

**CARDIEX LIMITED
ACN 113 252 234**

PROSPECTUS

This Prospectus is being primarily issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 New Share for every 2.87 existing Shares held on the Record Date at an issue price of \$0.08 per New Share, together with 1 Quoted Option for every 3 New Shares subscribed for and issued (**Entitlement Offer**).

This Prospectus is also being issued for the Other Offers described in the Prospectus.

The Offers close at 5.00pm (AEDT) on 1 February 2024 (Closing Date).*

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL
ADVISER WITHOUT DELAY.**

**THE NEW SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A
SPECULATIVE NATURE.**

* The Company reserves the right, subject to the Corporations Act and Listing Rules to extend or shorten the Closing Date.

Important information

General

This Prospectus is issued by CardieX Limited (ACN 113 252 234) (**Company**) for the purposes of Chapter 6D of the Corporations Act. This Prospectus is dated 19 December 2023 (**Prospectus Date**) and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No New Securities will be issued on the basis of this Prospectus any later than 13 months after the Prospectus Date (being the expiry date of this Prospectus).

Application will be made to the ASX within seven days after the Prospectus Date for quotation of the New Securities the subject of this Prospectus. The New Securities offered by this Prospectus should be considered speculative. Please refer to Section 5 for details relating to investment risks.

The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

The Company will also provide copies of other documents on request free of charge (see Section 6.6).

Although the Company's Shares are currently suspended from quotation on ASX, the Company continues to be subject to the continuous disclosure regime under the Corporations Act. This Prospectus is a "transaction specific" prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain, amongst other things, information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors in connection with the Offers.

No investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

This document is important and should be read in its entirety before deciding to participate in the Offers.

Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

Disclosing entity

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer to acquire securities and an offer of options to acquire securities which are quoted enhanced disclosure securities and the securities are in a class of securities that were quoted enhanced disclosure securities at all times in the three months before the issue of this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision about whether to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the

requirements of the ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by the ASX, throughout the three months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Overseas Shareholders

The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

No action has been taken to permit the offer of New Securities under this Prospectus in any jurisdiction other than Australia.

Subject to the provisions outlined in Section 1.17, residents in New Zealand are eligible to participate in the Offers. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of New Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the Quoted Options under this Prospectus. The Company will only make available the Offers to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://cardiex.com.au/>).

By making an application under this Prospectus, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Forward-looking statements

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause

those acts, events and circumstances to differ materially from the expectations described in the forward-looking statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Definitions, time and currency

Definitions of certain terms used in this Prospectus are contained in Section 8.

All references to currency are to Australian dollars and all references to time are to the time in Sydney, New South Wales, unless otherwise indicated.

Expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate directory

Directors and Management

Name

Niall Cairns
Craig Cooper
Randall King Nelson

Position

Executive Chairman
Executive Director and Chief Executive Officer
Non-Executive Director

Company Secretary

Louisa Ho

Head Office

Suite 301, Level 3
55 Lime Street
Sydney NSW 2000

Phone: +61 2 9874 8761

Email: contact@cardiex.com

Website: www.cardiex.com

Share Registry*

Automic Pty Ltd
Level 5
126 Phillip Street,
Sydney NSW 2000

Phone: 1300 288 664 (within Australia)
+61 2 9698 5414 (international)

Email: corporate.actions@automicgroup.com.au

Website: automicgroup.com.au

ASX Code: CDX

Legal Adviser

Hamilton Locke
Level 42, Australia Square
264 George Street
Sydney NSW 2000

Lead Manager

MST Financial Services Pty Ltd
Level 13
14 Martin Place
Sydney NSW 2000
AFSL: 500557

Auditor*

BDO Audit Pty Ltd
11/1 Margaret Street
Sydney NSW 2000

Nominee*

Taylor Collison Limited
Level 10, 151 Macquarie Street
Sydney NSW 2000
AFSL: 247083

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Proposed timetable for the Offers

Event	Date
Lodgement of Prospectus with ASIC Lodgement of Prospectus, announcement of Offers and lodgement of Appendix 3B with ASX Opening date for Shortfall Offer	Tuesday, 19 December 2023
Ex date	Thursday, 21 December 2023
Record Date for determining Entitlements under the Entitlement Offer	Friday, 22 December 2023
Issue of Shares under Tranche 1 of the Placement	Wednesday, 27 December 2023
Prospectus and Application Forms made available to Eligible Shareholders and Company announces that this has occurred Opening date of Entitlement Offer Opening date for Placement Offer, Lead Manager Offer and Convertible Note Offer	Friday, 29 December 2023
Last day to extend Closing Date of Entitlement Offer (before noon)	Monday, 29 January 2024
Closing Date of Entitlement Offer, Placement Offer, Lead Manager Offer and Convertible Note Offer (5:00pm AEDT) Anticipated date for General Meeting of Shareholders	Thursday, 1 February 2024
New Securities quoted on a deferred settlement basis	Friday, 2 February 2024
Announcement of results of the Entitlement Offer Anticipated date for issue of Shares under Tranche 2 of the Placement (including to related parties) Anticipated date for issue of Shares on conversion of Convertible Notes	Tuesday, 6 February 2024
Anticipated date for issue of the New Securities under the Entitlement Offer Anticipated date for issue of the Quoted Options under the Placement Offer, Lead Manager Offer and Convertible Note Offer	Wednesday, 7 February 2024
Anticipated date for commencement of New Securities trading on a normal settlement basis	Wednesday, 7 February 2024
Shortfall Offer Closing Date	Wednesday, 1 May 2024

Notes:

1. The above dates are indicative only and may change without notice. The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date of any Offer and the Closing Date of any Offer without prior notice, which may have a consequential effect on the other dates.
2. The Company also reserves the right not to proceed with the Offers at any time before the issue of New Securities.
3. The Shortfall Offer may close at such earlier date as the Directors, in their absolute discretion, determine.

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Letter from the Chairman

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1 for 2.87 entitlement offer at an issue price of \$0.08 per New Share to raise up to approximately \$4 million (before costs), together with 1 Quoted Option for every 3 New Shares subscribed for and issued under the Entitlement Offer.

Capital Raising

On 19 December 2023, the Company announced that it had secured binding commitments to raise approximately \$4 million¹ (before costs) via a placement of Shares at an issue price of \$0.08 each, together with 1 Quoted Option for every 3 Shares subscribed for and issued under the Placement.

