



Appendix 4E Preliminary Final Report For the Year Ended 30 June 2021

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

Name of entity: CardieX Limited

ABN: 81 113 252 234

1. Reporting Period

Year ended (reporting period) 30 June 2021

Year ended (previous reporting period) 30 June 2020

2. Results for Announcement to the Market

2.1 Revenue from ordinary activities	Up	17%	to	5,001,134
2.2 Loss from ordinary activities for the period after tax attributable to members	Down	67%	to	5,545,597
2.3 Net loss for the period attributable to members	Down	67%	to	5,545,597
2.4 Dividends	Amount per security	Franked amount per security		
Final dividend	Nil	N/A		
Interim dividend	Nil	N/A		
2.5 Record date for determining entitlements to the dividends	N/A			

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2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

Revenue from ordinary activities (including royalties) increased by 17% to \$5,001,134. This equated to a 32% increase excluding royalty and on a constant currency basis. Revenue growth was primarily led by the America's, which saw an increase of \$845,683 (25%), with strong performance in both its Research and Pharma divisions.

The Group's net loss for FY21 increased by 67% to \$5,545,597, largely due to:

- A \$1,775,358 increase in employee benefits. This is due to the significant expansion of the Group's US and Sydney product development teams, as well as an increase of >\$610,000 in non-cash share based payments to \$1,406,836 due to the issue of Performance rights and options to Key Management Personnel and CardieX staff. All securities issued vest subject to tenure or performance conditions.
- A \$292,506 (47%) increase in other product development expenditure as the Group moved closer to the finalisation and launch of new products.
- A \$207,106 (37%) increase in cost of sales primarily due to the increase in sales, as well as an increase in royalty payable on the Group's Oscar-2 device due to a much stronger sales performance. In addition, there was a slight increase in cost of manufacturing in line with the Group's move to a fully outsourced manufacturing facility in Sydney, however, as a result the Group's subsidiary AtCor Medical Pty Ltd closed its facility in West Ryde resulting in a large decrease in occupancy expense.
- A \$251,566 (58%) decrease in marketing and sales expense due to lower expenditure on travel and trade shows during the Covid-19 pandemic.
- A loss on foreign exchange of \$567,435 due to the strong appreciation of the US dollar. The Group's investments in both InHealth and Blumio are held in USD.
- Forgiveness of debt, being interest accrued, in the amount of \$338,373 due to a restructuring and part repayment in July 2020 of the Group's convertible note held with InHealth.

The balance sheet shows a strengthening of the financial position of the company. As at 30 June 2021, CardieX's Net Assets increased to \$7,910,349 (2020: \$5,880,001). The increase was largely due to:

- A stronger closing cash position of \$3,665,259 (2020: \$2,061,642) due to \$6,052,073 in net cash received from capital raising activity throughout the year as well US \$500,000 repayment of the InHealth convertible note.
- Capitalised development costs of \$293,356 relating to the new Conneqt Pulse device.
- A decrease of \$1,094,680 in unearned revenue due to revenue recognition on pharmaceutical trial contracts.
- A decrease of \$686,908 in current and non-current borrowings due to the paydown of a term loan facility, as well as the forgiveness of the Paycheck Protection Program loan received from the US Government.



3. Consolidated Statement of Comprehensive Income

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
Sales revenue	5,001,134	4,292,552
Interest revenue	256,490	324,112
	<u>5,257,624</u>	<u>4,616,664</u>
Other income	839,647	673,726
Total income	6,097,271	5,290,390
Cost of sales	(905,282)	(698,176)
Bad debts expense	(41,911)	(68,936)
Marketing and sales expense	(182,165)	(433,731)
Product development and regulatory expense	(918,112)	(626,056)
Occupancy expense	(294,658)	(409,200)
Employee benefits expense	(6,628,530)	(4,853,172)
Administration expense	(1,498,018)	(1,356,806)
Interest expense	(268,384)	(164,740)
Loss of Forgiveness of Debt	(338,373)	-
Foreign exchange loss	(567,435)	-
Loss before income tax expense	(5,545,597)	(3,320,427)
Income tax expense	-	-
Loss attributable to members of the parent entity	(5,545,597)	(3,320,427)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Exchange differences on translating foreign operations	87,036	97,886
Total comprehensive loss for the period	(5,458,561)	(3,222,541)
Basic loss per share (cents)	(0.64)	(0.46)
Diluted loss per share (cents)	(0.64)	(0.46)

