



## APPENDIX 4D

### 1. Name of Entity

**CardieX Limited**  
**ACN 113 252 234**

Half year ended 31 December 2021  
Reporting period 1 July 2021 to 31 December 2021  
Previous period 1 July 2020 to 31 December 2020

### 2. Results for announcement to the market

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>	<b>% Change Up (Down)</b>
2.1 Revenues from continuing operations	2,335,236	2,673,250	(13%)
2.2 Loss from continuing operations after tax attributable to members	(5,131,803)	(2,074,639)	147%
2.3 Net loss attributable to members	(5,134,024)	(2,000,385)	157%
2.4 Proposed dividends	Nil	Nil	-
2.5 Record date for dividend entitlement	N/A	N/A	-
2.6 Revenues for the period decreased on a year-on-year basis. The loss for the period has increased by \$3,057,164 as compared to the previous period. The increase in net loss is primarily attributable to greater spending on product development, including salaries and wages, as well as a larger share-based payment expense recognised in the half year to December 2021 compared to the prior period.			

	<b>31 December 2021 Cents</b>	<b>30 June 2021 Cents</b>	<b>% Change Up (Down)</b>
3. Net tangible asset per security*	1.02 cents	0.75 cents	36%

\* Right of Use Assets are included in the NTA calculations

4. There were no payments of dividends during the reporting period.
5. There is no dividend reinvestment plan in operation.
6. There are no associates or joint venture entities.
7. The Company is not a foreign entity.
8. This report is based on financial statements that have been reviewed. The review report is included in the 31 December 2021 Half Year Report. The Half Year Review report contains a Qualified Opinion with respect to the auditors review of the financial asset observable valuation inputs, and an Emphasis of Matter regarding the going concern assumption.

The Company's half year report follows.

Yours sincerely,



**Jarrod White**  
**Director**  
**28 February 2022**

For more information please contact:

**Investor Relations**

Rod Hinchcliffe

[rod.hinchcliffe@mcpartners.com.au](mailto:rod.hinchcliffe@mcpartners.com.au)

**Media Relations**

Melissa Hamilton

[melissa.hamilton@mcpartners.com](mailto:melissa.hamilton@mcpartners.com)

**About CardieX**

CardieX is a global health technology company. Its ACTOR 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).

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**HALF YEAR REPORT  
FOR THE 6 MONTHS ENDED 31 DECEMBER 2021**



**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**



**CORPORATE DIRECTORY**

**DIRECTORS**

Mr. Niall Cairns (Executive Chairman)  
Mr. King Nelson  
Mr. Craig Cooper (Chief Executive Officer)  
Mr. Jarrod White

**JOINT COMPANY SECRETARIES**

Mr. Jarrod White  
Mr. Nicholas Marshall

**CHIEF FINANCIAL OFFICER**

Mr. Jarrod White

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Suite 303, Level 3  
15 Lime Street  
Sydney NSW 2000  
Telephone: (02) 9874 8761  
Email: [info@CardieX.com](mailto:info@CardieX.com)  
Website: [www.CardieX.com](http://www.CardieX.com)

**SHARE REGISTRY**

Link Market Services  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: (02) 8280 6000  
Website: [www.linkmarketservices.com](http://www.linkmarketservices.com)

**AUDITORS**

BDO Audit Pty Ltd  
Level 11, 1 Margaret Street  
Sydney NSW 2000  
Telephone: (02) 9251 4100  
Facsimile: (02) 9240 9821  
Website: [www.bdo.com.au](http://www.bdo.com.au)

**CORPORATE ACCOUNTANT**

Traverse Accountants  
Suite 305, Level 3  
35 Lime Street  
Sydney NSW 2000  
Website: [www.traverseaccountants.com.au](http://www.traverseaccountants.com.au)

**STOCK EXCHANGE LISTING**

CardieX Limited's shares are listed on the Australian Securities Exchange (ASX code: **CDX**).

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**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**



**LETTER FROM CRAIG COOPER - CHIEF EXECUTIVE OFFICER**

My Fellow Shareholders,

I would like to thank you all for your continuing support as we continue to execute on our vision and mission for the Company.

Going forward, we have 3 primary objectives that underpin our device and digital strategy as we move towards obtaining FDA clearance, and launching a series of new products and solutions over the next 12 months using our medically proven ATCOR powered technology:

1. Category leadership in vascular health;
2. Making central blood pressure the global standard of care for hypertension and associated disorders;  
and
3. Ensuring maximum positive impact on the arterial and cardiovascular health segment.