In order to provide Eligible Shareholders with the ability to participate in the Company's capital raising activities, the Company is offering Eligible Shareholders pursuant to this Prospectus an opportunity to subscribe for New Shares and Quoted Options on the same terms as the Placement. The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

Use of funds

Proceeds from the Capital Raising will be principally applied towards:

- (a) device manufacturing, marketing and sales activities;
- (b) commercial expansion, including scaling of our supply chain, order-fulfilment, and customer care operations;
- (c) market access initiatives (regulatory clearance and outcomes research) in support of our commercialisation efforts into domestic and international geographies;
- (d) research and product development expenses;
- (e) development of the CONNEQT portal and various digital solutions and integrations to encourage product utilisation in the patient monitoring and clinical trial market;
- (f) payments to suppliers and contracted manufacturing for the build up of inventory and capacity for finished products for sale;
- (g) working capital and general operations and corporate purposes; and
- (h) costs of the Offers and Placement.

How to apply under the Entitlement Offer

Refer to Section 2 for details of how to participate in the Entitlement Offer. **The Entitlement Offer is scheduled to close at 5:00pm (AEDT) on 1 February 2024.** If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, you have paid your Application Monies in accordance with the instructions in the Application Form and Section 2 of this Prospectus.

Risks and additional information

The Prospectus includes further details of the Offers and the effect of the Offers on the Company, and a statement of the risks associated with investing in the Company. This document is an important document and should be read in its entirety. If you have any questions in relation to the Prospectus or the Offers, you should consult your suitably qualified professional adviser without delay.

¹ Completion of the Placement is conditional on ASX agreeing to lift the Company's suspension from quotation, and Tranche 2 of the Placement is also conditional on Shareholder approval. The actual cash amount to be received under the Placement (before costs) will be \$3,250,000 as C2V has agreed with the Company to offset a total of \$750,000 in amounts already advanced to the Company by C2V against the monies payable by C2V on subscription for Shares under the Placement. See Section 1.7.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours sincerely

A handwritten signature in black ink, appearing to read "Niall Cairns". The signature is written in a cursive style with a large initial 'N'.

Niall Cairns
Executive Chairman
CardieX Limited

Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in New Securities.

Key information	Further information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for offers to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	-
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for New Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5, including (but not limited to) risks in respect of:</p> <p>(a) Quotation and delisting risk: The Company's Shares went into a trading halt on 26 September 2023 and have been suspended from quotation since 28 September 2023 and it is anticipated that its Shares will remain suspended until the Company can satisfy certain requirements of the ASX. Whilst every endeavour will be made to complete with the requirements of the ASX, there can be no guarantee the Company will be able to satisfy all of the reinstatement conditions imposed by ASX or that the Shares will be reinstated to trading on ASX. In the event that the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no market for the Shares.</p> <p>(b) Commercial operations risks: The Company has encountered challenges in relation to its financial performance, having incurred operating losses in the past, and there is no certainty that it will achieve or maintain profitability in the future. There are a number of risks to the Company's commercial operations which, if any one or more of them occur, could adversely affect the Company's business, financial condition, and operating results. These risks include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Failure of the Company's SphygmoCor technology-enabled products, from which the majority of the Company's revenue is currently derived, to gain market acceptance. (ii) The Company's limited operating history with certain products which are still in development makes it challenging to predict long-term performance based solely on historical financial results. (iii) Accurate demand forecasting for products and effective inventory management are crucial for the Company's financial success. Increases in component costs, supply shortages, and supply changes could disrupt the supply chain. (iv) The inability to anticipate appropriate pricing levels for its products, and economic downturns or uncertainties could reduce consumer discretionary spending and demand for its products and services. (v) Consolidation in the healthcare industry may result in demands for price concessions or the exclusion of existing market participants from certain markets. (vi) Inefficient management of growth and expansion, including cost-effective and timely scaling of operations. 	Section 5

Key information	Further information
<p>(c) Product risks: The Company's success is closely tied to maintaining the value and reputation of its brands, which may not be as successful as anticipated. The Company's products and services may encounter design and manufacturing defects, whether real or perceived, which could have adverse effects on its business and damage its reputation. Major defects could make the Company's products and services unsafe and create a risk of environmental or property damage and/or personal injury. Quality problems could also adversely affect the user's experience, and result in harm to the Company's brand or reputation, loss of competitive advantage, poor market acceptance, reduced demand for its products, delay in new product introductions, and lost revenue.</p> <p>(d) Product liability: As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. The Company may be subject to warranty claims that result in significant direct or indirect costs, or it could experience more extensive product returns than expected, both of which could negatively affect its business, financial condition, and operating results.</p> <p>(e) Supply Chain: The Company relies on a limited number of global suppliers, contract manufacturers, and logistics partners to manufacture its products, and any loss of supply or supply interruption from these partners could negatively affect its operations. A large portion of the Company's contract manufacturers' primary facilities are located in China. Thus, its business could be adversely affected if one or more of its suppliers is impacted by a natural disaster, an epidemic such as the current COVID-19 pandemic, or other interruption at a particular location.</p> <p>(f) Cybersecurity risks: Expanding the company's solutions and capabilities that rely on network communications expose the Company to risks including cybersecurity threats, interruptions or delays in telecommunications systems, or data service losses, all of which could impair product and service delivery. Despite the Company's efforts and processes to prevent security breaches and incidents, its products and services, as well as its servers, computer systems, and those of third parties that it uses in its operations are vulnerable to cybersecurity risks, which could lead to interruptions, delays, loss, corruption, unavailability, and unauthorised processing of critical data, unauthorized access to or other processing of user health data, a negative impact on users' experience, and loss of consumer confidence.</p> <p>(g) Intellectual Property risks: The Company heavily relies on patent, intellectual property and other proprietary rights, and failing to protect these rights or succeed in litigation related to them could result in significant monetary damages and royalty payments, negatively impacting its ability to sell current or future products. Failure to protect the confidentiality of trade secrets could materially adversely affect the value of the Company's technology and harm its business. Infringement or perceived infringement of others' intellectual property rights by the Company's products could lead to costly patent and intellectual property litigation, substantial damages or royalties, limitations on technology essential to its products, or discontinuation of product sales.</p> <p>(h) Additional capital requirements: The Company will require capital in the future, in addition to amounts raised pursuant to the Capital Raising, to execute its business plan and maintain ongoing operations in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all.</p> <p>(i) Going concern: The Company's annual financial report for the year ended 30 June 2023 (Financial Report) includes a note in the independent auditor's report on the financial condition of the Company and existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going</p>	

