascular health.

We also announced a partnership with Heartbeat Health in the U.S., a network of cardiologists that will enable the prescription of the Pulse to consumers through both clinical and our e-Commerce channels. This partnership ensures broader and more convenient access to our advanced cardiovascular monitoring tools, enabling better health management and proactive care.

By fostering such partnerships, we're opening new channels for the distribution and mass-market adoption of the Pulse. Initial shipments have undergone rigorous testing, and select pilot programs with key opinion leaders are underway. Feedback from these groups will help us refine the Pulse ahead of its full launch.

In addition to the Pulse, we're making great strides with the development of our wearable technology. In the final quarter of FY24, we initiated the first phase of a clinical validation study in collaboration with Macquarie University, comparing the Band's performance to our industry-standard XCEL device. This study is a key step in preparing for our FDA 510(k) submission of our wearable technology in Q1 FY25.

We are also pursuing multiple other regulatory clearances in the U.S. and other regions, including OTC (Over-the-Counter) clearance for the Pulse. Having completed our usability study for this submission, we're on track to file for additional clearance in Q2 FY25, with further regulatory filings planned in Australia, New Zealand, Europe, and the UK.

Protecting our intellectual property also remains a top priority. Subsequent to period end, the U.S. Patent and Trademark Office granted a key wearable patent (Patent #US12,029,5380), which protects our advanced method for converting photoplethysmography

(PPG) signals into high-fidelity central aortic pressure waveforms. This patent strengthens our position as a leader in wearable technology, and we remain committed to delivering cutting-edge solutions that drive better health outcomes.

As outlined in the Chairman's letter, our FY24 capital raise provided the financial flexibility needed to support the company's growth and operations. I extend my thanks to our new shareholders and to our existing shareholders for their continued support.

Looking ahead to FY25, we are well-positioned to build on the strong momentum of FY24. With the successful launch of the CONNEQT Pulse, FDA clearance of our wearable technology, and the continued strong performance of our pharmaceutical sales division, we are poised for significant growth. Our strategic partnerships and innovative product pipeline have created new opportunities across healthcare markets, and the overwhelming interest in our solutions affirms our vision. I am confident that FY25 will be a year of continued transformation and success as we work to bring our groundbreaking cardiovascular health technologies to an even wider global audience.

Thank you for your continued trust and support.

Sincerely,

Craig Cooper
Chief Executive Officer
Cardiex Limited

DIRECTOR'S REPORT

The Directors of Cardiex Limited (the "**Company"**) submit the financial report of the Company for the year ended 30 June 2024, which comprises the results of Cardiex Limited and the entities it controlled during the period (the **"Group"**).

Review of Operations

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 64% to $6,765,365, largely due to the increase in revenue as well as the following:

- A decrease of $698,195 (55%) 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 $1,951,641 (94%) 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 $786,388 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 $1,465,249 (12%) during the financial year, as follows:
    - Trade and other receivables decreased by 84% to $350,987 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.
    - Financial assets have decreased by 16% to $4,870,169, as a result of fair value movements of the inHealth convertible note investment.
- Liabilities and Current Liabilities decreased in the year, driven by:
    - A 48% decrease in trade and other payables to $3,890,519 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, Cardiex 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 $4,087,481, 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.

Please refer to the Chief Executive Officers Report and Overview of Operations operational update on page 4 for further information.

Principal Activities

During the year the principal continuing activities of the Group consisted of designing, manufacturing and marketing medical devices for use in cardiovascular health management.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after tax of $6,765,365 (2023: $18,886,936), had a net asset position of $4,087,481 (2023 net liability position: $748,405) and had net cash outflows from operating activities of $7,721,600 for the year ended 30 June 2024 (2023: $11,996,530).

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.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities and commitments in the normal course of business and at the amount stated in the financial report.

Following the withdrawal of the registration statement for a US IPO in September 2023, the Board, with the support of the Group's senior executive team and advisors, have been focused on alternative solutions to its capital raising to support its corporate strategy and which will provide enough funding and capital runway to allow the Company to both progress its new product launch initiative and execution of its overall business plan. During the 2024 financial year, the Group was successful in raising $4m by way of a Placement to institutional, family office, and sophisticated investors, and a further $4m from an Entitlement Offer. In November 2023, the Group also entered into a Funding Commitment Agreement with C2 Ventures Pty Ltd, a Company jointly owned by Directors Niall Cairns and Craig Cooper to provide total capital of $8.5m, including participation in the Placement and Entitlement Offer in February 2024. The remaining drawdowns of this facility are $3.75m and are expected to be received throughout the balance of the 2024 calendar year. A summary of key terms of the Funding Commitment Agreement are below:

- The Facility Limit is reduced by amounts advanced to, loaned to, owed by or received by the Company from C2V and related parties, including under the proposed Placement and Entitlement Offer.
- Cardiex may require C2V (or its nominee) to advance a loan under the loan facility at any time between the date of the Agreement and 31 December 2024 by giving notice to the C2V.
- Some or all of the outstanding moneys may be repaid by the Company by issuing securities to the C2V, such as under the proposed Placement and Entitlement Offer.
- Interest will accrue on the principal outstanding at 10% per annum during the period commencing on the date of the FCA and ending on, if shareholder approval is not obtained to convert loans into equity, the day of the shareholders meeting; and otherwise, the Maturity Date of 31 December 2025.
- The Company may at any time prepay all or part of the outstanding moneys without premium or penalty.
- If, after 31 December 2025 there are any outstanding moneys, the Company must repay the outstanding moneys at the request of the Lender, on at least 30 days' notice.

The Directors are of the opinion that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- Since the 30 June 2024 Balance date, $2.25m in drawdowns have been received from the Funding Commitment Agreement entered into with C2 Ventures, with the remaining $3.75m in drawdowns expected during the balance of the 2024 calendar year.
- Cardiex continues to conduct a strategic review to streamline its operations and continues to take measures to reduce cash outgoings for employee benefits, product development costs, and administration costs. There were significant costs incurred in FY2023 and FY2024 relating to the development and subsequent FDA clearance of the CONNEQT Pulse, the withdrawn US listing, and subsequent re-compliance with the ASX that have since been curtailed. This reduced cost base is evidenced from internal financial results received for the first quarter of FY2025.
- Sales from the CONNEQT Pulse device are expected in Q2 of FY2025, and our waitlist has surpassed 15,000 pre-registered customers.
- Cardiex recently received approval from AusIndustry for the inclusion of overseas software development costs in its R&D Tax Incentive claims for FY2024-FY2026 and is anticipating a refund of $1.4 million in Q2 of FY2025, a significant increase from prior year claims. This is secured against Cardiex's R&D funding facility with Mitchell Asset Management, and the Group may consider extending this facility against the following years R&D claim.
- There is currently a robust pipeline for deploying devices and services in large-scale clinical trials.
- The Group has a successful track record of being able to raise both equity and debt financing and are prepared to raise additional funds if required. Preliminary discussions have taken place with various debt funders and equity providers both in Australia and the US, which may be required to progress further should sales of the CONNEQT Pulse be lower than anticipated, or if there are delays to clinical trial cash flows.

The Directors are of the opinion that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated financial report as at 30 June 2024.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Dividends

No dividends were paid or declared by the Group since the end of the previous financial year and the Directors do not recommend dividends be paid for the year ended 30 June 2024.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Likely Developments and Expected Results of Operations

The Group will continue to focus on its core business strategy of developing and selling medical and home health care devices and digital solutions for hypertension, cardiovascular disease, and other vasuclar health disorders. The Groups is positioned to build on the strong momentum from FY24, with a key focus on the launch of the CONNEQT Pulse, and the performance of its pharmaceutical sales division.

Matters Subsequent to Year End

Subsequent to the balance date the Group announced the following material events:

- On 9 August 2024, the Group announced that it had entered into a new R&D Term Loan Facility of up to $1,120,000 with Mitchell Asset Management Pty Ltd ("MAM"), which will be advanced as a prepayment of forecast Research and Development Tax Incentives ("R&D Tax Incentive") that are anticipated to be receipted by the Company for the 30 June 2024 and 30 June 2025 financial years.
- On 17 September 2024, the Group formalised amended repayment terms for its promissory note held with Wilson Sonsini Goodrich & Rosati 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.

No other significant subsequent event has arisen that significantly affects the operations of the Group.

Directors

The following persons held office as Directors of Cardiex Limited at any time during or since the end of the financial year:

Mr. Niall Cairns – Executive Chairman and Director

Mr. Craig Cooper – Executive Director, Chief Executive Director

Mr. King Nelson – Non-Executive Director

Mr. Charlie Taylor – Non-Executive Director *(appointed 1 March 2024)*

Mr. Jarrod White – Executive Director *(resigned 26 September 2023)*

Ms. Lesa Musatto – Non-Executive Director *(resigned 18 October 2023)*

Company Secretary

Ms. Louisa Ho

Information on Directors

Mr. Niall Cairns
Executive Chairman and Director

Qualifications:	B.Ec, CA and FAICD
Appointed:	20 December 2017, appointed Chairman on 27 February 2019
Experience and expertise:	Mr. Cairns is a Sydney based technology growth company director and investor with over 25 years of track record of value creation, restructuring, and exits in both listed and unlisted companies. As a founding partner of Nanyang Ventures, Kestrel Capital and C2 Ventures, Niall has managed significant institutional and private capital, whilst raising capital for and driving the global growth of over 50 companies in sectors as diverse as Agtech, Medtech, digital and SaaS based businesses. These have included Tru-Test Corporation, Intrapower, Gale Pacific (AVCAL Award winner) and Australian Helicopters. Niall is currently the Non-Executive Chairman of Tambla Limited and the St Andrews College Foundation.
Other current directorships:	Kestrel Capital, Kestrel Growth Companies Limited, DTS Limited, Listing Logic Limited, Harri LLC, St Andrews College Foundation and Tambla Limited.
Former directorships (last 3 years):	Consolidated Financial Holdings Limited.
Special responsibilities:	• Chairman of the Board. • Chairman of the audit and risk committee. • Member of remuneration and nomination committee.

Mr. Craig Cooper
Executive Director, Chief Executive Officer

Qualifications:	B.Ec, LLB (Hons)
Appointed:	1 December 2017
Experience and expertise:	Mr. Cooper was appointed as Chief Executive Officer effective 1 December 2017. Mr Cooper has founded multiple successful health, digital media, technology, and wellness businesses – and was also the co-founder of the telecommunications company Boost Mobile - one of the leading mobile phone businesses in the USA. He is recognised as a global expert and thought leader in mobile and wireless technology as well as digital health and med-tech-related businesses. His venture capital funds have raised over A$1 billion in capital and have funded some of the most significant global digital media technology companies including Buzzfeed and The Huffington Post.
Other current directorships:	None.
Former directorships (last 3 years):	None.
Special responsibilities:	None.