Our SphygmoCor® technology continues to be the market leader in the non-invasive clinical measurement of arterial disease - and it's this same technology that we are now working to launch in a suite of devices focused on home health and ambulatory wearable solutions.

I believe that the following 12-months will be transformational for us as a company as we launch not only the world's first consumer "dual blood pressure monitor" but also a world first wearable, both incorporating our FDA cleared technology and a suite of never-before-seen biometrics in a wearable device.

Finally, together with my "C2 Ventures" business partner and your Executive Chairman Niall Cairns, we continue to strongly financially support the Company - and back our vision - as witnessed by our recent full participation in the exercise of our November 2021 options.

Yours truly,

A handwritten signature in black ink, appearing to read "Craig Cooper".

**Craig Cooper  
CEO & Managing Director  
CardieX Limited**

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**OPERATIONAL UPDATE**

**Revenue**

Group revenue for the half year is down to \$2,092,333 from \$2,544,052 in the previous corresponding period.

**Review of Operations**

CardieX is pleased to announce the following progress report for the six-month period, including key clinical trials within the ATCOR division and continued work within the Company's consumer home and wearable health subsidiary, CONNEQT.

***Clinical trial with Bayer AG***

On 25 August 2021, CardieX and Bayer AG entered into a new Amended Agreement for both the lease of ATCOR devices and the provision of expanded data management services for Bayer's 'CONCORD' clinical trial that is being conducted in patients with chronic diseases – diabetes and/or hypertension. This was the second expansion of the CONCORD trial and brings the total contract value to an excess of \$US2m (AU\$2.76m). The contract amendment and expansion with Bayer further validates the capabilities of CardieX's FDA-cleared SphygmoCor® technology – the same technology proposed to be used in CardieX's CONNEQT Band and upcoming smart home health devices.

The ongoing demand for contracted clinical trials using the ATCOR XCEL device and data management services continues to add significant new incremental revenue to the Company. Management strongly believes that this sector of the Company will outperform in the coming years with the launch of CONNEQT devices that will service a growing demand for decentralised trials.

***Manufacturing Agreement with Fenda Technology for CONNEQT***

On 6 October 2021, CardieX's consumer brand subsidiary, CONNEQT, entered into a new manufacturing and development partnership agreement with Fenda Technology Co., Ltd (Fenda)(SZE:002681), a leading Chinese wireless solution provider and manufacturer of smart wearable products. Following a development partnership between CONNEQT and Fenda that commenced in April 2021, this new three-year agreement will initially focus on the product development and manufacturing of the CONNEQT Band and will also extend to other devices in development by CONNEQT during the period.

The CONNEQT Band will include a full suite of patented health parameters, including dual-PPG sensing technology, and a full comprehensive ecosystem of unique health and wellness features focused on heart health.

LifeQ, a world-leading provider of biometrics and health information metrics for wearable devices will contribute to the design and development work on the CONNEQT Band in concert with Fenda and CONNEQT. This agreement with Fenda is a pivotal step toward FDA clearance and commercialisation of the CONNEQT Band.

***CONNEQT "Go-to-Market"***

During the half-year, CardieX's consumer brand subsidiary CONNEQT, was enhanced with the support from global industry leaders Butchershop, one of the world's most innovative brand and digital experience agencies, and Real Chemistry, a global health marketing company specializing in data driven go-to-market activation strategies.

***Mobvoi Smartwatch Update***

Pre-launch activities ramped up during the second half of this period in collaboration with Mobvoi. CardieX has built a pipeline of dozens of key influencers and opinion leaders (KOLs) and global technology media journalists as part of the Company's pre- and post-launch marketing and media strategy which is currently under embargo awaiting launch. In addition, customer support systems have been established, product inventory is being built up and final pre-launch testing is underway.

Commercial launch is expected within the March 2022 quarter, launch announcement date will be advised by Mobvoi.

***Clinical trial with Andwin Scientific***

Post half-year end, the Company announced that CardieX subsidiary ATCOR, entered into a new global Clinical Trial Services Agreement with Andwin Scientific to support companies Syneos Health and cigarette and tobacco manufacturer, Philip Morris, for both the lease of ATCOR XCEL devices and the provision of data management

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**OPERATIONAL UPDATE (CONT.)**

services for a new global clinical trial sponsored by Philip Morris. The trial will take place over 19 months across 22 sites, based on expectations of the time required to enrol the subjects, conduct the study and analyse the results. The total revenue is likely to be ~US\$936,000 (~AU\$1,300,000) over a 19-month period with the majority to be recognized in FY22.