Key information	Further information
<p>concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Capital Raising, the Company will have sufficient funds to adequately meet the Company's current commitments and medium-term working capital requirements. In the event that the Capital Raising is not completed successfully, it is likely to have a material adverse effect on the Company's current activities.</p> <p>(j) Regulatory risks: Extensive government regulation and oversight in the United States, Australia, and in other jurisdictions apply to the Company's products and operations, and non-compliance with these requirements could harm its business. Failure to comply with healthcare and other governmental regulations could result in substantial fines and penalties, adversely affecting the Company's business, results of operations, and financial condition.</p> <p>Misuse or off-label use of the Company's products may harm its reputation in the marketplace, result in injuries leading to product liability suits, or result in costly investigations, fines, or sanctions by regulatory bodies, which could be costly to the Company.</p> <p>Changes in healthcare policies may also have a material adverse effect on the Company, including making it more difficult and costly for the Company to obtain regulatory clearances or approvals for its products or to manufacture, market, or distribute its products after clearance or approval is obtained. Further, healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organisations. A decline in coverage and reimbursement from government and third-party payors could lead to reduced product usage and sales.</p> <p>Numerous laws and regulations, govern the collection, dissemination, security, use and confidentiality of patient-identifiable health information. Failure to comply with applicable laws and regulations could result in significant penalties, and may negatively affect profitability and cash flows.</p> <p>(k) Competition: The Company operates in a highly competitive market and may struggle to attract and retain users, hindering its business growth. As the health wearable market is relatively new, any failure of the general market or specific demand for the Company's products to meet expectations, or if growth slows, could adversely impact its business, financial condition, and operating results. There is no assurance that the Company will be able to successfully compete in this landscape.</p>	
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 New Share for every 2.87 existing Shares held on the Record Date at an issue price of \$0.08 per New Share, together with 1 Quoted Option for every 3 New Shares subscribed for and issued (Entitlement Offer).</p> <p>Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer are able to subscribe for Top-Up Securities under the Top-Up Facility. See Sections 1.4 and 1.5 regarding the allocation of Top-Up Securities.</p>	Section 1
<p>Who is an Eligible Shareholder?</p> <p>Eligible Shareholders are those Shareholders who on the Record Date:</p> <p>(a) are registered as the holder of Shares in the Company as at 7:00pm (AEDT);</p> <p>(b) have a registered address in Australia or New Zealand as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and</p> <p>(c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.</p>	Section 1.3

Key information	Further information
<p>Underwriting</p> <p>The Offers are not underwritten.</p>	Section 1.9
<p>What is the intended use of funds?</p> <p>The proceeds from the Capital Raising will principally be applied towards:</p> <ul style="list-style-type: none"> (a) device manufacturing, marketing and sales activities; (b) commercial expansion, including scaling of our supply chain, order-fulfilment, and customer care operations; (c) market access initiatives (regulatory clearance and outcomes research) in support of our commercialisation efforts into domestic and international geographies; (d) research and product development expenses; (e) development of the CONNEQT portal and various digital solutions and integrations to encourage product utilisation in the patient monitoring and clinical trial market; (f) payments to suppliers and contracted manufacturing for the build up of inventory and capacity for finished products for sale; (g) working capital and general operations and corporate purposes; and (h) costs of the Offers and Placement. 	Section 1.7
<p>What are the Other Offers?</p> <p>This Prospectus is also for the Placement Offer, the Lead Manager Offer, the Convertible Note Offer and the Shortfall Offer.</p> <p>The Placement Offer comprises a separate offer under this Prospectus of up to 16,666,667 Quoted Options to Placement Participants.</p> <p>The Lead Manager Offer comprises a separate offer under this Prospectus of 3,000,000 Quoted Options to the Lead Manager (or its nominees), as partial consideration for the lead manager services provided in connection with the Capital Raising.</p> <p>The Convertible Note Offer comprises a separate offer under this Prospectus of up to 15,083,334 Quoted Options to Noteholders, on conversion of their Convertible Notes.</p> <p>The Placement Offer, Lead Manager Offer and Convertible Note Offer are subject to Shareholder approval at the upcoming General Meeting.</p> <p>The Shortfall Offer comprises a separate offer under this Prospectus, of the Shortfall. The Shortfall Offer will only be extended to parties identified by the Company, in conjunction with the Lead Manager.</p>	Section 3
<p>Shareholder approvals</p> <p>The issue of the following securities is subject to the receipt of prior Shareholder approval:</p> <ul style="list-style-type: none"> (a) 19,330,049 Shares to unrelated parties under Tranche 2 of the Placement; (b) 13,375,000 Quoted Options to non-related parties under the Placement Offer; (c) 10,500,000 Quoted Options to non-related parties under the Convertible Note Offer; (d) 3,000,000 Quoted Options under the Lead Manager Offer; and (e) the issue of the following Related Party Securities: <ul style="list-style-type: none"> (i) 9,875,000 Shares and 3,291,667 Quoted Options to C2V under the Placement; (ii) 3,125,000 Quoted Options to C2V under the Convertible Note Offer; 	Section 3

Key information	Further information																																			
<p>(iii) 416,667 Quoted Options to Carnethy Evergreen under the Convertible Note Offer; and</p> <p>(iv) 1,041,667 Quoted Options to Kidnetic Pty Ltd (a related entity of former director Jarrod White) under the Convertible Note Offer.</p> <p>These Shareholder approvals are intended to be sought at the upcoming General Meeting.</p>																																				
<p>Effect on control of the Company</p> <p>The Company's current major Shareholder, C2 Ventures Pty Limited (an entity controlled by Directors Niall Cairns and Craig Cooper) and its associates (C2V), has indicated to the Company that it intends to:</p> <p>(a) participate in the Placement for up to \$790,000² (subject to Shareholder approval); and</p> <p>(b) take up its full Entitlement under the Entitlement Offer.</p> <p>As a result of the Entitlement Offer, C2V's voting power may increase in the Company to above 20%. This increase will fall within the exception pursuant to item 10 of section 611 of the Corporations Act subject to approval by ASIC of the appointment of the Nominee for Ineligible Shareholders under section 615 of the Corporations Act.</p> <p>To the best of the Company's knowledge, it is not expected that any other Shareholder will hold voting power greater than 20% as a result of the Offers.</p>	Section 4.3																																			
<p>Dilution</p> <p>Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 4.4.</p>	Section 4.4																																			
<p>Indicative capital structure and pro-forma balance sheet</p> <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table border="1" data-bbox="199 1272 1257 1935"> <thead> <tr> <th></th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> <th>Convertible Notes</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>143,683,524</td> <td>25,045,377</td> <td>6,750,000</td> <td>3,620,000</td> </tr> <tr> <td>To be issued under the Placement</td> <td>50,000,000</td> <td>16,666,667</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>To be issued on conversion of Convertible Notes</td> <td>45,250,000</td> <td>15,083,334</td> <td>Nil</td> <td>(3,620,000)</td> </tr> <tr> <td>To be issued under the Entitlement Offer</td> <td>50,063,946</td> <td>16,687,982</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>To be issued under the Lead Manager Offer</td> <td>Nil</td> <td>3,000,000</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>TOTAL</td> <td>288,997,470</td> <td>76,483,359</td> <td>6,750,000</td> <td>Nil</td> </tr> </tbody> </table>		Shares	Options	Performance Rights	Convertible Notes	Balance at the date of this Prospectus	143,683,524	25,045,377	6,750,000	3,620,000	To be issued under the Placement	50,000,000	16,666,667	Nil	Nil	To be issued on conversion of Convertible Notes	45,250,000	15,083,334	Nil	(3,620,000)	To be issued under the Entitlement Offer	50,063,946	16,687,982	Nil	Nil	To be issued under the Lead Manager Offer	Nil	3,000,000	Nil	Nil	TOTAL	288,997,470	76,483,359	6,750,000	Nil	Sections 4.1 and 4.5
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² See footnote 1.