Mr. King Nelson
Non-Executive Director

Qualifications:	BA, MBA
Appointed:	13 November 2015
Experience and expertise:	Mr. King was elected to the Board in November 2015. He brings more than 30 years of diverse experience and expertise with medical devices. He is a former President and CEO of Uptake Medical Corporation, a company focused on treatments for emphysema and lung cancer. Previously, he served as president and CEO of Kerberos Proximal Solutions, which was acquired by FoxHollow Technologies, and as president and CEO of VenPro, a heart valve business acquired by Medtronic. Both these companies specialised in devices for the cardiovascular system. Prior to that, he spent 19 years with Baxter International and American Hospital Supply Corporation in roles of increasing responsibility that included division president for Dade Diagnostics, Bentley Labs, and Baxter's Perfusion Services. King is also currently CEO of Q'Apel Medical – a medical device company focused on Neurovascular disease
Other current directorships:	None.
Former directorships (last 3 years):	Uptake Medical Corporation
Special responsibilities:	• Chairman of remuneration and nomination committee. • Member of audit and risk committee.

Mr. Charlie Taylor
Non-Executive Director

Qualifications:	EC, LLB, MPHIL Economics
Appointed:	1 March 2024
Experience and expertise:	Charlie has over 30 years' experience in international advisory firms, including as Senior Partner at McKinsey where he led the Health and Public Sector practices. He has advised many of Australia's private and public sector healthcare organisations and initiated multi-year research efforts on healthcare, Covid response, productivity and innovation. He has published research articles and reports on healthcare reform lessons from around the globe. Charlie is currently a Non-executive Director of Healius Limited, a board advisor at McKinsey for the Health and Public Sector practice, a member of the strategic advisory committee For Purpose Investment Partners and was recently appointed as Chair of the NSW Innovation and Productivity Commission. Charlie is the Honorary Federal Treasurer for the Liberal Party and a Board member on the Federal Executive. Charlie holds a Bachelor of Economics (First Class) and Laws (Hons) and a Masters in Philosophy Economics.
Other current directorships:	Healius Limited
Former directorships (last 3 years):	None.
Special responsibilities:	None.

Meetings of Directors

The number of meetings of the Group's Board of Directors and of each Board Committee held during the financial year ended 30 June 2024 and the number of meetings attended by each Director were:

	Directors Meetings	
Director	**Held Whilst in Office**	**Attended**
Niall Cairns	5	5
Craig Cooper	5	5
King Nelson	5	4
Charlie Taylor	1	1
Jarrod White	3	3
Lesa Musatto	4	3

Directors' Interests

Information on the Directors' and their associates' interests in shares and options of the Company at 30 June 2024 can be found in the Remuneration Report on page 19.

Shares Issued on the Exercise of Options

During the financial year ended 30 June 2024 no shares (2023: none) were issued to Directors on the exercise of options, see the Remuneration Report for more detail.

Risks and governance

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

a) Company specific risks

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.

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.

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.

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.
- (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.

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. 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.

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.

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.

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.

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.

b) Industry risks

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 noncompliance 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 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 Ac), 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.

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.

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.

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.

a) General risks

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.

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.

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.

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.
(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.

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.

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.

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.

Environmental Regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnity and Insurance of Directors and Officers

During the financial year the Group paid premiums in respect of a contract insuring Directors and Executives against a liability incurred in the ordinary course of business.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

A copy of the Corporate Governance Statement has not been disclosed within the Annual Report but is available on the website http://www.Cardiex.com in accordance with the ASX Listing Rule 4.10.3.

Declaration by Directors

Before it approved the Company's 2024 financial statements, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Non-audit Services

The Directors received the Auditor’s Independence Declaration under s.307 of the Corporations Act 2001, which is set out on page 24. The external auditor did not provide non-audit services to the Company during the year ended 30 June 2024.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of Cardiex Limited. The information in this report has been audited as required by Sect 308 of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board also refers to external surveys to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors are entitled to receive share options, following approval by the shareholders of Cardiex Limited.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool was increased to $500,000 at the 2021 shareholder meeting, excluding share-based payments that are subject to separate shareholder approval.

Executives

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Alignment to shareholders' interests:

- has Company growth as a core component of plan design;
- focuses on sustained long-term growth in shareholder wealth; and
- attracts and retains high caliber executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in Company value;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

Details of the nature and amount of each element of the emoluments of each Director of Cardiex Limited are set out below.

Directors

Names and positions held of key management personnel in office at any time during the financial year are:

Mr. Niall Cairns	Executive Director and Chairman
Mr. Craig Cooper	CEO and Executive Director
Mr. King Nelson	Non-executive Director
Mr. Charlie Taylor	Non-executive Director (appointed 1 March 2024)
Mr. Jarrod White	Executive Director (resigned 26 September 2023)
Ms. Lesa Musatto	Non-executive Director (resigned 18 October 2023)

Key Management Personnel Compensation

	Salary and directors fees	Share Based Payment Benefits	Total
	$	$	$
2024			
Niall Cairns	300,000	188,427	488,427
Craig Cooper	945,670	188,427	1,134,097
King Nelson	76,264	8,818	85,082
Charlie Taylor[1]	20,000	4,138	24,138
Jarrod White[2]	23,667	30,236	53,903
Lesa Musatto[3]	-	-	-
Total Compensation	**1,365,601**	**420,046**	**1,785,647**
2023			
Niall Cairns	300,000	706,996	1,006,996
Craig Cooper	772,175	706,996	1,479,171
King Nelson	74,247	41,405	115,652
Jarrod White	92,800	259,310	352,110
Lesa Musatto	-	36,212	36,212
Total Compensation	**1,239,222**	**1,750,919**	**2,990,141**

[1]Appointed 1 March 2024
[2] Resigned 26 September 2023
[3] Resigned 18 October 2023

Shares held by key management personnel and their associates

	Balance 01 July 2023	Additions	Balance 30 June 2024
Niall Cairns	26,634,394	35,560,998	62,195,392[4]
Craig Cooper	26,124,394	39,818,674	65,943,068[4]
King Nelson	15,385	-	15,385
Charlie Taylor	-	-	-
Jarrod White	1,028,880	-	1,028,880[5]
Lesa Musatto	-	-	-
Total	**53,803,053**	**75,379,672**	**129,182,725**

[4]A total of 59,448,630 shares held Mr Cairns and Mr Cooper are indirectly held by C2 Ventures, in which Mr Cairns and Mr Cooper are directors.

[5]Held at date of resignation.

	Balance 01 July 2022	Additions	Balance 30 June 2023
Niall Cairns	23,559,394	3,075,000	26,634,394[6]
Craig Cooper	23,099,394	3,025,000	26,124,394[6]
King Nelson	15,385	-	15,385
Jarrod White	576,551	452,329	1,028,880
Lesa Musatto	-	-	-
Total	**47,250,724**	**6,552,329**	**53,803,053**

[6]A total of 25,524,294 shares held Mr Cairns and Mr Cooper are indirectly held by C2 Ventures, in which Mr Cairns and Mr Cooper are directors.

Options held by key management personnel and their associates

	Balance 01 July 2023	Additions	Expired	Balance 30 June 2024
Niall Cairns	1,150,000	38,553,668	(1,150,000)	38,553,668[7]
Craig Cooper	1,150,000	39,772,892	(1,150,000)	39,772,892[7]
King Nelson	650,000	1,000,000	(150,000)	1,500,000
Charlie Taylor	-	1,000,000	-	1,000,000
Jarrod White	261,444	-	-	261,444[8]
Lesa Musatto	500,000	-	-	500,000[8]
Total	**3,711,444**	**80,326,560**	**(2,450,000)**	**81,588,004**

[7]Directors Mr. Cairns and Mr. Cooper hold 37,808,079 options indirectly through C2 Ventures Pty Limited, of which they are both directors.
[8]Held at date of resignation.

	Balance 01 July 2022	Additions	Expired	Balance 30 June 2023
Niall Cairns	150,000	1,000,000	-	1,150,000[9]
Craig Cooper	150,000	1,000,000	-	1,150,000[9]
King Nelson	150,000	500,000	-	650,000
Jarrod White	150,000	111,444	-	261,444
Lesa Musatto	-	500,000	-	500,000
Total	**600,000**	**3,111,444**	**-**	**3,711,444**

[9]Directors Mr. Cairns and Mr. Cooper hold 1,150,000 options indirectly through C2 Ventures Pty Limited, of which they are both directors.

Performance rights held by key management personnel and their associates

On 30 November 2022, shareholders approved the issue of performance rights to be issued to the Directors under the Company's Performance Rights and Option Plan. These performance rights total 6,750,000 and expire on 30 November 2027. The terms of the Director rights on issue are as follows:

Number of performance rights	Vesting conditions	Issue Date	Expiry Date
2,250,000	Vest upon the Company successfully achieving a Secondary Listing on a US exchange	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $10 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $20 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027

	Balance 01 July 2023	Additions	Expired	Balance 30 June 2024
Niall Cairns	9,800,000	-	(6,800,000)	3,000,000
Craig Cooper	9,800,000	-	(6,800,000)	3,000,000
King Nelson	350,000	-	(350,000)	-
Jarrod White	2,850,000	-	(2,100,000)	750,000[10]
Lesa Musatto	-	-	-	-
Total	**22,800,000**	**-**	**(16,050,000)**	**6,750,000**

[10]Held at date of resignation.

	Balance 01 July 2022	Additions	Expired	Balance 30 June 2023
Niall Cairns	6,800,000	3,000,000	-	9,800,000
Craig Cooper	6,800,000	3,000,000	-	9,800,000
King Nelson	350,000	-	-	350,000
Jarrod White	2,100,000	750,000	-	2,850,000
Lesa Musatto	-	-	-	-
Total	**16,050,000**	**6,750,000**	**-**	**22,800,000**

Employment Agreements

Remuneration and other terms of employment for the CEO and the other key management personnel are formalised in employment agreements. Each of these agreements provide for the provision of performance related cash bonuses, other benefits including health insurance and car allowances, and participation, when eligible, in the Cardiex Limited Employee Share Option Plan. Other major provisions of the agreements relating to remuneration are set out below. All contracts with executives may be terminated early by either party with variable notice periods, subject to termination payments as detailed below.

Craig Cooper – Chief Executive Officer

- Current agreement commenced on 1 September 2021.
- Base salary of US$420,000 per annum.
- Bonuses to be paid at discretion of the Group based on performance reviews. During the year, Mr Cooper received US$200,000 in bonuses.
- Reimbursement for reasonable expenses incurred in running the US business, paid on a monthly basis.

Niall Cairns – Executive Chairman and Director

- Current agreement commenced with an effective date of 1 September 2021.
- Monthly consulting fee for strategic review and consulting services of A$25,000 per month.
- Reimbursement for reasonable expenses incurred.

King Nelson – Non-Executive Director

- Current agreement commenced with an effective date of 13 November 2015.
- Base salary of US$50,000 per annum.
- During the year, Mr Nelson received 1,000,000 vested options.

Charlie Taylor – Non-Executive Director

- Current agreement commenced with an effective date of 1 March 2024.
- Base salary of A$60,000 per annum.
- During the year, Mr Taylor received 1,000,000 vested options.