***Results of November Options Exercise***

On 6 December 2021, CardieX reported the results of a November Options Exercise and Closeout of CDX Option Campaign. The exercise and expiry of CDXO (ASX:CDXO), and unlisted Options were both exercised at \$0.05 and expired on 30 November 2021.

Of the 127,675,656 listed CDXO Options and 37,500,000 unlisted options on issue, being a total of 165,175,656 November Options, 153,330,197 were fully exercised by November Option holders, raising a total of \$7,666,510, representing a conversion of 92.82%. In addition, the Company advised that C2 Ventures Pty Ltd ("C2V"), an entity jointly controlled by Craig Cooper (CEO), and Niall Cairns (Chairman), had exercised 2,420,455 listed CDXO Options and 37,500,000 unlisted Options at \$0.05, representing \$1,996,023 contribution to working capital of CardieX. All directors exercised all of their Options available for conversion taking total Board participation inclusive of C2V beyond \$2,000,000 of the total November Options exercise.

***OTC Quotation & Consolidation***

Post half-year end, CardieX announced that shareholders have voted overwhelmingly in favour (99.83%) for a consolidation of the issued capital of the Company at the Extraordinary General Meeting (EGM) held on 16 February 2022.

Post period end, CardieX announced that it has commenced the process to apply for an OTC quotation on the OTC Market in the United States.

The Company's shares will retain their primary listing on the Australian Stock Exchange (ASX) under the symbol CDX with a secondary quotation on the OTC market. The proposed OTC quotation will increase visibility of CardieX's core technology offerings and product ecosystem internationally and importantly provide direct access for US strategic and institutional investors to invest in the Company through a known US share trading market.

As part of the program of moving towards an OTC quotation, the Company has appointed leading US investor relations and corporate communications firm, Integrous Capital to work with management and the Board on US investor relations.



**CARDIEX LIMITED  
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ABN 81 113 252 234**

**DIRECTORS REPORT**

**Directors**

The following persons held office as Directors of CardieX Limited at any time during or since the end of the reporting period, unless stated otherwise:

Mr. Niall Cairns (Chairman)  
Mr. Craig Cooper  
Mr. King Nelson  
Mr. Jarrod White

**Joint Company Secretaries**

Mr. Jarrod White  
Mr. Nicholas Marshall

**Chief Financial Officer**

Mr. Jarrod White

**Review of Operations**

The loss for the Group after income tax amounted to \$5,131,803 (31 December 2020: \$2,074,639).

The Group has generated total revenue, including interest revenue, of \$2,335,236, down from \$2,673,250 in the previous period.

**Principal Activities**

During the period the principal continuing activities of the Group consisted of designing, manufacturing and marketing medical devices for use in cardiovascular health management, and the development of clinical and consumer digital health solutions.

**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 half year ended 31 December 2021.

**Significant Changes in the State of Affairs**

Throughout the period the group extended the group's operational and organisational focus into extending the prior intellectual property and business assets of the company into the wearables and telehealth sector.

No other significant changes in the Group's state of affairs occurred during the financial period.

**Likely Developments and Expected Results of Operations**

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
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**DIRECTORS' REPORT (CONT.)**

**Matters Subsequent to Period End**

Since the end of the reporting period;

- (i) On 19 January 2022, the Group announced its intentions to apply for a secondary quotation of its Fully Paid Ordinary Shares on the OTC Markets;
- (ii) On 14 February 2022, the Group announced that its ATCOR division has entered into a new clinical trial services agreement with Andwin Scientific and Syneos Health and sponsored by Philip Morris. ATCOR will be providing its XCEL devices and data management services to 22 sites across the globe;
- (iii) On 16 February 2022, CardieX Limited held an Extraordinary General Meeting, at which a resolution was passed to approve the consolidation of the issued share capital of the Company on the basis that every 10 fully paid ordinary Shares be consolidated into one fully paid ordinary Share, and that Options and Performance Rights on issue be adjusted on the same basis.

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

**Rounding of Accounts**

The Company has applied the relief available under ASIC legislative Instrument 2016/191 and accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest dollar.