Key information	Further information																						
<p>The above table assumes that:</p> <ul style="list-style-type: none"> • Shareholder approval has been received for the issue of the Shares under Tranche 2 of the Placement and all Quoted Options under the Placement Offer, Convertible Note Offer and Lead Manager Offer (including the Related Party Securities); • the Placement has completed; • all Convertible Notes have been converted; • the Offers are fully subscribed; • no Options or Performance Rights are exercised prior to the Record Date; and • no other new Shares are issued. <p>The indicative pro-forma balance sheet showing the effect of the Offers and the Placement is in Section 4.5.</p>																							
<p>Substantial Shareholders</p> <p>Based on available information as at the Prospectus Date and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:</p> <table border="1" data-bbox="201 916 1254 1234"> <thead> <tr> <th rowspan="2">Substantial Shareholder</th> <th rowspan="2">Shares</th> <th rowspan="2">Voting power¹</th> <th colspan="2">Entitlement</th> </tr> <tr> <th>New Shares</th> <th>Quoted Options</th> </tr> </thead> <tbody> <tr> <td>C2V (and its associates)</td> <td>27,234,394</td> <td>18.95%</td> <td>9,489,336</td> <td>3,163,112</td> </tr> <tr> <td>Mr Darryl Patterson & Mrs Margaret Stewart Patterson</td> <td>9,401,242</td> <td>6.54%</td> <td>3,275,694</td> <td>1,091,898</td> </tr> </tbody> </table> <p>Note:</p> <p>1. Assumes 143,683,524 Shares on issue at the Prospectus Date and that no other Shares are issued prior to the Record Date.</p>	Substantial Shareholder	Shares	Voting power ¹	Entitlement		New Shares	Quoted Options	C2V (and its associates)	27,234,394	18.95%	9,489,336	3,163,112	Mr Darryl Patterson & Mrs Margaret Stewart Patterson	9,401,242	6.54%	3,275,694	1,091,898	Section 4.2					
Substantial Shareholder				Shares	Voting power ¹	Entitlement																	
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<p>Directors' interests in Shares and Entitlements</p> <p>The relevant interest of each of the Directors in Shares as at the Prospectus Date, together with their respective Entitlements, is as follows (subject to rounding):</p> <table border="1" data-bbox="201 1505 1235 1868"> <thead> <tr> <th rowspan="2">Director</th> <th rowspan="2">Shares</th> <th rowspan="2">Voting power</th> <th colspan="2">Entitlement</th> </tr> <tr> <th>New Shares</th> <th>Quoted Options</th> </tr> </thead> <tbody> <tr> <td>Niall Cairns</td> <td>26,634,394</td> <td>18.54%</td> <td>9,280,277</td> <td>3,093,425</td> </tr> <tr> <td>Craig Cooper</td> <td>26,124,394</td> <td>18.18%</td> <td>9,102,577</td> <td>3,034,192</td> </tr> <tr> <td>Randall King Nelson</td> <td>15,385</td> <td>0.01%</td> <td>5,361</td> <td>1,787</td> </tr> </tbody> </table> <p>Niall Cairns and Craig Cooper have informed the Company that they each intend to take up their respective full Entitlements under the Entitlement Offer. In addition, C2V, an entity controlled by Niall Cairns and Craig Cooper, has agreed, subject to Shareholder</p>	Director	Shares	Voting power	Entitlement		New Shares	Quoted Options	Niall Cairns	26,634,394	18.54%	9,280,277	3,093,425	Craig Cooper	26,124,394	18.18%	9,102,577	3,034,192	Randall King Nelson	15,385	0.01%	5,361	1,787	Sections 4.3 and 6.10
Director				Shares	Voting power	Entitlement																	
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Randall King Nelson	15,385	0.01%	5,361	1,787																			

Key information	Further information
<p>approval, to participate in the Placement for up to an additional \$790,000³. Refer to Sections 4.3 and 6.10 for further details.</p>	
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.</p>	-

³ See footnote 1.

1. Details of the Entitlement Offer

1.1 Background

On 19 December 2023, the Company announced a capital raising comprising a placement and a non-renounceable pro rata entitlement offer to raise total gross proceeds of up to approximately \$8 million⁴ (before costs).

(a) Placement

Pursuant to the Placement, the Company has secured binding commitments to raise approximately \$4 million⁵ (before costs) via a placement of 50,000,000 Shares at an issue price of \$0.08 per Share, together with 1 free-attaching new quoted Option (**Quoted Option**) for every 3 Shares subscribed for and issued (**Placement**).

Completion of the Placement is conditional on ASX agreeing to lift the Company's suspension from quotation.

C2V, an entity controlled by Directors Niall Cairns and Craig Cooper, has indicated to the Company that it intends to subscribe for up to \$790,000⁶ worth of Shares under the Placement. The issue of Shares and Quoted Options to C2V under the Placement is subject to the receipt of prior Shareholder approval.

The Placement will be split into two tranches:

- (i) **Tranche 1:** comprises 20,794,951 Shares (~\$1,663,596 before costs) under the Company's 15% placement capacity pursuant to Listing Rule 7.1, which are expected to be issued on 27 December 2023; and
- (ii) **Tranche 2:** comprises:
 - (A) 29,205,049 Shares (~\$2,336,404⁷ before costs); and
 - (B) 16,666,667 Quoted Options (being all of the Quoted Options offered under the Placement),

and is subject to Shareholder approval. The Company intends to seek Shareholder approval at a general meeting (**General Meeting**) to be convened in January 2024. Tranche 2 includes C2V's proposed participation in the Placement.

The Shares under the Placement will be issued after the Record Date for the Entitlement Offer and, as such, Placement Participants will not be entitled to participate in the Entitlement Offer in respect of their Placement Shares.

(b) Entitlement Offer

In order to provide Eligible Shareholders with the ability to participate in the Company's capital raising activities, the Company is offering Eligible Shareholders an opportunity to participate in a 1 for 2.87 non-renounceable pro-rata entitlement offer of new Shares (**New Shares**) at an issue price of \$0.08 per New Share (**Offer Price**) to raise up to approximately \$4 million (before costs), together with 1 new free attaching Quoted Option for every 3 New Shares subscribed for and issued (**Entitlement Offer**).

⁴ See footnote 1.

⁵ See footnote 1.

⁶ See footnote 1.

⁷ See footnote 1.