Loans to Directors and Key Management Personnel

There were no loans made to directors or key management personnel of the Company and the Group during the period during the financial years ended 30 June 2024 and 2023 commencing at the beginning of the financial year and thereafter up to the date of this report.

Group Performance

	2024	2023	2022	2021	2020
Net loss after tax ($)	(6,765,365)	(18,886,936)	(11,809,634)	(5,180,098)	(3,320,427)
Basic loss per share (cents)	(3.4)	(14.5)	(11.5)	(5.9)	(4.6)
Diluted loss per share (cents)	(3.4)	(14.5)	(11.5)	(5.9)	(4.6)
Share price ($)	0.07	0.14	0.28	0.64	0.19
Dividends paid	-	-	-	-	-

This concludes the remuneration report.

Signed in accordance with a resolution of the Board of Directors, made pursuant to s298(2) of the Corporations Act 2001.

Niall Cairns

Executive Chairman

Sydney, 30 September 2024

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF CARDIEX LIMITED

As lead auditor of CardieX Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CardieX Limited and the entities it controlled during the period.

Tim Aman

Director

BDO Audit Pty Ltd

Sydney

30 September 2024

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

	Note	2024	2023
Revenue	2	$ 10,905,636	$ 4,604,284
Other income	3	2,183,955	1,411,884
Total revenue & other income		**13,089,591**	**6,016,168**
Expenses			
Cost of goods sold		(797,873)	(905,849)
Bad debts expense		(26,217)	10,513
Marketing and sales expense		(573,904)	(1,272,099)
Product development and regulatory expense		(2,489,589)	(3,908,272)
Occupancy expense		(313,791)	(293,467)
Employee benefits expense		(9,864,015)	(9,879,027)
Share based payments expense	4	(116,058)	(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		(786,388)	(159,904)
Total expenses		**(19,854,956)**	**(24,903,104)**
Net loss before income tax expense		**(6,765,365)**	**(18,886,936)**
Income tax expense	5	-	-
Net loss for the period		**$ (6,765,365)**	**$ (18,886,936)**
Other comprehensive loss for the period, net of tax – Exchange differences on translation to the presentation currency		(108,291)	(118,695)
Total comprehensive loss for the period attributable to the members of Cardiex Limited		**$ (6,873,656)**	**$ (19,005,631)**
Loss per share attributable to the members of Cardiex Limited:			
Basic loss per share (cents)	7	$ (3.4)	$ (14.5)
Diluted loss per share (cents)	7	$ (3.4)	$ (14.5)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 Jun 2024	30 Jun 2023
Assets			
Current assets			
Cash and cash equivalents	8	$ 481,429	$ 716,319
Trade and other receivables	9	350,987	2,239,241
Inventory	10	2,553,503	1,661,896
Financial assets	14	4,870,169	5,792,386
Other current assets	11	2,121,784	1,433,279
Total current assets		**10,377,872**	**11,843,121**
Non-current assets			
Property, plant and equipment	12	1,215,816	1,471,717
Intangible assets	13	619,701	633,048
Financial assets	14	392,854	510,167
Other non-current assets		43,551	78,636
Total non-current assets		**2,271,922**	**2,693,568**
Total assets		**$ 12,649,794**	**$ 14,536,689**
Liabilities			
Current liabilities			
Trade and other payables	15	$ 3,890,519	$ 7,459,729
Unearned revenue	16	309,353	3,041,633
Provisions	17	490,604	488,774
Financial liabilities	18	2,347,751	2,175,794
Lease liabilities	19	158,920	168,951
Borrowings	20	880,000	1,460,959
Total current liabilities		**$ 8,077,147**	**$ 14,795,840**
Non-current liabilities			
Provisions	17	8,976	6,158
Lease liabilities	19	476,190	483,096
Total non-current liabilities		**485,166**	**489,254**
Total liabilities		**$ 8,562,313**	**$ 15,285,094**
Net assets / net (liabilities)		**$ 4,087,481**	**$ (748,405)**
Contributed equity	21	$ 88,108,332	$ 76,615,802
Reserves	23	2,669,839	6,389,306
Accumulated losses		(86,690,690)	(83,753,513)
Total equity		**$ 4,087,481**	**$ (748,405)**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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

	Note	Contributed equity	Reserves	Accumulated losses	Total equity
Balance at 1 July 2022		**$ 67,552,468**	**$ 3,925,422**	**$ (64,866,577)**	**$ 6,611,313**
Loss after income tax expense for the period		-	-	(18,886,936)	(18,886,936)
Other comprehensive loss for the period, net of tax – *Exchange differences on translation to the presentation currency*		-	(118,695)	-	(118,695)
Total comprehensive loss for the period		**$ -**	**$ (118,695)**	**$ (18,886,936)**	**$ (19,005,631)**
Transactions with owners in their capacity as owners:					
Capital placement	21	9,913,412	-	-	9,913,412
Shares issued in lieu of payments to employees	21	35,000	-	-	35,000
Shares issued in lieu of payments to suppliers	21	89,715	-	-	89,715
Performance rights vesting expense	23(b)	-	1,666,546	-	1,666,546
Options vesting expense	23(a)	-	670,140	-	670,140
Options issuable for convertible notes	23(a)	-	75,996	-	75,996
Costs of issuing share capital	21	(974,793)	169,897	-	(804,896)
Balance at 30 June 2023		**$ 76,615,802**	**$ 6,389,306**	**$ (83,753,513)**	**$ (748,405)**
Loss after income tax expense for the period		-	-	(6,765,365)	(6,765,365)
Other comprehensive loss for the period, net of tax – *Exchange differences on translation to the presentation currency*		-	(108,291)	-	(108,291)
Total comprehensive loss for the period		**$**	**$ (108,291)**	**$ (6,765,365)**	**$ (6,873,656)**
Transactions with owners in their capacity as owners:					
Capital placement	21	8,000,000	-	-	8,000,000
Shares issues on conversion of convertible notes	21	3,620,000	-	-	3,620,000
Shares issued in lieu of payments to employees	21	97,642	-	-	97,642
Shares issued in lieu of payments to suppliers	21	157,299	-	-	157,299
Shares issued in lieu of payments for intangible assets	21	229,744	-	-	229,744
Performance rights vesting expense	23(b)	-	14,973	-	14,973
Options vesting expense	23(a)	-	101,086	-	101,086
Options issuable for convertible notes	23(a)	-	100,953	-	100,953
Costs of issuing share capital	21	(612,155)	-	-	(612,155)
Options/Rights expired		-	(3,828,188)	3,828,188	-
Balance at 30 June 2024		**$ 88,108,332**	**$ 2,669,839**	**$ (86,690,690)**	**$ 4,087,481**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note		30 Jun 2024		30 Jun 2023
Cash flows used in operating activities					
Receipts from customers		$	10,195,319	$	5,332,700
Payments to suppliers and employees			(19,174,796)		(18,416,625)
Cash receipts from other income			550,870		363,947
Receipt for Research and Development Tax Incentives			691,624		723,628
Interest received			15,383		-
Net cash used in operating activities	8	**$**	**(7,721,600)**	**$**	**(11,996,350)**
Cash flows used in investing activities					
Payments for property, plant and equipment			(118,413)		(57,703)
Payments for intangible assets			-		(22,573)
Net cash (used in)/from investing activities		**$**	**(118,413)**	**$**	**(80,276)**
Cash flows from financing activities					
Proceeds from shares issued	21		8,000,000		9,913,412
Share issue costs	21		(673,039)		(535,910)
Proceeds from issue of convertible debt	18		1,445,000		2,175,000
Borrowings received, net of transaction costs	20		-		800,000
Borrowings repaid	20		(728,922)		(724,923)
Convertible notes repaid	18		(220,215)		(66,778)
Lease principal repayments			(231,046)		(208,420)
Net cash from financing activities		**$**	**7,591,778**	**$**	**11,352,381**
Net (decrease) in cash and cash equivalents			**(248,235)**		**(724,245)**
Cash and cash equivalents at the beginning of the fiscal period			716,319		1,455,590
Effects of foreign currency exchange			13,345		(15,026)
Cash and cash equivalents at the end of the period	8	**$**	**481,429**	**$**	**716,319**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. MATERIAL ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Cardiex Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements and notes of Cardiex Limited as an individual parent entity ('Company') have not been presented within the financial report as permitted by the Corporations Act 2001. Cardiex Limited is a for-profit entity.

The financial statements were authorised for issue on 30 September 2024 by the directors of the Company.

BASIS OF PREPARATION

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are reported below. They have been consistently applied unless stated otherwise. All applicable new accounting standards have been adopted for the year ended 30 June 2024 unless otherwise stated and their adoption did not have a significant impact on the financial performance or position of the consolidated entity.

The financial report has been 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.

PRINCIPLES OF CONSOLIDATION

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

A list of controlled entities is contained in Note 25 to the financial statements. All controlled entities have a 30 June 2024 financial year-end for this current year.

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.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after tax of $6,765,365 (2023: $18,886,936), had a net asset position of $4,087,481 (2023 net liability position: $748,405) and had net cash outflows from operating activities of $7,721,600 for the year ended 30 June 2024 (2023: $11,996,530).

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:

- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) Consolidation in the healthcare industry may result in demands for price concessions or the exclusion of existing market participants from certain markets.

NOTE 1. MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

(xii) Inefficient management of growth and expansion, including cost-effective and timely scaling of operations.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities and commitments in the normal course of business and at the amount stated in the financial report.

Following the withdrawal of the registration statement for a US IPO in September 2023, the Board, with the support of the Group's senior executive team and advisors, have been focused on alternative solutions to its capital raising to support its corporate strategy and which will provide enough funding and capital runway to allow the Company to both progress its new product launch initiative and execution of its overall business plan. During the 2024 financial year, the Group was successful in raising $4m by way of a Placement to institutional, family office, and sophisticated investors, and a further $4m from an Entitlement Offer. In November 2023, the Group also entered into a Funding Commitment Agreement with C2 Ventures Pty Ltd, a Company jointly owned by Directors Niall Cairns and Craig Cooper to provide total capital of $8.5m, including participation in the Placement and Entitlement Offer in February 2024. The remaining drawdowns of this facility are $3.75m and are expected to be received throughout the balance of the 2024 calendar year. A summary of key terms of the Funding Commitment Agreement are below:

- The Facility Limit is reduced by amounts advanced to, loaned to, owed by or received by the Company from C2V and related parties, including under the proposed Placement and Entitlement Offer.
- Cardiex may require C2V (or its nominee) to advance a loan under the loan facility at any time between the date of the Agreement and 31 December 2024 by giving notice to the C2V.
- Some or all of the outstanding moneys may be repaid by the Company by issuing securities to the C2V, such as under the proposed Placement and Entitlement Offer.
- Interest will accrue on the principal outstanding at 10% per annum during the period commencing on the date of the FCA and ending on, if shareholder approval is not obtained to convert loans into equity, the day of the shareholders meeting; and otherwise, the Maturity Date of 31 December 2025.
- The Company may at any time prepay all or part of the outstanding moneys without premium or penalty.
- If, after 31 December 2025 there are any outstanding moneys, the Company must repay the outstanding moneys at the request of the Lender, on at least 30 days' notice.