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4. Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,665,259	2,061,642
Trade and other receivables	555,504	819,523
Inventory	444,226	259,679
Financial assets	1,535,752	728,544
Other current assets	1,100,304	823,960
TOTAL CURRENT ASSETS	7,301,045	4,693,348
NON-CURRENT ASSETS		
Property, plant and equipment	352,068	565,636
Intangible assets	331,577	56,192
Financial assets	3,247,340	5,299,848
Other non-current assets	32,150	60,252
TOTAL NON-CURRENT ASSETS	3,963,135	5,981,928
TOTAL ASSETS	11,264,180	10,675,276
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,074,799	711,530
Unearned revenue	430,181	1,524,861
Provisions	404,793	322,547
Financial liabilities	275,209	249,447
Lease liabilities	54,752	117,702
Borrowings	989,723	718,464
TOTAL CURRENT LIABILITIES	3,229,457	3,644,551
NON-CURRENT LIABILITIES		
Provisions	218	-
Lease liabilities	124,156	192,557
Borrowings	-	958,167
TOTAL NON-CURRENT LIABILITIES	124,374	1,150,724
TOTAL LIABILITIES	3,353,831	4,795,275

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	2021	2020
NET ASSETS	7,910,349	5,880,001

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONT.)

	2021	2020
	\$	\$
EQUITY		
Contributed equity	59,286,666	53,127,941
Reserves	3,086,032	1,969,548
Accumulated losses	(54,462,349)	(49,217,488)
TOTAL EQUITY	7,910,349	5,880,001

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5. Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,511,959	5,091,611
Payments to suppliers and employees	<u>(9,024,602)</u>	<u>(7,240,986)</u>
	(4,512,643)	(2,149,375)
Grant income	522,779	449,203
Interest received	729	1,321
Net cash used in operating activities	<u>(3,989,135)</u>	<u>(1,698,851)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(71,184)	(175,203)
Payments for intangible assets	(287,155)	(33,693)
Payments for convertible notes	-	(3,490,217)
Repayment of convertible notes	<u>721,500</u>	<u>-</u>
Net cash used in investing activities	<u>363,161</u>	<u>(3,699,113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	6,385,478	1,000,000
Share issue costs	(333,405)	(13,238)
Borrowings received	13,750	1,673,770
Borrowings repaid	(459,778)	-
Finance costs	(175,138)	(44,375)
Finance lease payments	<u>(144,977)</u>	<u>(142,738)</u>
Net cash provided by financing activities	<u>5,285,930</u>	<u>2,473,419</u>
Net increase/(decrease) in cash held	1,659,956	(2,924,545)
Cash and cash equivalents at beginning of financial year	2,061,642	4,980,826
Effects of foreign currency exchange	(56,339)	5,361
Cash and cash equivalents at end of financial year	<u>3,665,259</u>	<u>2,061,642</u>

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6. Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2021

	Shares on Issue	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2019	51,500,876	1,613,332	(46,163,273)	6,950,935
Loss for the year	-	-	(3,320,427)	(3,320,427)
Other comprehensive income	-	97,886	-	97,886
Total comprehensive income (loss) for the year	-	97,886	(3,320,427)	(3,222,541)
Transactions with equity holders in their capacity as owners.				
Capital placement	1,000,000	-	-	1,000,000
Share issue costs	(13,238)	-	-	(13,238)
Shares issued on conversion of convertible notes	640,303	(88,441)	-	551,862
Share based payments	-	612,983	-	612,983
Options expired	-	(266,212)	266,212	-
Balance at 30 June 2020	53,127,941	1,969,548	(49,217,488)	5,880,001
Balance at 1 July 2020	53,127,941	1,969,548	(49,217,488)	5,880,001
Loss for the year	-	-	(5,545,597)	(5,545,597)
Other comprehensive income	-	87,036	-	87,036
Total comprehensive income (loss) for the year	-	87,036	(5,545,597)	(5,458,561)
Transactions with equity holders in their capacity as owners.				
Capital placement	6,385,478	-	-	6,385,478
Shares issued in lieu of payments to employees	106,652	-	-	106,652
Share issue costs	(333,405)	-	-	(333,405)
Share based payments	-	1,330,184	-	1,330,184
Options expired	-	(300,736)	300,736	-
Balance at 30 June 2021	59,286,666	3,086,032	(54,462,349)	7,910,349

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

Date dividend is payable	N/A
⁺ 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
Final dividend: Current year	NIL	N/A	N/A
Interim dividend: 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 ⁺ dividend or distribution plans	N/A
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9. Net tangible assets per security

	Current Period 2021 Cents per share	Current Period 2020 Cents per share
Net tangible asset backing per ordinary share	0.8	0.8

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10. Control gained or lost over entities

The Group incorporated a new wholly owned subsidiary during the year.