1.2 Entitlement Offer

The Entitlement Offer is open to Eligible Shareholders only.

Under the Entitlement Offer, Eligible Shareholders will have the opportunity to subscribe for New Shares in the Company on the basis of 1 New Share for every 2.87 existing Shares held on the Record Date at an issue price of \$0.08 each, together with 1 Quoted Option for every 3 New Shares subscribed for and issued (**Entitlement**). Any Entitlements not taken up in full pursuant to the Entitlement Offer will form the Top-Up Securities and be offered for subscription under the Top-Up Facility (see Section 1.4).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Security, such fraction will be rounded up to the nearest whole New Security.

The Company will accept Application Forms from the Entitlement Offer Opening Date until 5.00pm (AEDT) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act.

A summary of the rights and liabilities attaching to the New Shares offered under the Entitlement Offer is in Section 6.1. The terms and conditions of the Quoted Options are in Section 6.2. Shares issued upon exercise of the Quoted Options will be fully paid and will rank equally with the Company's existing Shares on issue at the Prospectus Date.

The options available to Eligible Shareholders in respect to the Entitlement Offer are detailed in Section 2 below.

1.3 Eligibility

Eligible Shareholders are Shareholders on the Record Date who:

- (a) are registered as the holder of Shares in the Company as at 7:00pm (AEDT);
- (b) have a registered address in Australia or New Zealand as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

All Shareholders who do not satisfy the criteria to be Eligible Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-resident Shareholders in Australia and New Zealand on the Company's share register, the relatively small number and value of New Securities to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

The number of New Securities to which an Ineligible Shareholder would be entitled under the Entitlement Offer will not be issued to such Shareholder and, instead, will form part of the Top-Up Securities.

The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

In accordance with section 615(b)-(c) of the Corporations Act and consistent with *ASIC Regulatory Guide 6: Takeovers: Exceptions to the general prohibition*:

- (a) the Company will issue to the Nominee the Entitlements that would otherwise be issued to the Ineligible Shareholders (**Excluded Rights**); and
- (b) the Nominee will sell those Excluded Rights and remit the net proceeds of the sale (after expenses) to the Company's share registry for distribution to:
 - (i) the Company for the first \$0.08 per New Share;
 - (ii) and if available, the remainder to the Ineligible Shareholders (if any).

The Nominee will have the absolute and sole discretion to determine the timing, the price at which the Excluded Rights may be sold and the manner of such sale, which is expected to be on-market on the ASX. The net proceeds above the Offer Price (if any) of the sale will be distributed to Ineligible Shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting costs, including costs of the sale and costs of distributing the proceeds). If any such net proceeds are less than the reasonable costs that would be incurred for distributing those proceeds, such proceeds may be retained by the Company. Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the net sale proceeds. There is no assurance that the Nominee will be able to sell the Excluded Rights at a price that will result in those shareholders receiving any net proceeds for their Entitlements such that Ineligible Shareholders may receive no value for their Entitlements.

Neither the Company nor the Nominee will be subject to any liability for failure to sell the Entitlements that would have been offered to Ineligible Shareholders or to sell them at a particular price.

1.4 **Top-Up Facility**

Eligible Shareholders who have applied for their Entitlement in full may also apply for Top-Up Securities in excess of their Entitlements at the Offer Price (**Top-Up Facility**), subject at all times to the Directors' discretion to scale back applications for Top-Up Securities under the Top-Up Facility and otherwise in accordance with the allocation policy set out in Section 1.5.

Eligible Shareholders wishing to apply for Top-Up Securities under the Top-Up Facility must consider whether or not the issue of the Top-Up Securities applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

Any Entitlements not taken up pursuant to the Entitlement Offer will be offered for subscription under the Top-Up Facility.

Any Top-Up Securities will be limited to the extent there are sufficient New Securities from Eligible Shareholders who do not take up their Entitlements in full or from the Entitlements of Ineligible Shareholders.

The Directors reserve the right to allocate Top-Up Securities at their sole discretion, and otherwise in accordance with the allocation policy in Section 1.5.

In allocating Top-Up Securities, the Directors may have regard to the following (non-exhaustive) factors:

- (a) the number of New Securities that an Eligible Shareholder is entitled to subscribe for pursuant to its Entitlement relative to the number of Top-Up Securities that it has applied for;
- (b) the total number of Top-Up Securities available for subscription under the Top-Up Facility;

- (c) the number of Shares and Options held by an Eligible Shareholder after completion of the Entitlement Offer;
- (d) identifying any Eligible Shareholders who are potential long term or cornerstone investors of the Company;
- (e) the timeliness of the application by particular Eligible Shareholders;
- (f) the overall level of demand under the Entitlement Offer; and
- (g) ensuring an appropriate Shareholder base for the Company going forward.

The Board may scale back allocations for Top-Up Securities prior to allotting and issuing those Top-Up Securities. The Board anticipates that should it receive applications for Top-Up Securities in excess of the number of Top-Up Securities available for subscription under the Top-Up Facility, it will cap or scale back allocations for Top-Up Securities on a pro-rata basis having regard to each Eligible Shareholder's holding in Shares as at the Record Date.

In any event:

- (a) no Top-Up Securities will be issued to an Eligible Shareholder which would, if issued, result in them (together with their associates) increasing their voting power in the Company above 20%; and
- (b) no Top-Up Securities will be issued if their issue would contravene any law or Listing Rule.

There is no guarantee that Eligible Shareholders will receive the number of Top-Up Securities applied for. The Company's decision on the number of Top-Up Securities to be allocated to an Eligible Shareholder will be final. It is a term of the Top-Up Facility that, should the Company scale back Applications for Top-Up Securities in accordance with the allocation policy described above, the Eligible Shareholder will be bound to accept such lesser number of Top-Up Securities allocated to them.

In the event of a scale back, the difference between the Application Monies received, and the number of Top-Up Securities allocated to the Eligible Shareholder multiplied by the Offer Price, will be refunded by the Company, without interest, following allotment.

The Company may elect to extend the Top-Up Facility to certain institutional or professional investors, including those with registered addresses outside of Australia or New Zealand where the Company is satisfied, in its sole discretion, that the offer and sale of the Top-Up Securities can be made in compliance with applicable securities laws without any locally compliant prospectus, lodgement or filing.

The Directors or other related parties of the Company are not entitled to participate in the Top-Up Facility unless prior Shareholder approval is received.

1.5 Allocation policy

The allocation policy adopted by the Company for the Entitlement Offer is as follows:

Step	Allocation	Policy
Step 1	Entitlement Offer	Eligible Shareholders apply for their Entitlements pursuant to the Entitlement Offer.
Step 2	Top-Up Facility	Subject to the allocation policy detailed in Section 1.4, Eligible Shareholders who apply for their Entitlements in full may apply for Top-Up Securities.