The Directors are of the opinion that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- Since the 30 June 2024 Balance date, $2.25m in drawdowns have been received from the Funding Commitment Agreement entered into with C2 Ventures, with the remaining $3.75m in drawdowns expected during the balance of the 2024 calendar year.
- Cardiex continues to conduct a strategic review to streamline its operations and continues to take measures to reduce cash outgoings for employee benefits, product development costs, and administration costs. There were significant costs incurred in FY2023 and FY2024 relating to the development and subsequent FDA clearance of the CONNEQT Pulse, the withdrawn US listing, and subsequent re-compliance with the ASX that have since been curtailed. This reduced cost base is evidenced from internal financial results received for the first quarter of FY2025.
- Sales from the CONNEQT Pulse device are expected in Q2 of FY2025, and our waitlist has surpassed 15,000 pre-registered customers.
- Cardiex recently received approval from AusIndustry for the inclusion of overseas software development costs in its R&D Tax Incentive claims for FY2024-FY2026 and is anticipating a refund of $1.4 million in Q2 of FY2025, a significant increase from prior year claims. This is secured against Cardiex's R&D funding facility with Mitchell Asset Management, and the Group may consider extending this facility against the following years R&D claim.
- There is currently a robust pipeline for deploying devices and services in large-scale clinical trials.
- The Group has a successful track record of being able to raise both equity and debt financing and are prepared to raise additional funds if required. Preliminary discussions have taken place with various debt funders and equity providers both in Australia and the US, which may be required to progress further should sales of the CONNEQT Pulse be lower than anticipated, or if there are delays to clinical trial cash flows.

The Directors are of the opinion that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated financial report as at 30 June 2024.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTE 1. MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

FINANCIAL INSTRUMENTS

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 9, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Hybrid contracts

If a hybrid contract contains a host that is a financial asset, the policies applicable to financial assets are applied consistently to the entire contract.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

NOTE 1. MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Financial liabilities

The Group’s financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised 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 recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Cardiex Limited.

FOREIGN CURRENCY TRANSLATION

Functional currency

Items included in the financial statements of the Group’s operations are measured using the currency of the primary economic environment in which it operates (‘the functional currency’).

The functional currency of the Company and controlled entities registered in Australia is Australian dollars (AU$).

The functional currency of the AtCor Medical Inc and Conneqt Inc is United States dollars (US$).

The functional currency of Cardiex (Shanghai) Medical Technology Co., Ltd. Is Chinese Yuan (CNY).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

NOTE 1. MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Presentation currency

The financial statements are presented in Australian dollars, which is the Group's presentation currency.

Functional currency balances are translated into the presentation currency using the exchange rates at the balance sheet date. Value differences arising from movements in the exchange rate is recognised in the statement of comprehensive income.

Critical accounting estimates and judgements

The Group has operations in both the US and Australia; however, the functional currency is deemed to be Australian dollars as the Group is listed on the Australian stock exchange and the main operations are located in Australia.

Functional currency of AtCor Medical Inc. and Conneqt Inc.

In determining that United States dollar (US$) is the functional currency of AtCor Medical Inc. and Conneqt Inc., management have applied judgement to assess the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions in the entities. Management have considered the currency that mainly influences sales prices for goods and services and labour, material and other costs of providing goods or services.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 29.

OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. As disclosed in Note 27, the Group has one operating segment.

NEW, REVISED OR AMENDED ACCOUNTING STANDARDS ADOPTED

The Group has retrospectively adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for the year commencing 1 July 2023. There was no material impact on the group's financial statements on the adoption of these Standards and Interpretations.

Revised or amending Accounting Standards or Interpretations that are not yet mandatory for the year ended 30 June 2024 have not been early adopted.

OTHER SIGNIFICANT ACCOUNTING POLICIES

Other significant accounting policies for transactions and balances are disclosed throughout the notes to the consolidated financial statements.

NOTE 2. REVENUE

Revenue consists of the following:

		30 Jun 2024		30 Jun 2023
Sale of goods revenue	$	2,607,900	$	2,613,940
Lease revenue		8,004,682[1]		1,121,588
Service revenue		247,655		556,396
Freight revenue		45,399		206,934
Royalty income		-		105,426
	$	**10,905,636**	**$**	**4,604,284**

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

Accounting policy for revenue recognition

To determine whether to recognise revenue and what price, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group has identified the following revenue streams:

Sale of goods revenue

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the control is transferred to the customer and there is a valid sales contract. The transaction price is stipulated in the sales contract. Performance obligations after the transfer of control of the goods (such as after sales service) are measured and recorded separately, as detailed in *Other revenue* below. Amounts disclosed as revenue are net of sales returns and trade discounts.

Lease revenue

The Group earned lease income from both finance and operating lease of goods and continues to recognise related income in line with AASB 16 Leases. The Group recognises unearned revenue for lease income received in advance where the benefit from the use of the underlying asset has not been diminished. The unearned revenue is reported in the statement of financial position. Similarly, if the Group provides benefits from the underlying asset before it receives the consideration, the Group recognises either a contract lease asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

For operating leases, the lease income and interest in relation to the goods are recognised over time per the terms set in the contract with the customer.

For goods sold on a finance lease, income is recognised at the point of sale, which is where the customer has taken delivery of the goods, the control is transferred to the customer and there is a valid sales contract. Any associated interest income is recognised over the life of the lease in line with the terms set in the contract with the customer.

Cardiex leases multiple medical devices to customers as part of pharmaceutical trials. The amounts are paid over an accelerated term per the signed contract, and then revenue is recognised on a straight-line basis based on the amount of equipment delivered. The equipment is leased to the customer for approximately 2 years which is not considered to be a major part of the economic life of the asset. The equipment is returned to Cardiex at the end of the lease and the equipment can continue to be used without any major modification.

Service revenue

Service income is recognised over time in line with management's assessment of the performance obligations under each contract.

Freight revenue

Freight income is recognised when the control is transferred to the customer and there is a valid sales contract.

NOTE 2. REVENUE *(CONTINUED)*

Royalty income

Royalty income is recognised when entitled under royalty agreements.

NOTE 3. OTHER INCOME

Other income consists of the following:

		30 Jun 2024		30 Jun 2023
Research and development tax incentive scheme	$	1,357,061	$	722,971
Foreign exchange gains		5,813		67,310
Interest income		270,645		257,657
Grant and award income		527,356		140,424
Miscellaneous other income		23,080		223,522
	$	**2,183,955**	**$**	**1,411,884**

Accounting policy for research and development grant income

Research and development grant income is recognised when the Group is entitled to the research and development grant. The amount is treated as other income in the period in which the research and development costs were incurred.

NOTE 4. EXPENSES

Net loss before income tax expense includes the following specific expenses:

		30 Jun 2024		30 Jun 2023
Depreciation on plant and equipment	$	59,624	$	58,268
Depreciation on right of use assets		154,194		152,817
Amortisation of intangible assets		13,497		14,508
Share based payments		116,058		2,067,699

NOTE 5. INCOME TAX EXPENSE

Income tax expense consists of the following:

		30 Jun 2024		30 Jun 2023
Deferred tax expense	$	-	$	-
Current tax expense		-		-
Aggregate income tax expense	**$**	**-**	**$**	**-**

Effective tax rate reconciliation *(in thousands):*

		30 Jun 2024		30 Jun 2023
Loss before income tax expense	$	(6,765,365)	$	(18,886,936)
Tax at the statutory tax rate of 25% (2023: 25%)		(1,691,341)		(4,721,734)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Other non-allowable items		1,489,209		2,721,599
Items not assessable for taxation		(404,632)		(239,322)
Items deductible for taxation but not accounting		(452,542)		(441,468)
Differences in overseas tax rates		(78,952)		187,852
Benefit of tax losses and temporary differences not recognised		1,138,258		2,493,073
Income tax expense	**$**	**-**	**$**	**-**

NOTE 5. INCOME TAX EXPENSE *(CONTINUED)*

The Group has carried forward tax losses, calculated according to Australian income tax legislation of $67,381,568 (2023: $63,144,343) which will be deductible from future assessable income provided that income is derived, and:

a) The Company and its controlled entities carry on a business of, or a business that includes software development in Australia; and
b) No change in tax legislation adversely affects the Group and its controlled entities in realising the benefit from the deduction for the losses.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Deferred tax assets are estimated but not recognised at $16,845,392 at 30 June 2024 (2023: $15,786,086) so as to enable the Board to determine more reliably the probability of utilising these tax assets in the foreseeable future.

As at the date of this report the entities in the tax consolidation group had not entered into a tax sharing agreement. No compensation has been received or paid for any current tax payable or deferred tax assets relating to tax losses assumed by the parent entity since implementation of the tax consolidation regime.

Accounting policy for income tax

The income tax expense for the year comprises current income tax expenses and deferred tax expenses.

Current income tax expense charged to the profit or loss in the tax payable on taxable income for the current period. Current tax liabilities are measured as the amounts expected to be paid to the relevant tax authority using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Cardiex Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of July 1, 2005.

The head entity, Cardiex Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are only recognised to the extent that it is probably that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Critical accounting judgements, estimates and assumptions

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTE 6. AUDITOR REMUNERATION

	30 Jun 2024	30 Jun 2023
Remuneration of the auditor (BDO) of the Group for:		
Audit and review services for ASX and ASIC requirements for the financial year	$ 274,500	$ 60,000
Audit and review services in relation to the US IPO for the financial year (current and historical PCAOB audits)	80,000	460,000
Audit services for comfort and consent letters provided in relation to the US IPO	90,000	265,000
	444,500	**785,000**

NOTE 7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following information:

		30 Jun 2024		30 Jun 2023
Reconciliation of earnings used in calculating earnings per share				
Net loss after tax	$	(6,765,365)	$	(18,886,936)

	No. of shares	No. of shares
Weighted average number of ordinary shares[1]	**200,550,522**	**130,110,549**

Basic and diluted loss per share (cents)	**$**	**(3.4)**	**$**	**(14.5)**

[1]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. Refer to Note 23 for additional details in relation to the performance rights.

NOTE 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

		30 Jun 2024		30 Jun 2023
Cash at bank	$	481,429	$	716,319
	$	**481,429**	**$**	**716,319**

There are no restrictions or limitations on the use of cash and cash equivalents.

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.