Entity Name	Country of incorporation	Percentage owned	Incorporation date
Conneqt Inc	USA	100%	27 April 2021

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

11. Details of associates and joint venture entities

N/A

12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Please refer to section 2.6 above for information on the Group's financial 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. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2021 \$	Current Period 2020 \$
Basic loss per share	0.64	0.46

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14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2021 \$	Current Period 2020 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

14.3 Significant features of operating performance

Please refer to section 2.6 above for information on the Group's financial performance.

14.4 Segment information

In the 2021 financial year, the Group operated in one operating segment, being sales of cardiovascular devices and services to hospitals, clinics, research institutions and pharmaceutical companies.

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

Geographic areas are:

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

2021	Americas	Europe	Asia Pacific	Inter-segment eliminations/ unallocated	Consolidated
	\$	\$	\$	\$	\$
Sales to external customers	4,217,518	389,153	394,463	-	5,001,134
Intersegment sales	-	-	1,298,159	(1,298,159)	-
Total sales revenue	4,217,518	389,153	1,692,622	(1,298,159)	5,001,134
Interest revenue	-	-	256,490	-	256,490
Total segment revenue/income	4,217,518	389,153	1,949,112	(1,298,159)	5,257,624
Segment result	77,160	281,764	(5,351,440)	(553,081)	(5,545,597)
Unallocated revenue less unallocated expenses					-
Loss before income tax					(5,545,597)
Income tax expense					-
Loss for the year					(5,545,597)
Segment assets	12,435,649	-	58,932,622	(60,104,091)	11,264,180
Segment liabilities	30,010,191	-	49,451,769	(76,108,129)	3,353,831



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2020	Americas	Europe	Asia Pacific	Inter-segment eliminations/ unallocated	Consolidated
	\$	\$	\$	\$	\$
Sales to external customers	3,371,835	426,878	493,839	-	4,292,552
Intersegment sales	202,471	-	1,233,785	(1,436,256)	-
Total sales revenue	3,574,306	426,878	1,727,624	(1,436,256)	4,292,552
Interest revenue	-	-	324,112	-	324,112
Total segment revenue/income	3,574,306	426,878	2,051,736	(1,436,256)	4,616,664
Segment result	(1,962,035)	243,800	(1,465,254)	(136,938)	(3,320,427)
Unallocated revenue less unallocated expenses					-
Loss before income tax					(3,320,427)
Income tax expense					-
Loss for the year					(3,320,427)
Segment assets	14,816,680	-	55,328,046	(59,469,450)	10,675,276
Segment liabilities	34,152,482	-	48,266,740	(77,623,947)	4,795,275

Disaggregation of revenue

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

2021	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
Sale of goods	1,384,385	383,492	336,305	2,104,182
Lease income	2,165,120	-	-	2,165,120
Service income	591,408	1,384	2,770	595,562
Freight income	76,605	4,277	792	81,674
Royalty income	-	-	54,596	54,596
Total sales revenue	4,217,518	389,153	394,463	5,001,134
Interest revenue	-	-	256,490	256,490
Total revenue/income	4,217,518	389,153	650,953	5,257,624



2020	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
Sale of goods	1,126,516	417,025	352,043	1,895,584
Lease income	1,495,974	-	-	1,495,974
Service income	622,137	6,574	3,388	632,099
Freight income	127,208	3,279	1,744	132,231
Royalty income	-	-	136,664	136,664
Total sales revenue	3,371,835	426,878	493,839	4,292,552
Interest revenue	-	-	324,112	324,112
Total revenue/income	3,371,835	426,878	817,951	4,616,664

14. Compliance statement

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

(Tick one)

- | | | |
|-------------------------------------|--|---|
| <input type="checkbox"/> | The accounts have been audited. | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | The accounts have not yet been audited or reviewed. |

15. 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

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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", positioned above a horizontal line.

Jarrod White
Director | Chief Financial Officer

31 August 2021
Sydney

For more information please contact:

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About CardieX

CardieX is a global health technology company. Its ATCOR subsidiary is a world leader in medical devices and digital solutions for hypertension, cardiovascular disease, and other vascular health disorders. Its CONNEQT subsidiary develops and markets consumer home health devices and wearables. CardieX is listed on the Australian Stock Exchange (ASX:CDX).

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