Step	Allocation	Policy
Step 3	Shortfall Offer	<p>If, following the allocation of Top-Up Securities in accordance with Step 3 there remains Shortfall, the Directors reserve the right to place Shortfall Securities at their discretion during the three month period following the Closing Date, provided that no investor will be entitled to increase their voting power in the Company above 20% through the allocation of Shortfall Securities.</p> <p>In exercising this discretion, the Board will take into consideration a number of factors, including the recommendations of the Lead Manager and ensuring the Company has an appropriate and optimal Shareholder base, which may be achieved through the introduction of new investors.</p>

1.6 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) provide Eligible Shareholders with the opportunity to take up New Securities proportional to their shareholding and to mitigate the effect of dilution;
- (b) make the offer of Quoted Options under the Placement Offer, the Lead Manager Offer and the Convertible Note Offer;
- (c) comply with the requirements of ASX to enable removal of the trading suspension in Shares and reinstatement to the Official List;
- (d) remove any trading restrictions that attach to Shares issued by the Company under the Placement, on conversion of the Convertible Notes, on exercise of the Quoted Options, and any other Shares issued whilst an Offer under this Prospectus remains open for acceptance, so that the recipients of those Shares may, if they choose to, sell those Shares (as applicable) within 12 months from the date of their issue without the issue of a prospectus; and
- (e) provide the Company with additional funds to be attributed in accordance with the use of funds set out in Section 1.7.

1.7 Use of funds

The following indicative table sets out the proposed use of funds raised under the Capital Raising:

Proposed use of funds	\$	%
Device marketing, sales and support activities necessary to commercialise the CONNEQT Pulse in patient monitoring and clinical trials markets	860,000	11%
Device manufacturing, marketing, and sales activities necessary to commercialize the CONNEQT Band in the health wearable market	240,000	3%
To support our commercial expansion, including scaling of our supply chain, order-fulfilment, and customer care operations	580,000	7.25%

Proposed use of funds	\$	%
Market access initiatives (regulatory clearance and outcomes research) in support of our commercialisation efforts into domestic and international geographies	540,000	6.75%
Research and product development expenses to iterate CONNEQT Pulse and CONNEQT Band features and capabilities	1,760,000	22%
Continued development of the CONNEQT portal and various digital solutions and integrations to encourage product utilisation in the patient monitoring and clinical trial market	1,000,000	12.5%
Payments to suppliers and contracted manufacturing for the build up of inventory and capacity for finished products for sale (majority focus on Pulse and CONNEQT)	1,100,000	13.75%
Working capital and general operations and corporate purposes ²	1,259,000	15.75%
Costs of Offers and Placement ³	661,000	8%
TOTAL	\$8,000,000¹	100%

Notes:

1. The actual cash amount to be received before costs will be \$7,250,000 as C2V has agreed with the Company to offset a total of \$750,000 in amounts already advanced to the Company by C2V against monies payable by C2V on subscription for Shares under the Placement, which funds are included in the total funds in the table above.
2. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional Directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs. Funds allocated to working capital provide support for head office costs and corporate costs in relation to maintain a listed entity in addition to the ongoing support and administrative costs of the Company's individual business units.
3. Refer to Section 6.13 for details.
4. The above table includes does not include any funds raised from exercise of the Quoted Options. To the extent that Quoted Options are exercised, the funds raised will be applied to working capital.
5. The above table sets out the proposed use of funds raised under the Entitlement Offer and the Placement only. It does not represent the total amount of budgeted expenditure for each line item. A proportion of the total budgeted amount for each line item has been allocated from the funds sought to be raised pursuant to the Entitlement Offer and the Placement.

The above table is a statement of current intentions as at the Prospectus Date. As with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 5), and actual expenditure levels, may differ significantly from the above estimates.

Assuming the Entitlement Offer is fully subscribed and the Placement has completed, the proceeds will provide the Company with sufficient working capital to carry out its stated objectives in this Prospectus. To the extent that the Entitlement Offer is not fully subscribed, and depending on the amount raised, the Directors will need to reassess at that time, the allocation of funds above, and intend to scale back the funds applied towards working capital and general operations and corporate purposes.

The use of further equity funding may be considered by the Company where it is appropriate to accelerate a specific project or strategy.

1.8 **Minimum subscription**

There is no minimum subscription for the Offers.

1.9 **Underwriting**

The Offers are not underwritten.

1.10 **No rights trading**

The rights to New Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse and your Entitlement will form part of the Top-Up Securities available under the Top-Up Facility or Shortfall (as applicable).

1.11 **Issue Date and dispatch**

All New Securities under the Offers are expected to be issued on or before the date specified in the Timetable.

Security holder statements will be dispatched at the end of the calendar month following the issue of the New Securities under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Securities. Applicants who deal with New Securities before they receive their holding statements do so at their own risk.

1.12 **Application Monies held on trust**

All Application Monies received under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Securities are issued. All Application Monies will be returned (without interest) if the New Securities are not issued.

1.13 **ASX quotation of New Shares and Quoted Options**

Application has been or will be made for the official quotation of the New Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

The Company will apply for quotation of the Quoted Options, subject to compliance with the requirements of ASX and the Listing Rules. However, the Quoted Options to be issued under this Prospectus will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied, which include (amongst other things):

- (a) there being a minimum of 100,000 Quoted Options on issue; and
- (b) there being at least 50 holders with a marketable parcel (as defined in the Listing Rules).

If these conditions are not met, the Quoted Options will be unquoted Options.

The fact that ASX may grant Official Quotation of the New Securities is not to be taken in any way as an indication of the merits of the Company or the New Securities offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

The Company's Shares went into a trading halt on 26 September 2023 and have been suspended from quotation since 28 September 2023 and it is anticipated that its Shares will remain suspended until the Company can satisfy certain requirements of the ASX. The Shares were suspended pending the release of the Company's annual report for the year ended 30 June 2023 (which was subsequently released on 9 November 2023) and release of an announcement regarding its capital raising.

The Company made written submissions to ASX with respect to its reinstatement and conditions to the reinstatement that may be imposed by ASX (if any). The Company will keep Shareholders informed of the status of its suspension and proposed reinstatement to trading (including any material conditions to reinstatement imposed by ASX (if any)).

The Company recommends that Shareholders carefully consider the risk factors set out in Section 5 that could affect performance of the Company, particularly with respect to the reinstatement to trading of its Shares on ASX.

1.14 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of New Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Securities.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Company's share registry, Automic Registry Services, and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 **Section 615 of the Corporations Act and appointment of Nominee**

As noted in Section 4.3, one of the Company's existing substantial Shareholders may increase its voting power in the Company to above 20% as a result of the Entitlement Offer.

To comply with Item 10 of section 611 of the Corporations Act, the Company is required to appoint a nominee in accordance with the requirements of section 615(a) of the Corporations Act.