Reconciliation of Cash Flow from Operations with net loss for the period:

		30 Jun 2024		30 Jun 2023
Net loss for the year	**$**	**(6,765,365)**	**$**	**(18,886,936)**
Depreciation and amortisation expense		227,315		225,593
Share based payments expense		116,058		2,067,699
Interest income on convertible notes		(255,262)		(257,657)
Unrealised foreign exchange difference		(5,813)		(67,310)
Interest expense		963,047		165,401
Fair value loss		786,388		159,904
Other non-cash expenses		484,685		97,988
Change in operating assets and liabilities				
(Increase)/decrease in trade and other receivables		1,199,749		(1,293,164)
(Increase) in inventories - net		(891,607)		(667,122)
(Decrease) / increase in trade and other payables		(3,569,210)		5,004,329
(Decrease) / increase in unearned revenue		(2,732,280)		2,164,321
Increase / (decrease) in provisions		4,648		(33,430)
Transfer of trade and other payables to financial liabilities		2,287,912		-
Transfer to property plant and equipment		428,135		(675,966)
Net cash outflow used in operating activities	**$**	**(7,721,600)**	**$**	**(11,996,350)**

NOTE 9. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of the following:

		30 Jun 2024		30 Jun 2023
Trade receivables	$	373,648	$	2,276,474
Less: Provision for impairment		(22,661)		(37,233)
	$	**350,987**	**$**	**2,239,241**

Provision for impairment:

		30 Jun 2024		30 Jun 2023
Balance at beginning of period	$	37,233	$	47,600
Provision for doubtful debts recognised during the year		18,447		2,446
Reversal of provision upon receipt of payment		-		(11,614)
Receivables written off during the year as uncollectible		(33,019)		(1,199)
Balance at end of period	**$**	**22,661**	**$**	**37,233**

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised 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 recognised by the Group (2023: $Nil). A specific provision of $22,661 (2023: $37,233) was recognised at each 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.

NOTE 10. INVENTORY

Inventories consisted of the following:

		30 Jun 2024		30 Jun 2023
Raw materials	$	1,531,730	$	775,102
Finished goods		1,021,773		886,794
Inventories	**$**	**2,553,503**	**$**	**1,661,896**

Accounting policy for inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Critical accounting judgements, estimates and assumptions

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

NOTE 11. OTHER CURRENT ASSETS

Other current assets consisted of the following:

		30 Jun 2024		30 Jun 2023
Prepaid expenses	$	686,560		665,267
Contract assets		-		6,735
Research and development tax incentive receivable (Note 3)		1,399,806		734,369
Deposits		35,418		26,908
	$	**2,121,784**	**$**	**1,433,279**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

		30 Jun 2024		30 Jun 2023
Manufacturing plant & equipment - at cost	$	477,097	$	474,710
Less: Accumulated depreciation		(370,687)		(356,640)
Manufacturing plant & equipment	**$**	**106,410**	**$**	**118,070**
Furniture, fixtures and equipment	$	580,801		566,025
Less: Accumulated depreciation		(293,520)		(248,107)
Furniture, fixtures and equipment	**$**	**287,281**	**$**	**317,918**
Devices leased to customers	$	855,681	$	854,907
Less: Accumulated depreciation		(548,977)		(337,047)
Devices leased to customers	**$**	**306,704**	**$**	**517,860**
Property under lease (right-of use asset)	$	1,051,900	$	900,417
Less: Accumulated depreciation		(536,479)		(382,548)
Property under lease (right-of use asset)	**$**	**515,421**	**$**	**517,869**
Property, plant and equipment	**$**	**1,215,816**	**$**	**1,471,717**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Movements:

	Manufacturing plant & equipment	Furniture, fixtures and equipment	Devices leased to customers	Property under lease (right-of use asset)	Total
Balance at 1 July 2022	**$ 1,744**	**$ 319,852**	**$ 80,181**	**$ 668,013**	**$ 1,069,790**
Additions	129,844	40,767	535,113	-	**705,724**
Foreign exchange differences	-	2,049	9,856	2,673	**14,578**
Disposals	-	-	-	-	**-**
Expenses to COGS	-	-	(107,290)	-	**(107,290)**
Depreciation expense	(13,518)	(44,750)	-	(152,817)	**(211,085)**
Balance at 30 June 2023	**$ 118,070**	**$ 317,918**	**$ 517,860**	**$ 517,869**	**$ 1,471,717**
Additions	2,387	14,607	-	152,846	**169,840**
Foreign exchange differences	-	333	2,658	(1,100)	**1,891**
Disposals	-	-	**-**	**-**	**-**
Expenses to COGS	-	-	(213,814)	-	**(213,814)**
Depreciation expense	(14,047)	(45,577)		(154,194)	**(213,818)**
Balance at 30 June 2024	**$ 106,410**	**$ 287,281**	**$ 306,704**	**$ 515,421**	**$ 1,215,816**

Accounting policy for property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Plant and equipment are depreciated over their estimated useful lives using the straight-line method.

The expected useful lives of the assets are as follows:

Manufacturing plant and equipment	3-10 years
Furniture, fixtures and equipment	3-5 years
Devices leased to customers	3-4 years
Lease improvements	Life of lease

The residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date or when there is an indication that they have changed.

A carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Right of Use Asset

The right-of-use asset is initially measured at cost, which comprised the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying or the site on which it is located, less any lease incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Critical accounting judgements, estimates and assumptions

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTE 13. INTANGIBLE ASSETS

Intangible assets consisted of the following:

	30 Jun 2024	30 Jun 2023
Capitalised development costs - at cost	$ 456,747	$ 456,747
Less: Accumulated amortisation of capitalised development costs	(90,909)	(90,909)
Website costs – at cost	73,746	73,680
Less: Accumulated amortisation of website costs	(73,226)	(59,813)
Other intangible assets - at cost	253,343	253,343
Less: Accumulated amortisation of other intangible assets	-	-
Intangible assets	**$ 619,701**	**$ 633,048**

	Capitalised development costs	Website costs	Other intangible assets	Total
Balance at 1 July 2022	**$ 293,357**	**$ 27,528**	**$ -**	**$ 320,885**
Additions	72,481	-	253,343	**325,824**
Foreign exchange differences	-	847	-	**847**
Disposals	-	-	-	**-**
Amortisation expense	-	(14,508)	-	**(14,508)**
Balance at 30 June 2023	**$ 365,838**	**$ 13,867**	**$ 253,343**	**$ 633,048**
Additions	-	-	-	**-**
Foreign exchange differences		150		**150**
Disposals				
Amortisation expense		(13,497)		**(13,497)**
Balance at 30 June 2024	**$ 365,838**	**$ 520**	**$ 253,343**	**$ 619,701**

Accounting policy for capitalised development costs

Development costs on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.

NOTE 13. INTANGIBLE ASSETS *(CONTINUED)*

The costs that are eligible for capitalisation of development costs are the following:

- Engineers' compensation for time directly attributable to developing the project.
- An allocated amount of direct costs, such as overhead related to the project and the facilities they occupy.
- Costs associated with testing of the product for market.
- Patents acquisition and registration costs (patents, application fees, and legal fees).
- Other direct developing costs that are incurred to bring the product to market.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. Development costs are amortised on a straight-line basis over the period of expected future sales from the related project which is 5 years. Amortisation is recorded in profit or loss.

Critical accounting judgements, estimates and assumptions

Capitalised development costs

The Group capitalises development costs for a project in accordance with the above accounting policy. Initial capitalisation of cost is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of the benefits.

Impairment of intangible assets

The Group assesses impairment of intangible assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions.

NOTE 14. FINANCIAL ASSETS

Financial assets consisted of the following:

		30 Jun 2024		30 Jun 2023
Current				
inHealth Medical Services convertible note (a)	$	4,870,169	$	5,558,069
Derivative financial asset (b)		-		234,317
		4,870,169		**5,792,386**
Non-current				
inHealth Medical Services investment (a)		392,854		510,167
	$	**392,854**	**$**	**510,167**
Total financial assets	**$**	**5,263,023**	**$**	**6,302,553**

(a) inHealth Medical Services investment & convertible note

- 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.

NOTE 14. FINANCIAL ASSETS *(CONTINUED)*

- As at 30 June 2024, the face value of the inHealth Note was A$4,340,757 (US$2,875,317) and A$599,465 (US$397,086) in interest had accrued, including A$255,262 of interest income recognised in FY2024.
- Prior to the balance date, the Cardiex Board had commenced discussions with inHealth regarding its options following the extended maturity date of 31 May 2024. No extension had been formally set while these discussions are ongoing. Since balance date and up until the date of this report, Caridex and InHealth have continued to negotiate terms in relation to converting the Notes to Preference Shares. Negotiations are expected to be completed shortly, and an announcement will be made once the transaction is completed.
- Due to the ongoing negotiations, the Convertible Note investments do not qualify for derecognition during the reporting period ended 30 June 2024 as the contractual cash flows from the financial asset have not expired and the entity has not transferred the asset.
- At the balance date of 30 June 2024, the total convertible note asset was fair valued by an external expert at A$4.87m (US$3.23m) (30 June 2023: A$5.56m (US$3.69m)). The external valuers used a Black-Scholes Calculation for Option-Pricing Model to value the proposed preference shares, based on conversion of current principal and interest. The fair value of the Notes at 30 June 2024 were subsequently deemed to be the lower of
    - The face value of the Notes plus interest, being A$4,940,222.
    - The present value of the proposed preference shares derived from the Black-Scholes Calculation for Option-Pricing Model, being A$4,870,169.

  A discounted cash flow valuation for InHealth was also prepared by the external valuers, as required for the inputs into the valuation and calculation of Cardiex's equity interest in InHealth.
- As at 30 June 2024, the Company holds 7.64% equity in inHealth Medical Services, Inc, currently valued at A$393k (30 June 2023: A$510k), based on an equity value of A$5.14m, (US$3.41m).

NOTE 15. TRADE AND OTHER PAYABLES

Trade and other payables consisted of the following:

	30 Jun 2024	30 Jun 2023
Trade payables	$ 3,529,785	$ 6,592,028
Other payables	360,734	867,701
	$ 3,890,519	**$ 7,459,729**

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 amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 16. UNEARNED REVENUE

Unearned revenue consisted of the following:

	30 June 2024	30 June 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
	$ 309,353	**$ 3,041,633**

Accounting policy for unearned revenue

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

NOTE 17. PROVISIONS

Provisions consisted of the following:

		30 Jun 2024		30 Jun 2023
Current				
Employee benefits	$	490,604	$	488,774
		490,604		**488,774**
Non-current				
Employee benefits		8,976		6,158
	$	**8,976**	**$**	**6,158**
Total provisions	**$**	**499,580**	**$**	**494,932**

Accounting policy for employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

The Group's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

NOTE 18. FINANCIAL LIABILITIES

Financial liabilities consisted of the following:

		30 Jun 2024		30 Jun 2023
Convertible note liabilities				
Host contract debt liability (a)	$	-	$	1,680,008
Derivative financial liability (a)	$	-	$	495,786
Promissory Note (b)	$	2,347,751	$	-
	$	**2,347,751**	**$**	**2,175,794**

(a) Convertible note liabilities

In June 2023, the Company established a Convertible Note Facility, of which $1,500,000 had been received in Convertible Note subscriptions and $2,120,000 received in Converting Note subscriptions. Key terms of the Convertible Note Facility were:

- 10% interest rate.
- Conversion (subject to shareholder approval):
    - Convertible Notes convert at the holder's option.
    - Converting Notes convert at the Company's option, at the next capital raising (Australia or another jurisdiction) of A$5,000,000 or more.
- Conversion Pricing:
    - The higher of the Floor Price (being the lower of $0.30 and the price of any capital raising prior to conversion); and
    - A 20% discount to the 20-day VWAP at conversion.

