



APPENDIX 4D

1. Name of Entity

CardieX Limited
ACN 113 252 234

Half year ended

31 December 2020

Reporting period

1 July 2020 to 31 December 2020

Previous period

1 July 2019 to 31 December 2019

2. Results for announcement to the market

	31 December 2020	31 December 2019	% Change Up (Down)
	\$	\$	
2.1 Revenues from continuing operations	2,673,250	2,302,757	16% ¹
2.2 Loss from continuing operations after tax attributable to members	(2,074,639)	(1,965,395)	6%
2.3 Net loss attributable to members	(2,000,385)	(1,943,756)	3%
2.4 Proposed dividends	Nil	Nil	-
2.5 Record date for dividend entitlement	N/A	N/A	-
2.6 Revenues for the period increased on a year on year basis. Whilst the loss for the period has increased by \$109,244 as compared to the previous period, the increase in net loss is primarily attributable to foreign exchange losses caused by the weakening US dollar.			

	31 December 2020	30 June 2020	% Change Up (Down)
	Cents	Cents	
3. Net tangible asset per security*	0.75 cents	0.80 cents	(6%)

* 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.

1 As disclosed in the CardieX December Quarterly Activities Report dated 29 January 2021, sales for the 6 months to 31 December 2020 were up 30% over the previous comparative period (using constant currency and excluding royalties). When including the impact of the strengthening AUD against the USD, sales excluding royalty for H1 were up 24% on last year.

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 2020 Half Year Report.

The Company's half year report follows.

Yours sincerely,



Jarrod White
Director
26 February 2021

For more information please contact:

Investor Relations

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About CardieX

CardieX is a global health technology company that focuses on hypertension, cardiovascular disease, and other vascular health disorders. The company's ATCOR division is the world leader in medical devices for measuring arterial stiffness and central blood pressure waveforms based on its unique FDA-cleared and patented SphygmoCor® technology. Under the ATCOR·X brand, the company also develops and licenses its Arty™ platform consisting of physiological and health analytics for wearable devices. The company's digital platform, ArtyNet™, is a connected SaaS ecosystem providing physicians with a complete telehealth solution for remotely managing patients' health (2021 launch).

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

**HALF YEAR REPORT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020**





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 Philip Leighfield

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
Website: www.CardieX.com

SHARE REGISTRY

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (02) 8280 6000
Website: 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

CORPORATE ACCOUNTANT

Traverse Accountants
Suite 305, Level 3
35 Lime Street
Sydney NSW 2000
Website: 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
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LETTER FROM CRAIG COOPER - CHIEF EXECUTIVE OFFICER

My Fellow Shareholders,

On behalf of the Board and executive management I thank you for your continued support as we continue executing against our growth and product strategy at CardieX.

Our results show strong performance in the first half as we extend our exposure to three high growth healthcare sectors in medical devices, wearable technologies, and digital and consumer health – while at the same time rapidly evolving the Company with exciting new products and digital solutions to be launched over the next 12 months.

Importantly, in our core business of medical device sales and clinical trial services, we achieved a 5-year record high revenue growth for the first half of FY2021 as new sales processes, market development, and marketing efforts started to show returns. We expect this to continue for the full year.

Going forward 2021 it will continue to be a transformative period for us as a company - not just in new product launches, but also in revenue growth as we see additional revenue contribution from those new product sales as well as a shift in our revenue model to focus on subscription sales, direct-to-consumer, and SaaS revenues. I look forward to reporting our progress against these objectives to you over the coming year and I thank you as always for your continuing support as we execute against our vision for your Company.

Yours truly,

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

**Craig Cooper
CEO, Managing Director, & Co-Founder
CardieX Limited**

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**CARDIEX LIMITED
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OPERATIONAL UPDATE

Revenue

Group revenue for the half year improved to \$2,544,052 from \$2,143,459 in the previous corresponding period. Not included in revenue for the half year is \$1,070,428 in unearned revenue that relates to the timing of revenue recognition in clinical trials.

Review of Operations

In July 2020, CardieX restructured its investment in inHealth and received repayment of US\$0.5m of the current outstanding US\$3m Convertible Note, reducing the principal investment to US\$2.5m.