Subject to ASIC approval, the Company proposes to appoint the Company has appointed Taylor Collison Limited (ABN 53 008 172 450; AFSL 247083) as the nominee for the purposes of section 615 of the Corporations Act (**Nominee**). The Company has applied for ASIC approval for the appointment of the Nominee, as required by section 615 of the Corporations Act.

In accordance with section 615(b)-(c) of the Corporations Act and consistent with *ASIC Regulatory Guide 6: Takeovers: Exceptions to the general prohibition*:

- (a) the Company will issue to the Nominee the Entitlements that would otherwise be issued to the Ineligible Shareholders (**Excluded Rights**); and
- (b) the Nominee will sell those Excluded Rights and remit the net proceeds of the sale (after expenses) to the Company's share registry for distribution to:

- (i) the Company for the first \$0.08 per New Share;
- (ii) and if available, the remainder to the Ineligible Shareholders (if any).

The Nominee will offer to sell the Excluded Rights in such manner and at such time as it sees fit, provided it must do so with the objective of achieving the best price for the Excluded Rights that is reasonably obtainable on market at the time of the relevant sale bearing in mind:

- (a) the total number of Excluded Rights;
- (b) prevailing market conditions at the time of the relevant sale (including the prevailing price of the Company's Shares on the ASX);
- (c) the period over which the sale process is completed; and
- (d) the desire to achieve a liquid and orderly market in the Company's securities.

If the net proceeds of the sale of Excluded Rights are less than the reasonable costs that would be incurred for distributing those proceeds, such proceeds may be retained by the Company. Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the net sale proceeds.

There is no assurance that the Nominee will be able to sell the Excluded Rights at a price that will result in the Ineligible Shareholders receiving any net proceeds for their Entitlements such that Ineligible Shareholders may receive no value for their Entitlements.

The Nominee will receive a fee of \$2,000 (plus GST) in respect of this service.

1.16 Residents outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those set forth below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus, and any accompanying Application Form, does not, and is not intended to, constitute an offer of New Securities in any jurisdiction in which it would, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Securities under the Offers. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia, except to the extent permitted in Section 1.17.

1.17 Notice to eligible investors in New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, for Eligible Shareholders who subscribe for New Shares under the Entitlement Offer, the Company will issue Quoted Options for no consideration.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.18 Notice to nominees and custodians

Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Offers in respect of some or all of the beneficiaries on whose behalf they hold Shares.

Nominees and custodians should note in particular that the Offers are not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria to be eligible to participate in the relevant Offer; or
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the relevant Offer.

In particular, persons acting as nominees or custodians for other persons may not take up any New Securities on behalf of, or send any documents relating to the Offers to, any person in any jurisdiction outside Australia.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offers is compatible with applicable foreign laws.

The Company is not able to advise on foreign laws. For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of New Securities allocated to investors, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

1.19 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Securities under this Prospectus.

1.20 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2023, can be found in the Company's Annual Report announced on ASX on 9 November 2023 and, for the half-year ended 31 December 2022, the Half Year Accounts announced on ASX on 28 February 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since 9 November 2023 are listed in Section 6.6.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.21 **Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2. Action required by Eligible Shareholders

2.1 Actions in relation to the Entitlement Offer

The Entitlement Offer is open to Eligible Shareholders only.

Eligible Shareholders may either:

- (a) take up all of their Entitlement (refer to Section 2.2);
- (b) take up all of their Entitlement (refer to Section 2.2) and also apply for Top-Up Securities (refer to Section 2.3);
- (c) take up part of their Entitlement (refer to Section 2.4); or
- (d) allow their Entitlement to lapse, if they do not wish to participate in the Entitlement Offer (refer to Section 2.5).

2.2 Eligible Shareholders wishing to accept Entitlement in full

If you wish to take up all of your Entitlement, you are required to make payment via BPAY® if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia. Payment is due by no later than 5:00pm (AEDT) on the Closing Date. Note that when paying by BPAY® or EFT you are not required to submit the Application Form but are taken to make the statements on that form and in this Prospectus.

2.3 Eligible Shareholders wishing to participate in the Top-Up Facility

If you are an Eligible Shareholder and you wish to apply for New Securities in excess of your Entitlement, you are required to apply for more New Securities than the number shown on the Application Form. To do this, make a payment for more than your Entitlement via BPAY® or EFT. The excess will be taken to be an Application for as many Top-Up Securities as your Application Monies will pay for in full. Any Top-Up Securities applied for pursuant to the Top-Up Facility will be issued in accordance with the allocation policy described in Sections 1.4 and 1.5. Payment is due by no later than 5:00pm (AEDT) on the Closing Date of the Entitlement Offer. Note that when paying by BPAY® or EFT you are not required to submit the Application Form but are taken to make the statements on that form and in this Prospectus.

2.4 Eligible Shareholders wishing to take up only part of their Entitlement

If you only wish to take up part of your Entitlement you are required to make payment via BPAY® if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia. If you wish to take up only part of your Entitlement, payment must be made by following the instructions on the Application Form for the number of New Securities you wish to take up. If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Securities as your Application Monies will pay for in full.

Payment is due by no later than 5:00pm (AEDT) on the Closing Date of the Entitlement Offer. Note that when paying by BPAY® or EFT you are not required to submit the Application Form but are taken to make the statements on that form and in this Prospectus.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.6 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Securities for which you would have otherwise been entitled under the Entitlement Offer (including New Shares and Quoted Options that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Shareholders under the Top-Up Facility, and may be placed by the Company under the Shortfall Offer.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Securities had you taken up your Entitlement and you will not receive any payment or value for all or that part of your Entitlement. Your interest in the Company will also be diluted.

2.7 How to pay (via BPAY® or EFT)

If you wish to participate in the Entitlement Offer and are resident in Australia, you must make your payment by BPAY®

If you are an Eligible Shareholder and are resident in a jurisdiction other than Australia, your Application may be made through Electronic Funds Transfer (EFT) using the payment details in the Application Form.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

The Company will treat Applicants as applying for as many New Securities as their Application Monies will pay for in full. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and the excess will be taken to be an Application for Top-Up Securities pursuant to the Top-Up Facility.

Any Application Monies received from Eligible Shareholders for more than their final allocation will be refunded except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by the Company. No interest will be paid on any Application Monies received or refunded. Application Monies received from Eligible Shareholders will be held on trust until such time as the New Securities are issued or the Application Monies are refunded.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if the Entitlement Offer is withdrawn) of the New Securities applied for by a person are issued to that person.

For payment by BPAY® or EFT, please follow the instructions set out in this Section 2 and on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please make sure to use the specific Biller Code and unique Reference Number which can be obtained by providing your details when prompted.