**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 8.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors:



**Niall Cairns**  
Executive Chairman  
Sydney, 28 February 2022

## DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF CARDIEX LIMITED

As lead auditor for the review of CardieX Limited for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



**Grant Saxon**  
**Director**

**BDO Audit Pty Ltd**

Sydney, 28 February 2022

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	31 December 2021	31 December 2020
		\$	\$
Sales revenue	2	2,092,333	2,544,052
Interest revenue	2	<u>242,903</u>	<u>129,198</u>
		<b>2,335,236</b>	2,673,250
Other income	3	<u>309,837</u>	<u>292,800</u>
<b>Total revenue and other income</b>		<b>2,645,073</b>	2,966,050
Cost of sales		(520,534)	(376,612)
Bad debts expense		(8,582)	(33,229)
Marketing and sales expense		(757,621)	(63,374)
Product development and regulatory expense		(1,057,070)	(412,139)
Occupancy expense		(151,534)	(158,383)
Employee benefits expense		(3,483,088)	(2,009,784)
Share based payments		(1,100,560)	(395,692)
Administration expense		(699,426)	(794,289)
Interest expense		(141,526)	(147,582)
Foreign exchange gains/(losses)		<u>143,065</u>	<u>(649,605)</u>
<b>Loss before income tax expense</b>		<b>(5,131,803)</b>	(2,074,639)
Income tax expense		-	-
<b>Loss attributable to members of the parent entity</b>		<b>(5,131,803)</b>	(2,074,639)
<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		<u>(2,221)</u>	<u>74,254</u>
<b>Total comprehensive loss for the period</b>		<b>(5,134,024)</b>	(2,000,385)
Basic loss per share (cents)	4	(0.53)	(0.25)
Diluted loss per share (cents)	4	(0.53)	(0.25)

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

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Note	31 December 2021	30 June 2021
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		5,465,471	3,665,259
Trade and other receivables		640,961	555,504
Inventory		705,946	444,226
Financial assets	6	4,844,390	3,530,963
Other current assets	5	1,861,830	1,100,304
<b>TOTAL CURRENT ASSETS</b>		<b>13,518,598</b>	<b>9,296,256</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		891,950	352,068
Intangible assets		326,225	331,577
Financial assets	6	343,974	1,252,129
Other non-current assets	5	33,311	32,150
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,595,460</b>	<b>1,967,924</b>
<b>TOTAL ASSETS</b>		<b>15,114,058</b>	<b>11,264,180</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,698,268	1,074,799
Unearned revenue		106,874	430,181
Provisions		465,818	404,793
Financial liabilities	7	66,778	275,209
Lease liabilities		82,760	70,616
Borrowings	8	445,949	989,723
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,866,447</b>	<b>3,245,321</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		969	218
Lease liabilities		679,946	108,292
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>680,915</b>	<b>108,510</b>
<b>TOTAL LIABILITIES</b>		<b>3,547,362</b>	<b>3,353,831</b>
<b>NET ASSETS</b>		<b>11,566,696</b>	<b>7,910,349</b>

**CARDIEX LIMITED  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONT.)**

	Note	31 December 2021	30 June 2021
		\$	\$
<b>EQUITY</b>			
Contributed equity	10	<b>67,503,218</b>	59,286,666
Reserves		<b>3,622,039</b>	3,086,032
Accumulated losses	11	<b>(59,558,561)</b>	(54,462,349)
<b>TOTAL EQUITY</b>		<b><u>11,566,696</u></b>	<b><u>7,910,349</u></b>

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

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER  
2021**

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2020</b>		<b>53,127,941</b>	<b>1,969,548</b>	<b>(49,217,488)</b>	<b>5,880,001</b>
Loss for the half year		-	-	(2,074,639)	(2,074,639)
Other comprehensive income/(loss)		-	74,254	-	74,254
Total comprehensive income/(loss) for the half year		-	74,254	(2,074,639)	(2,000,385)
<b>Transactions with equity holders in their capacity as owners</b>					
Capital placement		2,990,800	-	-	2,990,800
Shares issued on conversion of convertible notes		106,652	-	-	106,652
Share issue costs		(185,667)	-	-	(185,667)
Share based payments		-	319,041	-	319,041
Options expired		-	(268,811)	268,811	-
		2,911,785	50,230	268,811	3,230,826
<b>Balance at 31 December 2020</b>		<b>56,039,726</b>	<b>2,094,032</b>	<b>(51,023,316)</b>	<b>7,110,442</b>
<b>Balance at 1 July 2021</b>					
		<b>59,286,666</b>	<b>3,086,032</b>	<b>(54,462,349)</b>	<b>7,910,349</b>
Loss for the half year		-	-	(5,131,803)	(5,131,803)
Other comprehensive income/(loss)		-	(2,221)	-	(2,221)
Total comprehensive income/(loss) for the half year		-	(2,221)	(5,131,803)	(5,134,024)
<b>Transactions with equity holders in their capacity as owners</b>					
Shares issued on conversion of options	10	7,602,431	-	-	7,602,431
Shares issued on conversion of performance rights	10	422,557	(422,557)	-	-
Shares issued on conversion of convertible notes	10	270,663	(35,719)	-	234,944
Share issue costs		(147,564)	-	-	(147,564)
Share based payments	10	68,465	1,032,095	-	1,100,560
Performance rights expired	10	-	(35,591)	35,591	-
		8,216,552	538,228	35,591	8,790,371
<b>Balance at 31 December 2021</b>		<b>67,503,218</b>	<b>3,622,039</b>	<b>(59,558,561)</b>	<b>11,566,696</b>