On 20 August 2020, AtCor Medical Inc., a US CardieX Limited subsidiary, entered into a new contract for the lease of ATCOR devices and the provision of expanded data management services for Bayer's "AVANTI" trial. The extension of the contract is valued at US\$420k.

On 7 September 2020, AtCor Medical Pty Ltd, a CardieX Limited subsidiary, entered into a partnership with Andon for the manufacture of a new remote patient home health monitoring device (currently code-named the "PULSE"). Andon is one of China's largest manufacturers of home-use medical electronic devices. The partnership with Andon is an important milestone for the development and commercialization of a new line of medical and consumer health devices based on ATCOR's patented and gold standard SphygmoCor® technology for measuring central blood pressure and arterial stiffness. The launch of the PULSE device in the latter part of 2021 will be a world-first, as well as a significant and disruptive entrant to the multi-billion-dollar vital signs health monitoring market.

On 18 September 2020, CardieX was granted a new blood pressure patent (Patent EP2566387) by the European Patent Office to protect the Company's intellectual property surrounding its SphygmoCor® technology used in cuff-based brachial blood pressure (BP) devices. The new patent is in force until March 2034 and follows similar patents already granted to the Company in the United States and Japan.

On 24 September 2020, CardieX announced a commercial partnership with Mobvoi for a new health smartwatch. Mobvoi is one of China's most innovative AI, wearable and tech companies and is backed by Google, Sequoia and Volkswagen Group. The commercial partnership agreement is for the launch of a new smartwatch with heart and arterial health management features based around CardieX subsidiary, ATCOR's, patented SphygmoCor® technology. The commercial partnership follows the 2019 Joint Development Agreement between the parties.

Corporate Activity

On 27 July 2020, CardieX completed a \$2.5 million placement to new strategic investors. The placement was offered to sophisticated investors at \$0.03 per share with a 1 for 5 free attaching listed option (CDXO), resulting in the issue of 83,333,334 new Shares and 16,666,666 Listed Options.

On 3 December 2020, CardieX announced a Share Purchase Plan (SPP) offering eligible shareholders an opportunity to apply for up to \$30,000 of new shares in the Company at \$0.05 per share. Upon the successful completion of the SPP, the Company raised \$3.207 million before costs (received on 12 January 2021) representing a 220% oversubscription over the target raise of \$1 million.

As part of the Corporate Update on 15 December 2020, the Company announced the expansion of the senior executive team with two key new hires to drive medical sales and product development. Steven Kesten M.D. was appointed as the New Chief Medical Officer (CMO) and Mark Gorelick PhD. became the New Chief Product Officer (CPO) of the Company. Both Steven and Mark are highly experienced executive team members who are well positioned to make a significant impact on the Company as we move forward with new product launches and the expansion of our traditional sales markets through calendar 2021 and beyond.

The Company's Annual General Meeting was on 11 December 2020, and the following resolutions were carried:

- Adoption of the FY2020 remuneration report.
- Re-election of Mr. Niall Cairns as a Director.
- Election of Mr. Jarrod White as a Director.
- Ratification of prior share issue (placement) for purpose of listing rule 7.4: reset if 15% threshold.
- Approve issue of options associated with placement.
- Approval of additional 10% placement facility.
- Issue of shares to Mr ZiHan Lin.
- Issue of performance rights to Mr. King Nelson.
- Issue of performance rights to Mr. Niall Cairns.

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

OPERATIONAL UPDATE (CONT)

- Issue of performance rights to Mr. Craig Cooper.
- Issue of performance rights to Mr. Jarrod White.
- Issue of shares to Mr. Jarrod White.
- Issue of shares and options to a related party – C2 Ventures Pty Ltd.
- Issue of options to a related party – C2 Ventures Pty Ltd.
- Appointment of auditor.
- Approval of performance rights and option plan.

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**CARDIEX LIMITED
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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. Philip Leighfield

Chief Financial Officer

Mr. Jarrod White

Review of Operations

The loss for the Group after income tax amounted to \$2,074,639 (31 December 2019: \$1,965,395).

The Group has generated total revenue, including interest revenue, of \$2,673,250, up from \$2,302,757 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 2020.

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.

