



## Appendix 4E Preliminary Final Report For the Year Ended 30 June 2019

The following information must be given to ASX under listing rule 4.3A.

ABN: 81 113 252 234

### 1. Reporting Period

Year ended (reporting period) 30 June 2019  
Year ended (previous reporting period) 30 June 2018

### 2. Results for Announcement to the Market

|   | 30 June 2019 | 30 June 2018 | Movement | Movement % |
|---|--------------|--------------|----------|------------|
| Revenue from ordinary activities                                | 3,907,093    | 4,006,091    | (98,998) | (2)        |
| Loss from ordinary activities after tax attributable to members | (2,979,278)  | (2,961,225)  | (18,053) | (1)        |
| Net loss attributable to members                                | (2,979,278)  | (2,961,225)  | (18,053) | (1)        |

The Group has not proposed to pay dividends in the previous or current reporting period.

The results for the year to 30 June 2019 (FY19) were in line with both expectations and the prior year (FY18) at both the revenue and the Net Loss level, as well as net assets.

There were a number of significant movements in the make up of the revenue, net loss and balance sheet that show a strengthening of the financial position of the company largely due to:

- Revenue in the Americas increased by 4% to \$2,933,712 driven by a strong performance for the Pharmaceutical division. This was offset by lower revenues in Europe and the Asia Pacific, leading to an overall 2% fall in revenue;
- Business operating expenses were reduced significantly, though total expenses were steady. The major changes including:
  - Non-Cash Share based payments expense increasing significantly (>\$860,000 increase) to \$864,714 due to the issue of Performance rights and options to Key Management Personnel to align KMP and shareholder interests. All securities issued vest subject to tenure or performance conditions.
  - The management transition and the strategic refocus of the business has led to a reduction in sales and marketing expense that is offset by higher management and administration expense
  - Foreign exchange gains of \$152,558 primarily due to favourable treasury decisions of the company in managing USD funds.



FY19 has delivered a significantly enhanced Balance Sheet, with total assets and liabilities and Net Assets all increasing significantly.

As at 30 June 2019 CardieX's Net Assets increased to \$6,950,350.

The major changes have been due to capital raisings and the accounting for the investments in Blumio Inc and InHealth Medical Services Inc. (InHealth) as follows:

- Financial assets include the investment in Blumio Inc (US\$600,000 convertible note) and InHealth (shares – US\$250,000 for 7.7%; and subscribed US\$3,000,000 in Convertible Notes, convertible into shares of 33.3%);
- Cash of \$4,980,829 (includes \$3,350,920 held to fully fund the inHealth Medical convertible note);
- Financial liabilities include the \$3,350,920 of cash above held at balance date prior to fully funding the CardieX InHealth convertible note. The inHealth convertible note is treated as being wholly issued by InHealth at 30 June 2019. The face value of the note is being paid in instalments to better manage InHealth working capital needs;
- During the year, the Company raised \$2.5m by way of issuing 2.5m convertible notes at \$1 per note to C2 Ventures. The Notes are fully convertible to ORD shares at \$0.03 per share, with 6% interest payable on the outstanding face value. At 30 June 2019, the outstanding Convertible Note of \$0.9m (following \$1.6m having been converted to ORD shares during the year) was presented under Non-Current Financial Liabilities.
- The Group applied AASB 16 for the first time in FY2019, resulting in \$370,387 of Right of Use assets and \$403,725 in lease liabilities being recognised at 30 June 2019.



### 3. Consolidated Statement of Comprehensive Income

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2019

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Sales revenue  | 3,907,093          | 4,006,091          |
| Other revenue  | 154,998            | 16,463             |
|  | <u>4,062,091</u>   | <u>4,022,554</u>   |
| Other income   | 831,957            | 418,368            |
| <b>Total income</b>  | <u>4,894,048</u>   | <u>4,440,922</u>   |
| Cost of sales  | (804,401)          | (881,770)          |
| Bad debts expense  | (32,705)           | (133,308)          |
| Inventory impairment expense   | (55,792)           | (58,572)           |
| Marketing and sales expense  | (2,144,126)        | (2,433,348)        |
| Product development and regulatory expense   | (1,476,796)        | (1,543,420)        |
| Occupancy expense  | (296,087)          | (216,528)          |
| Administration expense   | (2,135,301)        | (1,712,510)        |
| Share based payments   | (864,714)          | (4,466)            |
| Depreciation   | (116,515)          | (61,174)           |
| Interest expense   | (99,447)           | (15,348)           |
| Foreign exchange gain/(loss)   | 152,558            | (341,703)          |
| <b>Loss before income tax expense</b>  | <u>(2,979,278)</u> | <u>(2,961,225)</u> |
| Income tax expense   | -                  | -                  |
| <b>Loss attributable to members of the parent entity</b>   | <u>(2,979,278)</u> | <u>(2,961,225)</u> |
| <b>Other comprehensive income</b>  |                    |                    |
| Items that will be reclassified subsequently to profit or loss when specific conditions are met: |                    |                    |
| Exchange differences on translating foreign operations   | (35,917)           | 423,940            |
| <b>Total comprehensive loss for the period</b>   | <u>(3,015,195)</u> | <u>(2,537,285)</u> |
| Basic loss per share (cents)   | (0.5)              | (1.0)              |
| Diluted loss per share (cents)   | (0.5)              | (1.0)              |



4. Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

|                                      | 2019              | 2018             |
|--------------------------------------|-------------------|------------------|
|                                      | \$                | \$               |
| <b>ASSETS</b>                        |                   |                  |
| <b>CURRENT ASSETS</b>                |                   |                  |
| Cash and cash equivalents            | 4,980,826         | 2,736,517        |
| Trade and other receivables          | 1,014,967         | 1,113,219        |
| Inventory                            | 218,930           | 490,362          |
| Other                                | 741,751           | 1,774,152        |
| <b>TOTAL CURRENT ASSETS</b>          | <u>6,956,474</u>  | <u>6,114,250</u> |
| <b>NON-CURRENT ASSETS</b>            |                   |                  |
| Property, plant and equipment        | 657,534           | 97,079           |
| Financial assets                     | 5,597,966         | 202,578          |
| <b>TOTAL NON-CURRENT ASSETS</b>      | <u>6,255,500</u>  | <u>299,657</u>   |
| <b>TOTAL ASSETS</b>                  | <u>13,211,974</u> | <u>6,413,907</u> |
| <b>LIABILITIES</b>                   |                   |                  |
| <b>CURRENT LIABILITIES</b>           |                   |                  |
| Trade and other payables             | 498,448           | 986,724          |
| Unearned income                      | 861,884           | 188,503          |
| Provisions                           | 346,119           | 409,203          |
| Financial liabilities                | 3,350,920         | -                |
| Borrowings                           | -                 | 185,000          |
| <b>TOTAL CURRENT LIABILITIES</b>     | <u>5,057,371</u>  | <u>1,769,430</u> |
| <b>NON-CURRENT LIABILITIES</b>       |                   |                  |
| Provisions                           | 21,741            | 48,264           |
| Financial liabilities                | 1,181,927         | -                |
| <b>TOTAL NON-CURRENT LIABILITIES</b> | <u>1,203,668</u>  | <u>48,264</u>    |
| <b>TOTAL LIABILITIES</b>             | <u>6,261,039</u>  | <u>1,817,694</u> |
| <b>NET ASSETS</b>                    | <u>6,950,935</u>  | <u>4,596,213</u> |
| <b>EQUITY</b>                        |                   |                  |
| Contributed equity                   | 51,500,876        | 46,832,833       |
| Reserves                             | 1,613,332         | 1,571,498        |
| Accumulated losses                   | (46,163,273)      | (43,808,118)     |
| <b>TOTAL EQUITY</b>                  | <u>6,950,935</u>  | <u>4,596,213</u> |



5. Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

|   | 2019                    | 2018                    |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |                         |                         |
| Receipts from customers                                   | 4,646,020               | 4,316,651               |
| Payments to suppliers and employees                       | (7,267,464)             | (6,959,455)             |
|   | <u>(2,621,444)</u>      | <u>(2,642,804)</u>      |
| Other income  | 185,239                 | 603,369                 |
| Interest received   | 2,624                   | 16,463                  |
| Interest paid   | -                       | (15,348)                |
| <b>Net cash used in operating activities</b>              | <u>(2,433,581)</u>      | <u>(2,038,320)</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |                         |                         |
| Payments to acquire property, plant and equipment         | (155,986)               | (4,916)                 |
| Payments for convertible notes                            | (1,916,386)             | (202,578)               |
| <b>Net cash used in investing activities</b>              | <u>(2,072,372)</u>      | <u>(207,494)</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                         |                         |
| Net proceeds from shares issued                           | 4,502,199               | 4,834,825               |
| Share issue costs   | (251,937)               | (530,796)               |
| Net proceeds from convertible notes                       | 2,500,000               | -                       |
| <b>Net cash provided by financing activities</b>          | <u>6,750,262</u>        | <u>4,304,029</u>        |
| <b>Net increase in cash held</b>                          | <b>2,244,309</b>        | <b>2,058,215</b>        |
| Cash and cash equivalents at beginning of financial year  | 2,736,517               | 677,917                 |
| Effects of foreign currency exchange                      | -                       | 385                     |
| <b>Cash and cash equivalents at end of financial year</b> | <u><b>4,980,826</b></u> | <u><b>2,736,517</b></u> |



6. Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2019

|  | Shares on<br>Issue | Reserves         | Accumulated<br>losses | Total            |
|--|--------------------|------------------|-----------------------|------------------|
|  | \$                 | \$               | \$                    | \$               |
| <b>Balance at 1 July 2017</b>  | 41,126,573         | 2,327,448        | (42,125,535)          | 1,328,486        |
| <b>Loss for the year</b>   | -                  | -                | (2,961,225)           | (2,961,225)      |
| Other comprehensive income   | -                  | 423,940          | -                     | 423,940          |
| <b>Total comprehensive income for the year</b>                       | -                  | 423,940          | (2,961,225)           | (2,537,285)      |
| <b>Transactions with equity holders in their capacity as owners.</b> |                    |                  |                       |                  |
| Capital placement  | 6,237,056          | -                | -                     | 6,237,056        |
| Share issue costs  | (530,796)          | -                | -                     | (530,796)        |
| Options issued   | -                  | 98,752           | -                     | 98,752           |
| Options expired  | -                  | (1,278,642)      | 1,278,642             | -                |
|  | 5,706,260          | (1,179,890)      | 1,278,642             | 5,805,012        |
| <b>Balance at 30 June 2018</b>                                       | <b>46,832,833</b>  | <b>1,571,498</b> | <b>(43,808,118)</b>   | <b>4,596,213</b> |
| <b>Balance at 1 July 2018</b>  | <b>46,832,833</b>  | <b>1,571,498</b> | <b>(43,808,118)</b>   | <b>4,596,213</b> |
| <b>Loss for the year</b>   | -                  | -                | (2,979,278)           | (2,979,278)      |
| Other comprehensive loss   | -                  | (35,917)         | -                     | (35,917)         |
| <b>Total comprehensive loss for the year</b>                         | -                  | (35,917)         | (2,979,278)           | (3,015,195)      |
| <b>Transactions with equity holders in their capacity as owners.</b> |                    |                  |                       |                  |
| Capital placement  | 3,002,200          | -                | -                     | 3,002,200        |
| Shares issued on conversion of convertible notes                     | 1,630,779          | -                | -                     | 1,630,779        |
| Share issue costs  | (251,936)          | -                | -                     | (\$251,936)      |
| Share based payments   | -                  | 864,714          | -                     | 864,714          |
| Options issued   | -                  | -                | -                     | -                |
| Options exercised / expired  | 287,000            | (911,123)        | 624,123               | -                |
| Convertible notes issued   | -                  | 124,160          | -                     | 124,160          |
| <b>Balance at 30 June 2019</b>                                       | <b>51,500,876</b>  | <b>1,613,332</b> | <b>(46,163,273)</b>   | <b>6,950,935</b> |



**7. Dividends (in the case of a trust, distributions)**

|  |     |
|--|-----|
| Date dividend is payable   | N/A |
| <sup>+</sup> Record date to determine entitlements to the dividend | N/A |
| If it is a final dividend, has it been declared?                   | N/A |

**Amount per security**

|                                       | Amount per security | Franked amount per security at 30% tax (see note 4) | Amount per security of foreign source dividend |
|---------------------------------------|---------------------|---|--|
| <b>Final dividend:</b> Current year   | NIL                 | N/A   | N/A  |
| <b>Interim dividend:</b> Current year | NIL                 | N/A   | N/A  |

**Total dividend (distribution) per security (interim plus final)**

|                       | Current period | Previous Period |
|-----------------------|----------------|-----------------|
| Ordinary securities   | N/A            | N/A             |
| Preference securities | N/A            | N/A             |

**8. Dividend or distribution plans in operation**

|     |
|-----|
| N/A |
|-----|

|  |     |
|--|-----|
| The last date(s) for receipt of election notices for the <sup>+</sup> dividend or distribution plans | N/A |
|--|-----|

**9. Net tangible assets per security**

|   | 30 June 2019<br>Cents per share | 30 June 2018<br>Cents per share |
|---|---------------------------------|---------------------------------|
| Net tangible asset backing per ordinary share | 1                               | 0.9                             |

The Group has not proposed to pay dividends in the previous or current reporting period. There is no dividend reinvestment plan.



**10. Control gained or lost over entities**

The Group has not gained or lost control over any entities in the reporting period.

**11. Details of associates and joint venture entities**

The Group has no associates or joint ventures.

**12. Significant information**

Please refer to Item 2 above with regard to information of the Group's performance.

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

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

**14. Review of activities and results**

Please refer to Item 2 above with regard to information of the Group's performance.

**15. Compliance statement**

This report is based on accounts to which one of the following applies.

*(Tick one)*

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

**16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

The report is based upon the accounts which are in the process of being audited, and it is unlikely that there will be any dispute or qualification.

**16. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

N/A



## Compliance statement

The information provided in this report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. It also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A handwritten signature in blue ink, appearing to read "Jarrod White", is written over a horizontal line.

**Jarrod White**  
Company Secretary | Chief Financial Officer

**30 August 2019**  
Sydney

For more information please contact:

### Investor Relations

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### About CardieX

CardieX is a global health technology company that develops digital and device based solutions for large-scale population health disorders. The Company's XCEL device is the world leader in measuring "central blood pressure" which is considered essential for the management of hypertension and related cardiovascular disorders. CardieX also has a joint venture partnership with Blumio, Inc in Silicon Valley for the development of a radar-based blood pressure sensor incorporating CardieX technology. In November 2018 CardieX entered into an agreement with inHealth Medical, Inc allowing CardieX to acquire up to 50.5% of inHealth by way of a convertible note.