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

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	31 December 2021 \$	31 December 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		1,703,551	2,300,353
Payments to suppliers and employees (inclusive of GST)		<b>(6,443,321)</b>	(3,765,127)
		<b>(4,739,770)</b>	(1,464,774)
Other income		-	522,779
Interest received		<b>34</b>	21
<b>Net cash used in operating activities</b>		<b>(4,739,736)</b>	(941,974)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire property, plant and equipment		<b>(125,113)</b>	(8,901)
Repayment of convertible notes		-	721,500
Payments for intangible assets		<b>(17,070)</b>	(612,786)
<b>Net cash (used in)/from investing activities</b>		<b>(142,183)</b>	99,813
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from shares issued	10	<b>7,602,431</b>	2,990,800
Share issue costs		<b>(147,564)</b>	(185,667)
Borrowings received		-	13,750
Borrowings repaid		<b>(594,000)</b>	(459,777)
Finance costs		<b>(26,006)</b>	(106,145)
Finance lease payments		<b>(102,461)</b>	(74,451)
<b>Net cash from financing activities</b>		<b>6,732,400</b>	2,178,510
<b>Net increase in cash held</b>		<b>1,850,481</b>	1,336,349
Cash and cash equivalents at beginning of financial period		<b>3,665,259</b>	2,061,642
Effects of foreign currency exchange		<b>(50,269)</b>	(75,672)
<b>Cash and cash equivalents at end of financial period</b>		<b>5,465,471</b>	3,322,319

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



**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

These condensed general purpose financial statements represent those of CardieX Limited (“CardieX”) for the interim half year reporting period ended 31 December 2021 and its controlled entities (the “consolidated group” or “group”) and have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The separate financial statements of the parent entity, CardieX Limited, have not been presented within this financial report pursuant to the Corporations Act 2001.

These condensed general purpose financial statements do not include all the notes of the type normally included in annual financial statements. These financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Comparative figures have been adjusted to conform to changes in presentation for the current reporting period.

**Accounting Policies**

**a) 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.

At the date of signing, the Directors have assessed that there is a material uncertainty related to going concern that may cast significant doubt over the ability of the Group to continue as a going concern given that the Group incurred a loss after tax of \$5,131,803 (2020: \$2,074,639) and had net cash outflows from operating activities of \$4,739,735 for the half year ended 31 December 2021 (2020: \$941,974). As a result of these conditions the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

- The Group has cash and cash equivalents of \$5,465,471 as at 31 December 2021 (30 June 2021: \$3,665,259). As at that date, the Group had net current assets of \$10,652,151 (30 June 2021: \$6,050,935) and net assets of \$11,566,696 (30 June 2021: \$7,910,349). The Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for the next 12 months. It is forecasted that the Group will require further capital to fund its growth. The Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001. The Group and the Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required; and;
- The Group has the ability to scale back a significant portion of its development activities if required.

The report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern. The directors consider that it is reasonably foreseeable that the company will continue as a going concern and therefore it will realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report, and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 2: REVENUE**

	31 December 2021	31 December 2020
	\$	\$
<i>Sales revenue</i>		
Sale of goods	1,023,262	1,164,008
Lease income	792,482	1,029,577
Service income	230,483	267,473
Freight income	17,829	62,260
Royalty income	28,277	20,734
	<u>2,092,333</u>	<u>2,544,052</u>
<i>Other revenue</i>		
Interest received	242,903	129,198
Total revenue	<u>2,335,236</u>	<u>2,673,250</u>

**NOTE 3: OTHER INCOME**

Grant income	304,779	289,000
Other income	5,058	3,800
	<u>309,837</u>	<u>292,800</u>
Total income	<u>309,837</u>	<u>292,800</u>