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DIRECTORS' REPORT (CONT.)

Matters Subsequent to Period End

Since the end of the reporting period;

- (i) On 7 January 2021, the Group announced the successful completion of its Share Purchase Plan, raising \$3,207,000 million (before costs) against its target raise of \$1,000,000. The entire amount was fully accepted with no scale-back. These were then issued on 12 January 2021;
- (ii) On 25 January 2021, the Group announced the issuance of 2,500,000 unlisted options and 207,578 listed options;
- (iii) On 15 February 2021, the Group announced the issuance of ESOP options to Key Employees. 29,250,000 options exercise at \$0.08 per option and 4,000,000 options exercise at \$0.05 per option, both with an expiry date of 5 years.

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

Rounding of Accounts

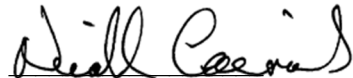
The Company has applied the relief available under ASIC legislative Instrument 2016/191 and accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest dollar.

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
Chairman
Sydney, 26 February 2021

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 2020, 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, 26 February 2021

**CARDIEX LIMITED
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ABN 81 113 252 234**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Sales revenue	2	2,544,052	2,143,459
Interest revenue	2	129,198	159,298
		<u>2,673,250</u>	<u>2,302,757</u>
Other income	3	292,800	261,342
Total income		2,966,050	2,564,099
Cost of sales		(376,612)	(323,574)
Bad debts expense		(33,229)	-
Marketing and sales expense		(63,374)	(279,712)
Product development and regulatory expense		(412,139)	(394,556)
Occupancy expense		(158,383)	(247,270)
Employee benefits expense		(2,405,476)	(2,546,286)
Administration expense		(794,289)	(674,547)
Interest expense		(147,582)	(63,549)
Foreign exchange losses		(649,605)	-
Loss before income tax expense		(2,074,639)	(1,965,395)
Income tax expense		-	-
Loss attributable to members of the parent entity		(2,074,639)	(1,965,395)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		74,254	21,639
Total comprehensive loss for the period		(2,000,385)	(1,943,756)
Basic loss per share (cents)	4	(0.25)	(0.28)
Diluted loss per share (cents)	4	(0.25)	(0.28)

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

**CARDIEX LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 December 2020	30 June 2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,322,319	2,061,642
Trade and other receivables		695,676	819,523
Inventory		248,280	259,679
Financial assets	6	1,298,365	728,544
Other current assets	5	563,838	823,960
TOTAL CURRENT ASSETS		6,128,478	4,693,348
NON-CURRENT ASSETS			
Property, plant and equipment		431,738	565,636
Intangible assets		656,392	56,192
Financial assets	6	3,582,833	5,299,848
Other non-current assets	5	31,382	60,252
TOTAL NON-CURRENT ASSETS		4,702,345	5,981,928
TOTAL ASSETS		10,830,823	10,675,276
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		611,790	711,530
Unearned revenue		1,070,428	1,524,861
Provisions		341,364	322,547
Financial liabilities	7	262,243	249,447
Lease liabilities		111,675	117,702
Borrowings	8	1,201,052	718,464
TOTAL CURRENT LIABILITIES		3,598,552	3,644,551
NON-CURRENT LIABILITIES			
Provisions		175	-
Lease liabilities		121,654	192,557
Borrowings	8	-	958,167
TOTAL NON-CURRENT LIABILITIES		121,829	1,150,724
TOTAL LIABILITIES		3,720,381	4,795,275
NET ASSETS		7,110,442	5,880,001

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**CARDIEX LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (CONT.)

	Note	31 December 2020	30 June 2020
		\$	\$
EQUITY			
Contributed equity	10	56,039,726	53,127,941
Reserves		2,094,032	1,969,548
Accumulated losses	11	(51,023,316)	(49,217,488)
TOTAL EQUITY		<u>7,110,442</u>	<u>5,880,001</u>

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

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**CARDIEX LIMITED
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER
2020**