NOTE 18. FINANCIAL LIABILITIES *(CONTNIUED)*

- Option coverage (subject to shareholder approval):
  - Convertible Notes: 1 option (exercise price of $0.45) for every $2 invested.
  - Converting Notes: 2 options (exercise price of $0.45) for every $1 invested.
- Maturity date:
  - Convertible Notes: 15 July 2024 (unless the holder elects to extend maturity on the same terms as the Converting Notes.
  - Converting Notes: 15 July 2025.The holder may also elect to redeem these Notes at any time after 15 January 2025.

the conversion terms listed above were satisfied upon completion of the capital raising in February 2024, and 45,250,000 ordinary shares were issued to settle all Converting Note and Convertible Note subscriptions. Outstanding interest of $220k was repaid to the Noteholders in cash.

(b) Promissory note

On 7 November 2023, Cardiex 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 Cardiex 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 convertible notes

For the Convertible Notes, the conversion feature results in the conversion of a fixed amount of stated principal into a variable number of shares, as such it fails the ‘fixed for fixed’ criterion and, therefore, classified as financial liability. The value of the liability component and the derivative financial liability were determined at the date the instrument was issued.

The fair value of the derivative financial liability at inception was calculated using a variation of the binomial option pricing model that takes into account factors specific to the convertible note agreements. As the derivative is recognised at fair value through profit or loss, a revaluation occurs at a modification date or at a reporting date.

The fair value of the host debt component at inception was calculated as the residual value after deducting the value of the derivative financial liability and costs from the face value of the convertible notes. They are subsequently measured at amortised cost using the effective interest method.

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).

NOTE 19. LEASE LIABILITIES

Lease liabilities consisted of the following:

	30 Jun 2024	30 Jun 2023
Current	$ 158,920	$ 168,951
Non-current	476,190	483,096
	$ 635,110	**$ 652,047**

Net present value of lease liabilities:

	Less than 6 months	6 to 12 months	Between 1 and 5 years	Total
Lease payments	$ 108,324	118,210	546,356	**772,890**
Finance charges	(36,350)	(31,263)	(70,167)	**(137,780)**
	$ 71,974	**86,947**	**476,189**	**635,110**

Accounting policy for lease liabilities

Where a lease is identified at inception, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the ignition amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is location, less any leased incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined at leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTE 20. BORROWINGS

Borrowings includes the following liabilities carried at amortised cost:

	30 Jun 2024	30 Jun 2023
R&D loan facility	$ -	$ 580,959
Working capital loan facility	$ 880,000	$ 880,000
	$ 880,000	**$ 1,460,959**

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). The expiry of the facility was initially 30 October 2023, and subsequently extended to 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 recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

NOTE 21. CONTRIBUTED EQUITY

Contributed equity consisted of the following:

	30 Jun 2024			30 Jun 2023		
	Shares (No)		$	Shares (No)		$
Ordinary shares	294,174,568	$	88,108,332	143,465,521	$	76,615,802
	294,174,568	**$**	**88,108,332**	**143,465,521**	**$**	**76,615,802**

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares, warrants or options are shown in equity as a deduction, net of tax, from the proceeds.

Movements in ordinary shares:

	Shares (No)	$
Balance as at 1 July 2022	**110,003,700**	**67,552,468**
Ordinary shares issued on equity capital raise	27,734,710	8,320,412
Ordinary shares issued as a result of a share purchase plan	5,310,061	1,593,000
Shares issued in lieu of payments to suppliers	299,052	89,715
Shares issued in lieu of payments to employees	117,998	35,000
Cost of raising capital	-	(974,793)
Balance as at 30 June 2023	**143,465,521**	**76,615,802**
Ordinary shares issued on equity capital raise	100,000,004	8,000,000
Ordinary shares issued on conversion of convertible notes	45,250,000	3,620,000
Shares issued in lieu of payments to suppliers	1,366,724	157,299
Shares issued in lieu of payments to employees	1,220,516	97,642
Shares issued in lieu of payments for intangible assets	2,871,803	229,744
Cost of raising capital	-	(612,155)
Balance as at 30 June 2024	**294,174,568**	**88,108,332**

Terms and conditions of contributed equity

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Accounting policy for ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 22. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

Capital managed by the Board comprises contributed equity totaling $88.1 million (2023: $76.6 million). When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Managed capital is disclosed on the face of the statement of financial position and comprises contributed equity and reserves. Management may adjust the capital structure to take advantage of favorable costs of capital or higher returns on assets. As the market is constantly changing, management may issue new shares or sell assets to raise cash, change the amount of dividends to be paid to shareholders (if at all) or return capital to shareholders.

During the fiscal period ending 30 June 2024 management did not pay a dividend and does not expect to pay a dividend in the foreseeable future. The Group encourages employees to be shareholders through the Cardiex Employee Share Option Plan (ESOP).

NOTE 22. CAPITAL AND FINANCIAL RISK MANAGEMENT *(CONTINUED)*

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (primarily currency risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange risk and aging analysis for credit risk.

Financial risk management is carried out by the Chief Financial Officer (CFO) and overseen by the Audit & Risk Committee, a subcommittee of the Board of Directors.

(a) Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency, which is Australian Dollars. The risk is measured using sensitivity analysis and cash flow forecasting. The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the US Dollar and the Euro.

The Group's exposure to foreign currency exchange risk at the reporting date was at follows:

	30 June 2024		30 June 2023	
	In USD	**In EUR**	**In USD**	**In EUR**
Cash and Cash Equivalents	44,668	90,511	25,816	55,184
Trade Receivables	202,275	25,621	1,388,969	44,610
Trade Payables	(1,367,873)	(8,252)	(3,404,735)	(9,038)

Sensitivity

Based on the financial instruments held at 30 June 2024, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's pre-tax result for the year would have varied by $169,223/($153,839) (2023: $300,143/($272,858)). Had the Australian dollar weakened/strengthened by 10% against the Euro with all other variables held constant, the Group's pre-tax result for the year would have varied by $(17,411)/$15,828 (2023: $(22,407)/$5,946).

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk. For banks and financial institutions, only independently rated and reputable parties are accepted. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Terms of trade provided to creditworthy customers are between 30 and 90 days, whilst customers deemed higher risk arrange a letter of credit or prepay for goods. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. Refer to Note 9 for additional information in relation to the expected credit loss (ECL) from trade receivables.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group does not have any significant long-term borrowings other than lease liabilities (Note 19).

(d) Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value risk.

NOTE 22. CAPITAL AND FINANCIAL RISK MANAGEMENT *(CONTINUED)*

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities approximates their carrying values.

NOTE 23. RESERVES

Reserves consisted of the following:

		30 Jun 2024		30 Jun 2023
Share-based payments reserve	$	2,260,543	$	5,871,719
Foreign currency translation reserve		409,296		517,587
	$	**2,669,839**	**$**	**6,389,306**

Share-based payments reserve

The share based-payments reserve records the fair value of options and performance rights on issue.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Derivative reserve

The derivative reserve records the issue date value of the derivative financial instruments recognised in equity.

Movements in reserves were as follows:

		Share-based payments reserve	Foreign currency translation reserve	Derivative reserve	Total
		$	$	$	$
Balance at 1 July 2022		**3,289,140**	**636,282**	**-**	**3,925,422**
Performance rights vesting expense	23(b)	1,666,546	-	-	1,666,546
Options vesting expense	23(a)	670,140	-	-	670,140
Options issuable for convertible notes	23(a)	75,996			75,996
Options issued to brokers	23(a)	169,897			169,897
Other comprehensive loss		-	(118,695)	-	(118,695)
Balance at 30 June 2023		**5,871,719**	**517,587**	**-**	**6,389,306**
Performance rights vesting expense	23(b)	14,973	-	-	14,973
Options vesting expense	23(a)	101,086	-	-	101,086
Options issuable for convertible notes	23(a)	100,953	-	-	100,953
Options issued to brokers	23(a)	-	-	-	
Expiry of options and performance rights		(3,828,188)	-	-	(3,828,188)
Other comprehensive loss		-	(108,291)	-	(108,291)
Balance at 30 June 2024		**2,260,543**	**409,296**	**-**	**2,669,839**

NOTE 23. RESERVES *(CONTINUED)*

Share-based payments reserve

(a) Options issued as share based payments

Options on issue

	30 Jun 2024		30 Jun 2023	
	No of Options	**$**	**No of Options**	**$**
At the beginning of reporting period	24,866,499	2,210,913	6,580,000	1,294,880
Free attaching options (1 for 3) as attaching to placement	76,416,851	-	4,811,122	-
Free attaching options (1 for 2) as attaching to placement	-	-	6,740,689	-
Options issued to brokers and consultants	-	-	2,909,688	438,884
Options issued to Directors	2,000,000	-	1,000,000	-
Options issued to employees	-	-	2,825,000	-
Options issuable for convertible notes	4,990,000	100,953		75,996
Options vesting expense		101,086	-	401,153
Expired and lapsed options	(13,381,811)	(540,012)		
Closing balance at reporting date	**94,891,539**	**1,872,940**	**24,866,499**	**2,210,913**

Employee Share Option Plan (ESOP)

The current Cardiex Employee Option Plan was approved by shareholders at the 2023 annual general meeting. All staff are eligible to participate in the plan at the discretion of the directors (including executive directors) following recommendations from the remuneration committee, a sub-committee of the Cardiex Limited Board of Directors.

Options are granted under the plan for no consideration. Options are granted for a 5-year period, with vesting conditions over 3 years from the date of grant. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into 1 ordinary share.

The exercise price of options is no less than the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

Set out below are summaries of options granted under the employee share option plan.