**NOTE 4: LOSS PER SHARE**

a. Reconciliation of earnings:		
Loss after tax	<u>(5,131,803)</u>	<u>(2,074,639)</u>
	<b>No.</b>	<b>No.</b>
b. Weighted average number of ordinary shares outstanding during the half year used in calculating EPS	<u>961,936,157</u>	<u>826,830,048</u>
	<b>Cents</b>	<b>Cents</b>
c. Basic loss per share	<u>(0.53)</u>	<u>(0.25)</u>
d. Diluted loss per share	<u>(0.53)</u>	<u>(0.25)</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 5: OTHER ASSETS**

	31 December 2021	30 June 2021
	\$	\$
CURRENT		
Prepayments	923,041	445,627
Contract assets	21,192	83,935
R&D tax incentive receivable	847,702	542,923
Deposits	67,270	25,195
Other	2,625	2,624
	<u>1,861,830</u>	<u>1,100,304</u>
NON CURRENT		
Deposits	33,311	32,150
	<u>33,311</u>	<u>32,150</u>
Total	<u>1,895,141</u>	<u>1,132,454</u>

**NOTE 6: FINANCIAL ASSETS**

	31 December 2021	30 June 2021
	\$	\$
CURRENT FINANCIAL ASSETS		
Blumio convertible note	965,821	-
InHealth convertible note	3,878,569	3,530,963
	<u>4,844,390</u>	<u>3,530,963</u>
NON-CURRENT FINANCIAL ASSETS		
Blumio convertible note	-	908,155
InHealth investment	343,974	343,974
	<u>343,974</u>	<u>1,252,129</u>
Total	<u>5,188,364</u>	<u>4,783,092</u>

*Blumio Inc.*

- In March 2018, the Company entered into a convertible note purchase agreement for the acquisition of a Convertible Note (the "Blumio Note") issued by Blumio Inc., payable in instalments. The full principal balance of US\$600,000 payable under the Blumio Note agreement was met on 14 March 2019;
- Both the debt and derivative components of the Blumio Note are measured as a single instrument at fair value through profit and loss (FVTPL). It is measured at FVTPL as there is an embedded conversion feature. The term of the Blumio Convertible Note continues until a fundraising event of more than \$8,000,000 occurs at which point the Investment will convert into shares in the Blumio at a 20% discount to the price of the fundraising;
- As at 31 December 2021, the total convertible note asset was \$965,821; made up of \$826,902 of payments and \$138,919 of accrued interest. The increase in value of the convertible note from June 2021 (\$798,085 excluding accrued interest) is due to unrealised FX gains of \$28,817.

*InHealth Medical Services*

- On 31 January 2019, the Company exercised its full 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;

**CARDIEX LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 6: FINANCIAL ASSETS (CONT.)**

- By 31 December 2019, the Company had paid the full US\$3,000,000 to InHealth under the Agreement for the T2 Notes;
- By 30 June 2020, the Company and InHealth had signed an agreement to restructure the partnership. Key changes were reducing the outstanding convertible notes 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 2021 totalling \$338,373 in return for a further 1% of fully diluted equity of InHealth to CardieX.
- As at 31 December 2021, the total convertible note asset was \$3,878,569; made up of the initial \$3,445,425 payment and \$433,144 of accrued interest.
- The increase in value of the convertible note from June 2021 (\$3,325,352 excluding accrued interest) is due to unrealised FX gains of \$120,073.
- As at 31 December 2021, the Company holds 7.7% equity in InHealth Medical Service Inc.

**NOTE 7: FINANCIAL LIABILITIES**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
<b>CURRENT</b>		
Convertible note liabilities	66,778	275,209
	<b>66,778</b>	<b>275,209</b>

**NOTE 8: BORROWINGS**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
<b>CURRENT</b>		
Term loan facility	445,949	989,723
	<b>445,949</b>	<b>989,723</b>
<b>TOTAL BORROWINGS</b>	<b>445,949</b>	<b>989,723</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 9: CONTROLLED ENTITIES**

**Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		31 December 2021	30 June 2021
PARENT ENTITY:			
CardieX Limited	Australia		
SUBSIDIARIES OF CARDIEX LIMITED			
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 10: ISSUED CAPITAL**

	31 December 2021		30 June 2021	
	No of Shares	\$	No of Shares	\$
<b>(a) Ordinary shares</b>				
At the beginning of reporting period	926,038,155	59,286,666	753,209,290	53,127,941
Placements in the period	-	-	169,670,063	6,385,478
Shares issued on conversion of options	152,048,619	7,602,431	-	-
Shares issued on conversion of performance rights	12,000,000	422,557	-	-
Shares issued on conversion of convertible notes	7,831,467	270,663	-	-
Shares issued in lieu of payments to key executives	1,104,275	68,465	3,158,802	106,652
Cost of raising capital		(147,564)	-	(333,405)
Closing balance at reporting date	<b>1,099,022,516</b>	<b>67,503,218</b>	926,038,155	59,286,666

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.