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2019		51,500,876	1,613,332	(46,163,273)	6,950,935
Loss for the half year		-	-	(1,965,395)	(1,965,395)
Other comprehensive income/(loss)		-	21,639	-	21,639
Total comprehensive income/(loss) for the half year		-	21,639	(1,965,395)	(1,943,756)
Transactions with equity holders in their capacity as owners					
Capital placement		1,000,000	-	-	1,000,000
Shares issued on conversion of convertible notes		668,756	(88,441)	-	580,315
Share issue costs		(64,561)	-	-	(64,561)
Share based payments		-	373,307	-	373,307
Options expired		-	(263,554)	263,554	-
		1,604,195	21,312	263,554	1,889,061
Balance at 31 December 2019		53,105,071	1,656,283	(47,865,114)	6,896,240
Balance at 1 July 2020		53,127,941	1,969,548	(49,217,488)	5,880,001
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)
Transactions with equity holders in their capacity as owners					
Capital placement	10	2,990,800	-	-	2,990,800
Shares issued in lieu of payments to employees		106,652	-	-	106,652
Share issue costs		(185,667)	-	-	(185,667)
Share based payments	10	-	319,041	-	319,041
Options expired	10	-	(268,811)	268,811	-
		2,911,785	50,230	268,811	3,230,826
Balance at 31 December 2020		56,039,726	2,094,032	(51,023,316)	7,110,442

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

**CARDIEX LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		2,300,353	2,174,974
Payments to suppliers and employees (inclusive of GST)		(3,765,127)	(3,666,392)
		<u>(1,464,774)</u>	<u>(1,491,418)</u>
Other income		522,779	381,267
Interest received		21	254
Net cash used in operating activities		<u>(941,974)</u>	<u>(1,109,897)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(8,901)	(38,191)
Payments for convertible notes		-	(3,490,217)
Repayment of convertible notes		721,500	-
Payments for intangible assets		(612,786)	(24,310)
Net cash from/(used in) investing activities		<u>99,813</u>	<u>(3,552,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	10	2,990,800	956,250
Share issue costs		(185,667)	(64,561)
Borrowings received		13,750	-
Borrowings repaid		(459,777)	-
Finance costs		(106,145)	-
Finance lease payments		(74,451)	(72,219)
Net cash provided by financing activities		<u>2,178,510</u>	<u>819,470</u>
Net increase/(decrease) in cash held		1,336,349	(3,843,145)
Cash and cash equivalents at beginning of financial period		2,061,642	4,980,826
Effects of foreign currency exchange		(75,672)	-
Cash and cash equivalents at end of financial period		<u><u>3,322,319</u></u>	<u><u>1,137,681</u></u>

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

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**CARDIEX LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 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 \$2,074,639 (2019: \$1,965,395) and had net cash outflows from operating activities of \$941,974 for the half year ended 31 December 2020 (2019: \$1,109,897). 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 \$3,322,319 as at 31 December 2020 (30 June 2020: \$2,061,642). As at that date, the Group had net current assets of \$2,529,926 (30 June 2020: \$1,048,797) and net assets of \$7,110,442 (30 June 2020: \$5,880,001). 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;
- On 7 January 2021, the Group announced the successful completion of its Share Purchase Plan, raising \$3,207,000 (before costs) against its target raise of \$1,000,000. The entire amount was fully accepted with no scale-back. These were then issued on 12 January 2021;
- 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 or 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
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 2: REVENUE

	31 December 2020	31 December 2019
	\$	\$
<i>Sales revenue</i>		
Sale of goods	1,164,008	989,442
Lease income	1,029,577	698,476
Service income	267,473	319,244
Freight income	62,260	28,311
Royalty income	20,734	107,986
	<u>2,544,052</u>	<u>2,143,459</u>
<i>Other revenue</i>		
Interest received	129,198	159,298
Total revenue	<u>2,673,250</u>	<u>2,302,757</u>

NOTE 3: OTHER INCOME

Grant income	289,000	215,722
Other income	3,800	45,620
	<u>292,800</u>	<u>261,342</u>
Total revenue	<u>292,800</u>	<u>261,342</u>

NOTE 4: LOSS PER SHARE

a. Reconciliation of earnings:		
Loss after tax	<u>(2,074,639)</u>	<u>(1,965,395)</u>
	No.	No.
b. Weighted average number of ordinary shares outstanding during the half year used in calculating EPS	826,830,048	700,482,797
	Cents	Cents
c. Basic loss per share	<u>(0.25)</u>	<u>(0.28)</u>
d. Diluted loss per share	<u>(0.25)</u>	<u>(0.28)</u>