2024:

Grant Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at end of the year	Exercisable at end of the year
			Number	**Number**	**Number**	**Number**	**Number**	**Number**
15-Jan-19	15-Jan-24	$0.50	1,530,000	-	-	(1,530,000)	-	-
26-Feb-19	26-Feb-24	$0.50	300,000	-	-	(300,000)	-	-
15-Feb-21	15-Feb-26	$0.80	2,925,000	-	-	-	2,925,000	2,925,000
15-Feb-21	15-Feb-26	$0.50	400,000	-	-	-	400,000	400,000
11-Jun-21	11-Jun-26	$0.80	125,000	-	-	-	125,000	125,000
30-Jun-22	30-Jun-27	$0.80	1,300,000	-	-	-	1,300,000	966,667
16-Dec-22	16-Dec-27	$0.50	1,000,000	-	-	-	1,000,000	500,000
30-Jun-23	30-Jun-28	$0.50	1,825,000	-	-	-	1,825,000	787,500
Total			**9,405,000**	**-**	**-**	**(1,830,000)**	**7,575,000**	**5,704,167**
Weighted average exercise price ($)			0.64	-	-	0.50	0.67	0.71

NOTE 23. RESERVES *(CONTINUED)*

2023:

Grant Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired/ Forfeited during the year	Balance at end of the year	Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
15-Jan-19	15-Jan-24	$0.50	1,530,000	-	-	-	1,530,000	1,530,000
26-Feb-19	26-Feb-24	$0.50	300,000	-	-	-	300,000	300,000
15-Feb-21	15-Feb-26	$0.80	2,925,000	-	-	-	2,925,000	2,193,750
15-Feb-21	15-Feb-26	$0.50	400,000	-	-	-	400,000	300,000
11-Jun-21	11-Jun-26	$0.80	125,000	-	-	-	125,000	83,333
30-Jun-22	30-Jun-27	$0.80	1,300,000	-	-	-	1,300,000	533,333
16-Dec-22	16-Dec-27	$0.50	-	1,000,000	-	-	1,000,000	166,667
30-Jun-23	30-Jun-28	$0.50	-	1,825,000	-	-	1,825,000	179,167
Total			**6,580,000**	**2,825,000**	**-**	**-**	**9,405,000**	**5,286,250**
Weighted average exercise price ($)			0.70	0.50	-	-	0.64	0.66

The fair value at grant date is determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No employee options were granted during the year ended 30 June 2024.

The model inputs for options granted during the year ended 30 June 2023 included:

Grant Date	Number issued	Exercise price	Term	Share price at grant date	Share price volatility	Expected dividend yield	Risk-free interest rate
16 December 2022	1,000,000	$0.50	5 years	$0.31	77%	0.00%	3.42%
30 June 2023	1,825,000	$0.50	5 years	$0.16	75%	0.00%	3.79%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(b) Performance rights

Performance rights on issue

	30 Jun 2024		30 Jun 2023	
	No of Rights	$	No of Rights	$
At the beginning of reporting period	22,800,000	3,660,806	16,050,000	1,994,260
Issued under Performance Rights Plan	-	-	6,750,000	-
Rights expired during the year	(16,050,000)	-	-	-
Rights vesting expense during the year	-	14,973	-	1,666,546
Transfer to retained earnings	-	(3,288,176)	-	-
Closing balance at reporting date	**6,750,000**	**387,603**	**22,800,000**	**3,660,806**

NOTE 23. RESERVES *(CONTINUED)*

Details of performance rights relating to Directors that were issued with shareholder approval on 16 December 2022 under the Company's Performance Rights and Options Plan are as follows:

Number of performance rights	Vesting conditions	Issue Date	Expiry Date
2,250,000	Vest upon the Company successfully achieving a Secondary Listing on a US exchange	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $10 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $20 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027

(c) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

		30 Jun 2024		30 Jun 2023
Rights issued under Option and Performance Rights Plan	$	14,973	$	1,666,546
Options issued under Employee Share Option Plan		92,810		401,153
	$	**107,783**	**$**	**2,067,699**

Accounting policy for share-based payments

Options issues have their fair value determined with reference to an approved valuation methodology, such as the Black-Scholes valuation method. On issue, the fair value of an option is taken to the profit or loss and other comprehensive income as equity settled compensation, with a corresponding credit to the options reserve. This is then disclosed as other comprehensive income in the Statement of Comprehensive Income to show other net profit position of the Group from a third party perspective. Shares have their value determined using the direct method of share price at date of issue multiplied by the number of shares issued.

Critical Accounting Judgements. Estimates and Assumptions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 24. FAIR VALUE MEASUREMENT

Fair value measurement hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

NOTE 24. FAIR VALUE MEASUREMENT *(CONTINUED)*

2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Convertible notes	-	-	4,870,169	**4,870,169**
Shares at FVTPL	-	-	392,854	**392,854**
Total Assets	**-**	**-**	**5,263,023**	**5,263,023**
Liabilities				
Promissory note	-	-	2,347,751	**2,347,751**
Total Liabilities	**-**	**-**	**2,347,751**	**2,347,751**

2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Convertible notes	-	-	5,558,069	**5,558,069**
Derivative financial assets			234,317	**234,317**
Shares at FVTPL	-	-	510,167	**510,167**
Total Assets	**-**	**-**	**6,302,553**	**6,302,553**
Liabilities				
Convertible notes	-	-	2,175,794	**2,175,794**
Total Liabilities	**-**	**-**	**2,175,794**	**2,175,794**

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables are assumed to approximate their fair value due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities are the current market interest rate that is available for similar financial liabilities.

The following valuation techniques are used for instruments categorised in Level 3:

- Convertible notes (Level 3) – The Group's holding of convertible notes issued by Blumio and inHealth are classified as loans held at FVTPL. The Group obtained a third-party valuation of inHealth for the years ended 30 June 2022, and 30 June 2023, which used a Monte Carlo Simulation to value the assets.
- Derivative financial assets (Level 3) – the embedded derivative of the Converting Subscriptions are valued as a put option using the Binomial Method.
- Shares in inHealth (Level 3) – The fair value of this investment was also determined from the third party valuation that was obtained.

	Shares in inHealth $	inHealth convertible note $	Total $
Balance at 1 July 2022	**648,461**	**5,431,848**	**6,080,309**
Interest income	-	256,188	256,188
Foreign exchange adjustment	-	125,960	125,960
Fair value adjustment	(138,294)	(255,927)	(394,221)
Balance at 30 June 2023	**510,167**	**5,558,069**	**6,068,236**
Interest income	-	255,262	255,262
Foreign exchange adjustment	11,993	(24,611)	(12,618)
Fair value adjustment	(129,306)	(918,551)	(1,047,857)
Balance at 30 June 2024	**392,854**	**4,870,169**	**5,263,023**

NOTE 24. FAIR VALUE MEASUREMENT *(CONTINUED)*

Critical estimates and judgements

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

NOTE 25. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements include the financial statements of Cardiex Limited and the following subsidiaries:

Name	Country of incorporation	Beneficial interest (%)*	
		30 Jun 2024	30 Jun 2023
AtCor Medical Pty Limited	Australia	100	100
AtCor Medical Inc	USA	100	100
Cardiex (Shanghai) Medical Technology Co., Ltd.	China	100	100
Conneqt Inc	USA	100	100

**Percentage of voting power is in proportion to ownership.*

NOTE 25. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Key Management Personnel Compensation

	Salary and directors fees	Share Based Payment Benefits	Total
	$	$	$
2024			
Niall Cairns	300,000	188,427	488,427
Craig Cooper	945,670	188,427	1,134,097
King Nelson	76,264	8,818	85,082
Charlie Taylor[1]	20,000	4,138	24,138
Jarrod White[2]	23,667	30,236	53,903
Lesa Musatto[3]	-	-	-
Total Compensation	**1,365,601**	**420,046**	**1,785,647**
2023			
Niall Cairns	300,000	706,996	1,006,996
Craig Cooper	772,175	706,996	1,479,171
King Nelson	74,247	41,405	115,652
Jarrod White	92,800	259,310	352,110
Lesa Musatto	-	36,212	36,212
Total Compensation	**1,239,222**	**1,750,919**	**2,990,141**

[1]Appointed 1 March 2024
[2] Resigned 26 September 2023
[3] Resigned 18 October 2023

Shares held by key management personnel and their associates

	Balance 01 July 2023	Additions	Balance 30 June 2024
Niall Cairns	26,634,394	35,560,998	62,195,392[4]
Craig Cooper	26,124,394	39,818,674	65,943,068[4]
King Nelson	15,385	-	15,385
Charlie Taylor	-	-	-
Jarrod White	1,028,880	-	1,028,880[5]
Lesa Musatto	-	-	-
Total	**53,803,053**	**75,379,672**	**129,182,725**

[4]A total of 59,448,630 shares held Mr Cairns and Mr Cooper are indirectly held by C2 Ventures, in which Mr Cairns and Mr Cooper are directors.
[5]Held at date of resignation.

NOTE 25. RELATED PARTY TRANSACTIONS *(CONTINUED)*

	Balance 01 July 2022	Additions	Balance 30 June 2023
Niall Cairns	23,559,394	3,075,000	26,634,394[6]
Craig Cooper	23,099,394	3,025,000	26,124,394[6]
King Nelson	15,385	-	15,385
Jarrod White	576,551	452,329	1,028,880
Lesa Musatto	-	-	-
Total	**47,250,724**	**6,552,329**	**53,803,053**

[6]A total of 25,524,294 shares held Mr Cairns and Mr Cooper are indirectly held by C2 Ventures, in which Mr Cairns and Mr Cooper are directors.

Options held by key management personnel and their associates

	Balance 01 July 2023	Additions	Expired	Balance 30 June 2024
Niall Cairns	1,150,000	38,553,668	(1,150,000)	38,553,668[7]
Craig Cooper	1,150,000	39,772,892	(1,150,000)	39,772,892[7]
King Nelson	650,000	1,000,000	(150,000)	1,500,000
Charlie Taylor	-	1,000,000	-	1,000,000
Jarrod White	261,444	-	-	261,444[8]
Lesa Musatto	500,000	-	-	500,000[8]
Total	**3,711,444**	**80,326,560**	**(2,450,000)**	**81,588,004**

[7]Directors Mr. Cairns and Mr. Cooper hold 37,808,079 options indirectly through C2 Ventures Pty Limited, of which they are both directors.
[8]Held at date of resignation.

	Balance 01 July 2022	Additions	Expired	Balance 30 June 2023
Niall Cairns	150,000	1,000,000	-	1,150,000[9]
Craig Cooper	150,000	1,000,000	-	1,150,000[9]
King Nelson	150,000	500,000	-	650,000
Jarrod White	150,000	111,444	-	261,444
Lesa Musatto	-	500,000	-	500,000
Total	**600,000**	**3,111,444**	**-**	**3,711,444**

[9]Directors Mr. Cairns and Mr. Cooper hold 1,150,000 options indirectly through C2 Ventures Pty Limited, of which they are both directors.

NOTE 25. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Performance rights held by key management personnel and their associates

On 30 November 2022, shareholders approved the issue of performance rights to be issued to the Directors under the Company's Performance Rights and Option Plan. These performance rights total 6,750,000 and expire on 30 November 2027. The terms of the Director rights on issue are as follows:

Number of performance rights	Vesting conditions	Issue Date	Expiry Date
2,250,000	Vest upon the Company successfully achieving a Secondary Listing on a US exchange	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $10 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027
2,250,000	Vest upon the Company achieving an audited $20 million in Revenue from third parties in any financial year prior to the expiry date	16/12/2022	30/11/2027

	Balance 01 July 2023	Additions	Expired	Balance 30 June 2024
Niall Cairns	9,800,000	-	(6,800,000)	3,000,000
Craig Cooper	9,800,000	-	(6,800,000)	3,000,000
King Nelson	350,000	-	(350,000)	-
Jarrod White	2,850,000	-	(2,100,000)	750,000[10]
Lesa Musatto	-	-	-	-
Total	**22,800,000**	**-**	**(16,050,000)**	**6,750,000**

[10]Held at date of resignation.