	31 December 2021		30 June 2021	
	No of Rights	\$	No of Rights	\$
<b>(b) Rights on Issue</b>				
At the beginning of reporting period	196,500,000	1,593,292	36,000,000	695,272
Issued under Performance Rights Plan	-	-	160,500,000	-
Rights vesting expense in current period	-	761,094	-	898,020
Rights converted to shares	(12,000,000)	(422,557)	-	-
Rights expired	(8,000,000)	(82,826)	-	-
Closing balance at reporting date	<b>176,500,000</b>	<b>1,849,003</b>	196,500,000	1,593,292

**CARDIEX LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 10: ISSUED CAPITAL (CONT.)**

In 2018, performance rights were issued to CEO Craig Cooper, of which there are 16,000,000 performance rights on issue as at 31 December 2021. The terms of the rights on issue are as follows:

Tranche	Number of performance rights	Will vest if 30 day VWAP exceeds:
5	4,000,000	\$0.12
6	12,000,000	\$0.15

On 11 December 2020, 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 160,500,000 and expire on 11 December 2023. The terms of the Director rights on issue are as follows:

Tranche	Number of performance rights	Will vest if share price trades at or above:
1	11,000,000	\$0.12
2	11,000,000	\$0.15
3	24,500,000	\$0.20
4	57,000,000	\$0.25
5	57,000,000	\$0.50

	31 December 2021		30 June 2021	
	No of Options	\$	No of Options	\$
<b>(c) Options on Issue</b>				
At the beginning of reporting period	<b>213,555,201</b>	<b>800,492</b>	<b>167,423,535</b>	<b>669,064</b>
Options vesting expense	-	<b>318,235</b>	-	<b>432,164</b>
Options issue to employees	-	-	<b>34,500,000</b>	-
Expired and lapsed employee options	-	-	<b>(5,035,000)</b>	<b>(300,736)</b>
Options converted to shares	<b>(152,048,619)</b>	-	-	-
Options expired	<b>(11,123,249)</b>	-	-	-
Free attaching options (1 for 5) as attaching to placement	-	-	<b>16,666,666</b>	-
Closing balance at reporting date	<b>53,383,333</b>	<b>1,118,727</b>	<b>213,555,201</b>	<b>800,492</b>

**CARDIEX LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 11: ACCUMULATED LOSSES**

	<b>31 December 2021</b>	<b>30 June 2021</b>
Opening balance	<b>(54,462,349)</b>	(49,217,488)
Losses for the period	<b>(5,131,803)</b>	(5,545,597)
Transfer from share-based payments reserve	<b>35,591</b>	300,736
Closing balance at end of financial period	<b><u>(59,558,561)</u></b>	<u>(54,462,349)</u>

**NOTE 12: EVENTS AFTER THE BALANCE SHEET DATE**

Since the end of the reporting period;

- (i) On 19 January 2022, the Group announced its intentions to apply for a secondary quotation of its Fully Paid Ordinary Shares on the OTC Markets;
- (ii) On 14 February 2022, the Group announced that its ATCOR division has entered into a new clinical trial services agreement with Andwin Scientific and Syneos Health and sponsored by Philip Morris. ATCOR will be providing its XCEL devices and data management services to 22 sites across the globe;
- (iii) On 16 February 2022, CardieX Limited held an Extraordinary General Meeting, at which a resolution was passed to approve the consolidation of the issued share capital of the Company on the basis that every 10 fully paid ordinary Shares be consolidated into one fully paid ordinary Share, and that Options and Performance Rights on issue be adjusted on the same basis.

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

**NOTE 13: SEGMENT REPORTING**

**(a) Description of segments**

In the half year 2022 financial period, 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 segment by geographic area.