**CARDIEX LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: OTHER ASSETS

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Prepayments	136,717	75,614
Contract assets	91,231	185,711
R&D tax incentive receivable	232,915	466,694
Deposits	63,392	38,358
Other	39,583	57,583
	<u>563,838</u>	<u>823,960</u>
NON CURRENT		
Deposits	31,382	60,252
	<u>31,382</u>	<u>60,252</u>
Total	<u>595,220</u>	<u>884,212</u>

NOTE 6: FINANCIAL ASSETS

	31 December 2020	30 June 2020
	\$	\$
CURRENT FINANCIAL ASSETS		
InHealth convertible note	1,298,365	728,544
	<u>1,298,365</u>	<u>728,544</u>
NON-CURRENT FINANCIAL ASSETS		
Blumio convertible note	863,281	942,373
InHealth investment	343,974	343,974
InHealth convertible note	2,375,578	4,013,501
	<u>3,582,833</u>	<u>5,299,848</u>
Total	<u>4,881,198</u>	<u>6,028,392</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 2020, the total convertible note asset was \$863,281; made up of \$779,018 of payments and \$84,263 of accrued interest. The decrease in value of the convertible note from June 2020 (\$874,253 excluding accrued interest) is due to unrealised FX losses of \$104,204.

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;

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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;
- There is an intention for an additional US\$1,000,000 to be repaid by 30 June 2021;
- As at 31 December 2020, the total convertible note asset was \$3,673,943; made up of the initial \$3,245,269 payment and \$428,674 of accrued interest.
- The decrease in value of the convertible note from June 2020 (\$4,742,045) is due to the US\$500,000 repayment combined with the unrealised FX losses of \$450,665.
- As at 31 December 2020, the Company holds 7.7% equity in InHealth Medical Service Inc.

NOTE 7: FINANCIAL LIABILITIES

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Convertible note liabilities	262,243	249,447
	262,343	249,447

NOTE 8: BORROWINGS

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Paycheck Protection Program loan	224,344	251,770
Term loan facility	976,708	466,694
	1,201,052	718,464
NON-CURRENT		
Term loan facility	-	958,167
	-	958,167
TOTAL BORROWINGS	1,201,052	1,676,631

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 9: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		31 December 2020	30 June 2020
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

* Percentage of voting power is in proportion to ownership

NOTE 10: ISSUED CAPITAL

	31 December 2020		30 June 2020	
	No of Shares	\$	No of Shares	\$
(a) Ordinary shares				
At the beginning of reporting period	753,209,290	53,127,941	695,502,228	51,500,876
Placements in the period	101,151,485	2,990,800	36,363,637	1,000,000
Shares issued on conversion of convertible notes	-	-	21,343,425	640,303
Shares issued in lieu of payments to key executives	3,158,802	106,652	-	-
Cost of raising capital	-	(185,667)	-	(13,238)
Closing balance at reporting date	857,519,577	56,039,726	753,209,290	53,127,941

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 2020		30 June 2020	
	No of Rights	\$	No of Rights	\$
(b) Rights on Issue				
At the beginning of reporting period	36,000,000	695,272	36,000,000	230,975
Issued under Performance Rights Plan	160,500,000	-	-	-
Rights vesting expense in current period	-	287,889	-	464,297
Closing balance at reporting date	196,500,000	983,161	36,000,000	695,272

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 10: ISSUED CAPITAL (CONT.)