	Balance 01 July 2022	Additions	Expired	Balance 30 June 2023
Niall Cairns	6,800,000	3,000,000	-	9,800,000
Craig Cooper	6,800,000	3,000,000	-	9,800,000
King Nelson	350,000	-	-	350,000
Jarrod White	2,100,000	750,000	-	2,850,000
Lesa Musatto	-	-	-	-
Total	**16,050,000**	**6,750,000**	**-**	**22,800,000**

Employment Agreements

Remuneration and other terms of employment for the CEO and the other key management personnel are formalised in employment agreements. Each of these agreements provide for the provision of performance related cash bonuses, other benefits including health insurance and car allowances, and participation, when eligible, in the Cardiex Limited Employee Share Option Plan. Other major provisions of the agreements relating to remuneration are set out below. All contracts with executives may be terminated early by either party with variable notice periods, subject to termination payments as detailed below.

Craig Cooper – Chief Executive Officer

- Current agreement commenced on 1 September 2021.
- Base salary of US$420,000 per annum.
- Bonuses to be paid at discretion of the Group based on performance reviews. During the year, Mr Cooper received US$200,000 in bonuses.
- Reimbursement for reasonable expenses incurred in running the US business, paid on a monthly basis.

NOTE 25. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Niall Cairns – Executive Chairman and Director

- Current agreement commenced with an effective date of 1 September 2021.
- Monthly consulting fee for strategic review and consulting services of A$25,000 per month.
- Reimbursement for reasonable expenses incurred.

King Nelson – Non-Executive Director

- Current agreement commenced with an effective date of 13 November 2015.
- Base salary of US$50,000 per annum.
- During the year, Mr Nelson received 1,000,000 vested options.

Charlie Taylor – Non-Executive Director

- Current agreement commenced with an effective date of 1 March 2024.
- Base salary of A$60,000 per annum.
- During the year, Mr Taylor received 1,000,000 vested options.

Loans to Directors and Key Management Personnel

There were no loans made to directors or key management personnel of the Company and the Group during the period during the financial years ended 30 June 2024 and 2023 commencing at the beginning of the financial year and thereafter up to the date of this report.

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance date the Group announced the following material events:

- On 9 August 2024, the Group announced that it had entered into a new R&D Term Loan Facility of up to $1,120,000 with Mitchell Asset Management Pty Ltd ("MAM"), which will be advanced as a prepayment of forecast Research and Development Tax Incentives ("R&D Tax Incentive") that are anticipated to be receipted by the Company for the 30 June 2024 and 30 June 2025 financial years.
- On 17 September 2024, the Group formalised amended repayment terms for its promissory note held with Wilson Sonsini Goodrich & Rosati 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.

No other significant subsequent event has arisen that significantly affects the operations of the Group.

NOTE 27. OPERATING SEGMENTS

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

Note 2 contains detailed information in relation to the Consolidate Group's product and services.

Geographically, the Group prepares information based on the location of its customers, being:

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

NOTE 27. OPERATING SEGMENTS *(CONTINUED)*

Geographical information:

2024	Americas	Europe	Asia Pacific	Inter-segment eliminations/ unallocated	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	-	1,627,201	-	2,183,955
Total segment revenue/income	10,785,696	340,725	3,925,866	(1,962,696)	13,089,591
Segment loss before income tax	2,067,958	97,311	(8,619,348)	(311,286)	(6,765,365)
Income tax expense					-
Loss for the year					(6,765,365)
Segment assets	13,439,418	-	82,290,150	(83,079,774)	12,649,794
Segment liabilities	42,744,792	-	63,992,028	(98,174,507)	8,562,313

2023	Americas	Europe	Asia Pacific	Inter-segment eliminations/ unallocated	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 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

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. The group transfer inventory and finished goods between its group companies. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

Segment revenue

During the 2024 financial year, $7,669,307 in revenue was recognised upon the early conclusion and subsequent payment in full of the multi-year Clinichain clinical trial.

There was no significant concentration of revenue attributable to one customer in the 2023 financial year.

NOTE 27. OPERATING SEGMENTS *(CONTINUED)*

Disaggregation of revenue

2024	Americas	Europe	Asia Pacific	Consolidated
	$	$	$	$
Sale of goods	1,959,979	330,780	317,141	2,607,900
Lease revenue	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	-	1,627,201	2,183,955
Total revenue/income	10,785,696	340,725	1,963,170	13,089,591

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

NOTE 28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group has no other material contingent liabilities or contingent assets as at 30 June 2024 (30 June 2023: $Nil).

NOTE 29. PARENT ENTITY INFORMATION

		30 Jun 2024		30 Jun 2023
Current assets	$	6,390,040	$	6,621,208
Total assets	**$**	**44,505,274**	**$**	**41,941,591**
Current liabilities		4,229,849		6,889,119
Total liabilities	**$**	**8,124,576**	**$**	**13,820,675**
Net Assets	**$**	**36,380,698**	**$**	**28,120,916**
Contributed equity	$	94,565,622	$	83,073,092
Reserves		2,260,543		5,871,718
Accumulated losses		(60,445,467)		(60,823,894)
Total shareholders' equity	**$**	**36,380,698**	**$**	**28,120,916**
Loss of the parent entity	**$**	**(3,449,761)**	**$**	**(6,908,608)**
Total comprehensive loss of the parent entity	**$**	**(3,449,761)**	**$**	**(6,908,608)**

Guarantees entered into by the parent entity

No guarantees have been entered into by the parent entity during FY2024 or FY2023.

NOTE 29. PARENT ENTITY INFORMATION *(CONTINUED)*

Commitments and contingent liabilities of the parent entity

See Note 28 for details on contingent liabilities of the parent entity.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Trustee in a Trust, Partner in a Partnership or a participant in a Joint Venture	Place formed / Country of incorporation	Ownership interest %	Tax residency
Cardiex Limited	Body corporate	N/A	Australia	-	Australia
Atcor Medical Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia
AtCor Medical Inc	Body corporate	N/A	USA	100.00%	USA
Cardiex (Shanghai) Medical Technology Co., Ltd.	Body corporate	N/A	China	100.00%	China
Conneqt Inc	Body corporate	N/A	USA	100.00%	USA

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 25 to 61, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Consolidated Group.
2. The information disclosed in the consolidated entity disclosure statement on page 62 is true and correct.
3. the Company has included in note 1 to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;
4. the Directors have been given the declaration required by Section 295A of the Corporations Act from the Chief Executive Officer for the financial year ended 30 June 2024;
5. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
6. the remuneration disclosures included on pages 19 to 23 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 30 June 2024, comply with section 300A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Niall Cairns
Executive Chairman
Sydney, 30 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of CardieX Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CardieX Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter - Investments in convertible notes and shares	How the matter was addressed in our audit
The Group carries investments in convertible notes and shares, classified at fair value through profit and loss, totalling $5,263,023 as at 30 June 2024 (30 June 2023: $6,068,236), as disclosed in Note 14 to the financial statements. The financial assets at fair value through profit and loss is a key audit matter due to: • The significance of the total balance; • The complexities involved in determining the accounting treatment under Australian Accounting Standards; and • The determination of the fair value of the convertible notes and shares involves significant judgement on the valuation methodology and the inputs and assumptions applied by management.	We challenged management in respect of the appropriateness of the carrying value of the investments as financial assets at fair value through profit and loss. Our procedures included, amongst others: • Obtaining from management a schedule of investments in convertible notes and shares held by the Group and vouching these to supporting documentation; • Reviewing the accounting treatment applied to the investments with reference to reports from management's external experts and assessing the key judgements applied; • Obtaining a copy of the external valuation report and in conjunction with internal experts, evaluating the appropriateness of the valuation methodology applied, including an assessment of the significant inputs applied by management in the valuation models; and • Reviewing management's assessment of the movements in fair value of the convertible notes and shares, ensuring that all gains and losses have been treated and disclosed appropriately.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of CardieX Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 30 September 2024

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below.

Distribution Schedule of Equity Securities as at 27 September 2024

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	392	204,152	0.07%
above 1,000 up to and including 5,000	660	1,786,430	0.61%
above 5,000 up to and including 10,000	321	2,458,546	0.84%
above 10,000 up to and including 100,000	671	24,086,910	8.19%
above 100,000	269	265,638,530	90.30%
Totals	**2,313**	**294,174,568**	**100.00%**

There is a total of 294,174,568 fully paid ordinary shares on issue, all of which are listed on the ASX.

Voting Rights

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Unmarketable parcels

There were 1,261 shareholders holding less than a marketable parcel totaling 3,370,200 shares as at 27 September 2024, which is less than a marketable parcel of shares in Cardiex at $0.059 per share. Under the ASX Listing Rules, any shareholding values at less than $500 is considered to be un unmarketable parcel.

Top 20 Holdings as at 27 September 2024

Holder Name	**Balance at 27 September 2024**	**%**
C2 VENTURES PTY LIMITED	59,448,630	20.21%
MR JOHN CHARLES PLUMMER	17,843,316	6.07%
MR DARRYL PATTERSON & MRS MARGARET STEWART PATTERSON	10,267,877	3.49%
CITICORP NOMINEES PTY LIMITED	10,256,094	3.49%
TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	8,650,000	2.94%
MR PAUL COZZI	7,266,821	2.47%
MS KRISTA O'SULLIVAN	7,005,000	2.38%
MR CRAIG COOPER & MRS MARIA COOPER	6,494,438	2.21%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,276,858	2.13%
CRAVE CAPITAL PTY LTD	6,250,000	2.12%
UBS NOMINEES PTY LTD	4,874,685	1.66%
DIXSON TRUST PTY LTD	4,229,423	1.44%
MR PAUL JOSEPH COZZI	3,997,000	1.36%
BRAIDWOOD - WHITE PTY LTD <THE BRAIDWOOD-WHITE A/C>	3,517,815	1.20%
MR PAUL ALEXANDER EHRLICH & MRS LAUREN STACEY EHRLICH <PAE & LSE SUPER FUND A/C>	3,488,250	1.19%
SR MILJKOVIC SUPER PTY LTD <SR MILJKOVIC S/F A/C>	3,475,332	1.18%
ALIANDA OAKS PTY LTD <RESOURCE SURVEYS INVEST A/C>	3,250,000	1.10%
MR LAWRENCE WING MING HO & MRS YING HO <L&Y FAMILY SUPER FUND A/C>	3,125,000	1.06%
ANGELO SKLAVOS	2,860,000	0.97%

SCINTILLA STRATEGIC INVESTMENTS LIMITED	2,000,000	0.68%
Total	**174,576,539**	**59.34%**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Holder Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
C2 VENTURES PTY LIMITED	59,448,630	20.21%
MR JOHN CHARLES PLUMMER	17,843,316	6.07%

Restricted Securities

The Company has no securities which are Restricted Securities as at 27 September 2024.

Utilisation of Cash for Business objectives

The Company confirm that it has used cash and cash equivalents held at the time of listing in a way consistent with stated business objectives.

Company Secretary:

Louisa Ho

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