Geographic areas are:

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 13: SEGMENT REPORTING (CONT.)**

**(b) Segmental information provided to the Board**

	Americas	Europe	Asia Pacific	Inter- segment eliminations/ unallocated	Consolidated
<b>31 December 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sales to external customers	1,576,670	342,206	173,457		2,092,333
Intersegment sales	-	-	541,100	(541,100)	-
Total sales revenue	1,576,670	342,206	714,557	(541,100)	2,092,333
Interest and other income	-	-	552,740	-	552,740
Total segment revenue and other income	1,576,670	342,206	1,267,297	(541,100)	2,645,073
<b>Segment result</b>	<b>(3,060,150)</b>	<b>197,854</b>	<b>(2,279,702)</b>	<b>10,195</b>	<b>(5,131,803)</b>
Unallocated revenue less unallocated expenses					-
Loss before income tax					(5,131,803)
Income tax expense					-
<b>Loss for the period</b>					<b>(5,131,803)</b>
<b>31 December 2020</b>					
Sales to external customers	2,173,090	167,237	203,725	-	2,544,052
Intersegment sales	323,260	-	-	(323,260)	-
Total sales revenue	2,496,350	167,237	203,725	(323,260)	2,544,052
Interest and other income	-	-	421,998	-	421,998
Total segment revenue and other income	2,496,350	167,237	625,723	(323,260)	2,966,050
<b>Segment result</b>	<b>(194,739)</b>	<b>106,991</b>	<b>(1,980,380)</b>	<b>(6,511)</b>	<b>(2,074,639)</b>
Unallocated revenue less unallocated expenses					-
Loss before income tax					(2,074,639)
Income tax expense					-
<b>Loss for the period</b>					<b>(2,074,639)</b>

**(c) Notes to and forming part of the segment information**

*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*

There was no significant concentration of revenue attributable to one customer in the 6 months to December 2021 (2020: \$nil).



**CARDIEX LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 13: SEGMENT REPORTING (CONT.)**

**(d) 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.

<b>31 December 2021</b>	<b>Americas</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>Consolidated</b>
	\$	\$	\$	\$
Sale of goods	554,582	333,175	135,506	1,023,263
Lease income	792,482	-	-	792,482
Service income	219,350	3,343	7,790	230,483
Freight income	10,256	5,688	1,884	17,828
Royalty income	-	-	28,277	28,277
Total sales revenue	1,576,670	342,206	173,457	2,092,333
Interest and other income	-	-	552,740	552,740
<b>Total revenue and other income</b>	<b>1,576,670</b>	<b>342,206</b>	<b>726,197</b>	<b>2,645,073</b>

<b>31 December 2020</b>	<b>Americas</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>Consolidated</b>
	\$	\$	\$	\$
Sale of goods	817,624	164,855	181,529	1,164,008
Lease income	1,029,577	-	-	1,029,577
Service income	265,339	1,384	750	267,473
Freight income	60,550	998	712	62,260
Royalty income	-	-	20,734	20,734
Total sales revenue	2,173,090	167,237	203,725	2,544,052
Interest and other income	-	-	421,998	421,998
<b>Total revenue and other income</b>	<b>2,173,090</b>	<b>167,237</b>	<b>625,723</b>	<b>2,966,050</b>

**NOTE 14: CAPITAL COMMITMENTS**

There are no capital commitments present for the Group at 31 December 2021.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**NOTE 15: COMPANY DETAILS**

**The registered office of the Company is:**

CardieX Limited  
Suite 303, Level 3  
15 Lime Street  
Sydney NSW 2000

**The principal place of business is:**

CardieX Limited  
Suite 303, Level 3  
15 Lime Street  
Sydney NSW 2000

**CARDIEX LIMITED  
AND CONTROLLED ENTITIES  
ABN 81 113 252 234**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

- (a) in the directors' 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;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes as set out on pages 9 to 23 comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (d) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s303 (5) (a) of the Corporations Act 2001.

On behalf of the Directors:



**Niall Cairns**  
Executive Chairman  
Sydney, 28 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CardieX Limited

### Report on the Half-Year Financial Report

#### Qualified conclusion

We have reviewed the half-year financial report of CardieX Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the effects of the matter described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for qualified conclusion

The Group's financial assets balance includes investments in convertible notes which are carried in the consolidated statement of financial position at \$5,188,364 as at 31 December 2021 as detailed in Note 6. Due to the investees being at their development stage and compounded by the impact of COVID-19, we were unable to obtain sufficient appropriate audit evidence to support the fair value of the investments as at 30 June 2021 and this caused us to qualify our audit opinion on the financial report relating to that year. We remain unable to obtain sufficient evidence to support the fair value of the Group's financial assets as at 31 December 2021. Consequently, we remain unable to determine whether any adjustments to these amounts were necessary.

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

**Material uncertainty relating 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 conclusion is not modified in respect of this matter.

**Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'Grant Saxon'.

**Grant Saxon**  
**Director**

Sydney, 28 February 2022