

Appendix 4C

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

Name of entity

Cardiex Limited

ABN

81 113 252 234

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,172	2,351
1.2 Payments for		
(a) research and development	(426)	(1,662)
(b) product manufacturing and operating costs	(410)	(906)
(c) advertising and marketing	(254)	(675)
(d) leased assets	(53)	(169)
(e) staff costs	(2,681)	(6,892)
(f) administration and corporate costs	(862)	(2,442)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,455	1,455
1.8 Other (industry prize)	-	793
1.9 Net cash from / (used in) operating activities	(2,058)	(8,144)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(22)	(22)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(22)	(22)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	140	2,925
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(235)
3.5	Proceeds from borrowings	-	1,120
3.6	Repayment of borrowings	(1,456)	(1,601)
3.7	Transaction costs related to loans and borrowings	-	(15)
3.8	Dividends paid	-	-
3.9	Other (Proceeds from C2 Ventures Funding Commitment Agreement and other share applications)	250	5,729
3.10	Net cash from / (used in) financing activities	(1,084)	7,923

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,400	481
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,058)	(8,144)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,084)	7,923
4.5	Effect of movement in exchange rates on cash held	-	(2)
4.6	Cash and cash equivalents at end of period	236	236

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	236	3,400
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	236	3,400

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	460
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	3,508	3,508
7.2	Credit standby arrangements	-	-
7.3	Other (Funding Commitment Agreement)	-	-
7.4	Total financing facilities	3,508	3,508
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p><i>On 9 August 2024, the Company entered into a new R&D Term Loan Facility of \$1,120,000 with Mitchell Asset Management Pty Ltd ("MAM"), which was advanced as a prepayment of forecast Research and Development Tax Incentives that are anticipated to be received by the Company for the 30 June 2024 and 30 June 2025 financial years. The facility attracts interest at 18% per annum.</i></p> <p><i>During the quarter, Cardix received its 2024 R&D Tax Incentive refund totalling \$1.46m. The funds were used to fully repay its Working Capital Loan Facility with MAM and partially repay the R&D Term Loan Facility, which subsequently had a reduced balance of \$0.73m.</i></p> <p><i>Post quarter end, Cardix entered into a variation agreement with MAM with the following changes:</i></p> <ul style="list-style-type: none"> • <i>An increase in the remaining facility limit, resulting in an additional drawdown of \$446,000.</i> • <i>A revised interest rate on the facility of 16% effective 1 April 2025.</i> • <i>Repayment of the remaining principal is secured by the 2025 R&D Tax Incentive Refund and due by 31 October 2025.</i> <p><i>As announced on 20 November 2023, the Company agreed a Promissory Note with its US legal counsel, Wilson Sonsini Goodrick & Rosati, Professional Corporation (WSGR) for US\$1,500,000 (A\$2.39m) for the agreed reduced amount of US legal fees outstanding from the Company's withdrawn NASDAQ IPO and capital raising initiative. The key terms of the Promissory Note are:</i></p> <ul style="list-style-type: none"> • <i>5.5% interest rate</i> • <i>Repayment terms (per amendment agreement in September 2024)</i> <ul style="list-style-type: none"> - <i>US\$250k before 31 January 2025 (paid on 31 January 2025).</i> - <i>US\$250k before 31 July 2025.</i> - <i>The final balance of US\$1m plus interest repayable by 31 October 2025.</i> 		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,058)	
8.2	Cash and cash equivalents at quarter end (item 4.6)	236	
8.3	Unused finance facilities available at quarter end (item 7.5)	-	
8.4	Total available funding (item 8.2 + item 8.3)	236	
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.11	
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

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

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

Answer:

Cardiex has made substantial progress in its operational restructuring, successfully centralizing its engineering and development teams from the U.S. and other offshore locations to Sydney. This initiative, along with other ongoing efforts to optimize and streamline global operations, has reduced the company's cost base by 30%, resulting in annualized cost savings of approximately \$4.7 million (around \$0.4 million per month) based on the FY25 year-to-date run rate, which is down from approximately \$17 million in FY24 to a new annual expense base of about \$10 million.

These cost efficiencies are already contributing positively to cash flow in Q4, with full benefits expected to be realized in Q1 FY26.

In addition, Cardiex during Q3 launched the CONNEQT Pulse and App that is already producing new sources of revenue (Digital, product and solution). These new sources of revenue and the existing ATCOR business are expected to deliver increasing sales revenue and gross margin that will positively contribute to cash flow in Q4 and into the future.

The streamlining of operations, with significant expense base reductions, and increasing sales revenue, from new and existing sources, are expected to deliver strongly positive cash flow results (initially reducing negative cash flow and then subject to performance enabling a move to positive cash flow).

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

Answer:

Yes.

In April, C2 Ventures, the Company's lead shareholder, fully funded its \$250,000 commitment to the December 2024 capital raising. This funding was provided ahead of seeking shareholder approval, which will occur at a later Extraordinary General Meeting (EGM), separate from the one scheduled for May 9. By securing approval at this subsequent EGM, the company will be able to issue the shares after July 1 without the need for an expert's report, remaining within the regulatory framework and avoiding unnecessary costs.

In addition, C2 Ventures will provide some ongoing funding during Q4 and fully support any capital raising, with the intention to maintain its shareholding level.

We are working with our advisors and discussions are taking place with C2 Ventures and investors in Australia and the U.S., with the expectation that additional capital will be raised in Q4 that is sufficient to enable Cardiex to reach cash flow positive trading. Funds from any capital raising will be largely used for new device manufacturing, marketing and sales activities - and for commercial expansion, including scaling up supply chain operations for the CONNEQT Pulse.

Post quarter end, Cardiex increased its facility limit on its R&D Term Loan Facility with Mitchell Asset Management Pty Ltd, resulting in a draw down of an additional \$446k from the facility.

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

Answer:

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

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

Compliance statement

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

Date: 30 April 2025

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

Notes

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