

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Cardiex Limited

ABN

81 113 252 234

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	496	496
1.2 Payments for		
(a) research and development	(530)	(530)
(b) product manufacturing and operating costs	(150)	(150)
(c) advertising and marketing	(121)	(121)
(d) leased assets	(58)	(58)
(e) staff costs	(1,950)	(1,950)
(f) administration and corporate costs	(832)	(832)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(3,143)	(3,143)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,120	1,120
3.6	Repayment of borrowings	(145)	(145)
3.7	Transaction costs related to loans and borrowings	(15)	(15)
3.8	Dividends paid	-	-
3.9	Other (Proceeds from C2 Ventures Funding Commitment Agreement)	2,250	2,250
3.10	Net cash from / (used in) financing activities	3,210	3,210

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	481	481
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,143)	(3,143)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,210	3,210
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	546	546

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	546	481
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	546	481

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	71
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	4,164	4,164
7.2	Credit standby arrangements	-	-
7.3	Other (Funding Commitment Agreement)	6,000	2,250
7.4	Total financing facilities	10,164	6,414
7.5	Unused financing facilities available at quarter end		3,750
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p><i>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. Key terms of the facility, which was extended during the quarter are:</i></p> <ul style="list-style-type: none"> <i>Extended expiry of facility: 30/11/24;</i> <i>Facility limit: \$880,000;</i> <p><i>Interest rate: 1.33% per calendar month (16%p.a).</i></p> <p><i>On 8 November 2023, the Company announced that it had entered into a Funding Commitment Agreement (FCA) with its largest shareholder C2 Ventures (C2V), which is controlled by executive directors, Niall Cairns and Craig Cooper. The FCA provides an additional \$6 million in funding to the Company in 2024, and further supports the Capital Raising Package that includes the Placement and Entitlement Offer that were completed in February, and which C2V contributed \$2.4 million. The \$6 million FCA may be drawdown by the Company, or invested by C2V, and shareholder approval for its conversion will be sought at an Extraordinary General Meeting that is scheduled on or around 24 May 2024. As of 30 September 2024, \$2.25m has been drawn on the facility.</i></p> <p><i>As announced on 20 November 2023, the Company agreed a Promissory Note with its US legal counsel, Wilson Sonsini Goodrick & Rosati, Professional Corporation (WSGR) for US\$1,500,000 (A\$2.26m) for the agreed reduced amount of US legal fees outstanding from the Company's withdrawn NASDAQ IPO and capital raising initiative. The key terms of the Promissory Note are:</i></p> <ul style="list-style-type: none"> <i>5.5% interest rate</i> <i>Repayment terms (per amendment agreement in September 2024)</i> <ul style="list-style-type: none"> <i>- US\$250k before 31 January 2025.</i> <i>- US\$250k before 31 July 2025.</i> <i>- The final balance of US\$1m plus interest repayable by 31 October 2025.</i> <p><i>On 9 August 2024, the Company entered into a new R&D Term Loan Facility of \$1,120,000 with Mitchell Asset Management Pty Ltd ("MAM"), which was advanced as a prepayment of forecast Research and Development Tax Incentives that are anticipated to be receipted by the Company for the 30 June 2024 and 30 June 2025 financial years. The facility attracts interest at 18% per annum. \$600,000 of the principal is due upon receipt of the 2024 R&D Tax Incentive Refund (with an extended due date of 30 November 2024), with the balance secured by the 2025 R&D Tax Incentive Refund due by 31 October 2025.</i></p>		
8.	Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)		(3,143)
8.2	Cash and cash equivalents at quarter end (item 4.6)		546
8.3	Unused finance facilities available at quarter end (item 7.5)		3,750
8.4	Total available funding (item 8.2 + item 8.3)		4,296

8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)

1.37

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes.

Sales from the CONNEQT Pulse device are expected in Q2 of FY2025, and the waitlist for the device has surpassed 20,000 preregistered customers. 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 that are expected to arise from the current sales pipeline.

Post quarter end, the Company was selected as one of five grand prize winners in the final phase of the National Institutes of Health's Rapid Acceleration of Diagnostics (RADx®) Tech for Maternal Health Challenge, resulting in a further US\$525k in cash grant funding, which is expected to be received in Q2 of FY2025.

During the quarter, Cardiex 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.

Based on all the above, the Directors are of the opinion that it will continue to obtain sufficient ongoing working capital requirements.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. The Directors believe that if required, the Company has the ability to raise additional capital on a timely basis and has a proven capability of doing so.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.