In 2018, performance rights were issued to CEO Craig Cooper, of which there are 36,000,000 performance rights on issue as at 31 December 2020. The terms of the rights on issue are as follows:

Tranche	Number of performance rights	Will vest if 30 day VWAP exceeds:
2	8,000,000	\$0.08
3	8,000,000	\$0.12
4	4,000,000	\$0.08
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 30 day VWAP exceeds:
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 2020		30 June 2020	
	No of Options	\$	No of Options	\$
(c) Options on Issue				
At the beginning of reporting period	167,423,535	669,064	161,307,625	786,590
Options vesting expense	-	31,152	-	147,388
Options issue to employees	-	-	1,000,000	1,298
Expired and lapsed employee options	(2,535,000)	(268,811)	(3,975,000)	(266,212)
Free attaching options (1 for 5) as attaching to placement	16,666,666	-	-	-
Free attaching options (1 for 4) as attaching to placement	-	-	9,090,910	-
Closing balance at reporting date	181,555,201	431,405	167,423,535	669,064

NOTE 11: ACCUMULATED LOSSES

	31 December 2020	30 June 2020
Opening balance	(49,217,488)	(46,163,273)
Losses for the period	(2,074,639)	(3,320,427)
Transfer from share-based payments reserve	268,811	266,212
Closing balance at end of financial period	(51,023,316)	(49,217,488)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 12: EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the reporting period;

- (i) On 7 January 2021, the Group announced the successful completion of its Share Purchase Plan, raising \$3,207,000 (before cost) against its target raise of \$1,000,000. The entire amount was fully accepted with no scale-back. These were then issued on 12 January 2021;
- (ii) On 25 January 2021, the Group announced the issuance of 2,500,000 unlisted options and 207,578 listed options;
- (iii) On 15 February 2021, the Group announced the issuance of ESOP options to Key Employees. 29,250,000 options exercise at \$0.08 per option and 4,000,000 options exercise at \$0.05 per option, both with an expiry date of 5 years.

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 2021 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 2020

NOTE 13: SEGMENT REPORTING (CONT.)

(b) Segmental information provided to the Board

	Americas	Europe	Asia Pacific	Inter- segment eliminations/ unallocated	Consolidated
	\$	\$	\$	\$	\$
31 December 2020					
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
Other revenue	-	-	129,198	-	129,198
Total segment revenue	2,496,350	167,237	332,923	(323,260)	2,673,250
Segment result	(194,739)	106,991	(1,980,380)	(6,511)	(2,074,639)
Unallocated revenue less unallocated expenses					-
Loss before income tax					(2,074,639)
Income tax expense					-
Loss for the period					(2,074,639)
31 December 2019					
Sales to external customers	1,615,627	240,872	286,960	-	2,143,459
Intersegment sales	110,160	-	65,714	(175,874)	-
Total sales revenue	1,725,787	240,872	352,674	(175,874)	2,143,459
Other revenue	-	-	159,298	-	159,298
Total segment revenue	1,725,787	240,872	511,972	(175,874)	2,302,757
Segment result	(747,871)	126,817	(1,331,113)	(13,228)	(1,965,395)
Unallocated revenue less unallocated expenses					-
Loss before income tax					(1,965,395)
Income tax expense					-
Loss for the period					(1,965,395)

(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 2020 (2019: \$nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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.

31 December 2020	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
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
Other revenue	-	-	129,198	129,198
Total revenue	2,173,090	167,237	332,923	2,673,250

31 December 2019	Americas	Europe	Asia Pacific	Consolidated
	\$	\$	\$	\$
Sale of goods	581,006	232,412	176,024	989,442
Lease income	698,476	-	-	698,476
Service income	311,017	6,479	1,748	319,244
Freight income	25,128	1,981	1,202	28,311
Royalty income	-	-	107,986	107,986
Total sales revenue	1,615,627	240,872	286,960	2,143,459
Other revenue	-	-	159,298	159,298
Total revenue	1,615,627	240,872	446,258	2,302,757

NOTE 14: CAPITAL COMMITMENTS

There are no capital commitments present for the Group at 31 December 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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

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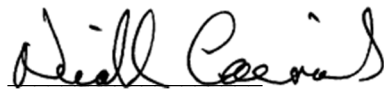
DIRECTORS' DECLARATION

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 2020 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

Chairman

Sydney, 26 February 2021

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 2020, 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 2020 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 has recorded financial assets of \$4,881,198 as at 31 December 2020, the total of which relates to investments in convertible notes. Due to the investees being at the development stage and compounded by the impact of COVID-19, we were unable to obtain sufficient appropriate audit evidence to support the carrying amount as at 30 June 2020 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 investments in convertible notes as at 31 December 2020. 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.

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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 2020 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, 26 February 2021

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