If Eligible Shareholders have more than one holding, they must login separately for each holding and use the Reference Number specific to the relevant holding. Alternatively, if Eligible Shareholders have requested an Application Form and have more than one holding, they will receive separate forms for each holding. If Eligible Shareholders do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their Application will be recorded against the holding associated with Reference Number they use.

You should be aware that your financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. It is your responsibility to ensure that your BPAY® or EFT payment is received by no later than the relevant date by which funds are required to have been received.

Your BPAY® or EFT application cannot be withdrawn once received, except for in the limited circumstances provided for under the Corporations Act. No cooling off period applies.

2.8 Warranties made on Application

Acceptance of a completed Application Form by the Company (or making a payment via BPAY® or EFT) creates a legally binding contract between the Applicant and the Company for the number of New Securities accepted by the Company. The Application Form does not need to be signed to be a binding application for New Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application Form as valid and how to construe, amend or complete the Application Form, is final.

The Company will send this Prospectus, together with the relevant Application Form, to all Eligible Shareholders and participants in the Other Offers.

By completing and returning your Application Form with the requisite Application Monies (if applicable), or making a payment via BPAY® or EFT, you will also be deemed to have:

- (a) represented and warranted that you have received a copy of the Prospectus with the Application Form;
- (b) represented and warranted that you are (or the person on whose account you are acting is) an Eligible Shareholder, if your Application Form is in respect of the Entitlement Offer;
- (c) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (d) agreed to be bound by the terms of the relevant Offer;
- (e) declared that all details and statements outlined in your Application Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under, the Application Form and as described in this Prospectus;
- (g) acknowledged that once the Company receives any payment of Application Monies via BPAY® or by EFT, you may not withdraw your Application or funds provided except as allowed by law;
- (h) agreed to apply for and be issued up to the number of New Securities (and any additional New Securities) for which you have submitted payment of any Application Monies via BPAY® or by EFT, at the Offer Price;
- (i) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including correcting as or to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (j) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the New Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledged the statement of risks included in Section 5 of this Prospectus, and that an investment in the New Securities are subject to risk;
- (l) authorised the Company to correct any errors in your Application Form;

- (m) if applicable, acknowledged and agreed that determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and the Company and its related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law; and
- (n) acknowledged that the New Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

2.9 **Withdrawal of the Entitlement Offer**

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Securities, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

2.10 **Enquiries**

Enquiries relating to this Prospectus should be directed to the Company by telephone on +61 2 9874 8761 or email at contact@cardiex.com.

For general Shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (international).

3. The Other Offers

3.1 Placement Offer

This Prospectus includes a separate offer of up to 16,666,667 Quoted Options to Placement Participants (**Placement Offer**).

The Placement Offer is made on the basis of 1 free-attaching Quoted Option for every 3 Shares subscribed for and issued under the Placement.

Only Placement Participants may accept the Placement Offer.

The issue of Quoted Options under the Placement Offer is subject to the receipt of prior Shareholder approval. Separate Shareholder approval will be sought for the participation of C2V in the Placement. Shareholder approval is intended to be sought at the upcoming General Meeting.

Completion of the Placement is conditional on ASX agreeing to lift the Company's suspension from quotation. If the Company's suspension is not lifted, the Placement, and therefore the Placement Offer, will not proceed.

No payment is required for the issue of Quoted Options to participants in the Placement Participants. Accordingly, no funds will be raised from the Placement Offer.

The Placement Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of any Quoted Options issued under the Placement Offer, into Shares.

An Application Form in relation to the Placement Offer will be issued to the participants in the Placement together with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

An Application for Quoted Options under the Placement Offer must be for the full amount of Quoted Options to which a Placement Participant is entitled to subscribe for under the Placement Offer. The Company will not accept an Application Form a participant in the Placement for a lesser number of Quoted Options.

The Quoted Options issued under the Placement Offer will be in the same class and rank equally in all respects with the Quoted Options being issued under the Entitlement Offer, Convertible Note Offer and the Lead Manager Offer. A summary of the terms and conditions attaching to the Quoted Options is set out in Section 6.2.

Shares issued on exercise of the Quoted Options will be fully paid and will rank equally in all respects with the Company's existing Shares on issue at the Prospectus Date. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for quotation of the Quoted Options, as summarised in Section 1.13.

3.2 Lead Manager Offer

This Prospectus includes a separate offer of 3,000,000 Quoted Options to the Lead Manager (or its nominees) (**Lead Manager Offer**), subject to between \$5 million and \$11 million having been raised under the Capital Raising.

The Quoted Options are to be issued to the Lead Manager (or its nominees) as partial consideration for the services provided by the Lead Manager in connection with the Capital Raising. Refer to Section 6.3 for a summary of the Lead Manager Mandate.

Only the parties nominated by the Lead Manager may accept the Lead Manager Offer.

The issue of Quoted Options under the Lead Manager Offer is subject to the receipt of prior Shareholder approval. Shareholder approval is intended to be sought at the upcoming General Meeting.

No payment is required for the issue of Quoted Options to the Lead Manager (or its nominees). Accordingly, no funds will be raised from the Lead Manager Offer.

The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of any Quoted Options issued under the Lead Manager Offer, into Shares.

An Application Form in relation to the Lead Manager Offer will be issued to the nominees of the Lead Manager, together with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

The Quoted Options issued under the Lead Manager Offer will be in the same class and will rank equally in all respects with the Quoted Options being issued under the Entitlement Offer, Convertible Note Offer and the Placement Offer. A summary of the terms and conditions attaching to the Quoted Options is set out in Section 6.2.

Shares issued upon exercise of the Quoted Options will be fully paid and will rank equally with the Company's existing Shares on issue at the Prospectus Date. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for quotation of the Quoted Options, as summarised in Section 1.13.

3.3 **Convertible Note Offer**

This Prospectus includes a separate offer of up to 15,083,334 Quoted Options to Noteholders (**Convertible Note Offer**).

The Convertible Note Offer is made on the basis of 1 free-attaching Quoted Option for every 3 Shares issued on conversion of Convertible Notes.

Under the terms of the Convertible Notes, on completion of a 'Qualifying Capital Raising', the Company may give a conversion notice to Noteholders. The Placement and Entitlement Offer qualify as a 'Qualifying Capital Raising'. Accordingly, the Company expects conversion of the Convertible Notes to occur on the date specified in the Timetable.

The issue of Shares on conversion of the Convertible Notes was approved by Shareholders at the extraordinary general meeting of Shareholders held on 28 August 2023. The Company has subsequently agreed to provide Noteholders with additional Quoted Options (on the same terms as the Placement and the Entitlement Offer) on conversion of the Convertible Notes.

The issue of Quoted Options under the Convertible Note Offer is subject to the receipt of prior Shareholder approval. Separate Shareholder approval will be sought for the issue of Quoted Options to related parties C2V, Carnethy Evergreen and Kidnetic Pty Ltd (ACN 641 380 583) (an entity related to former director, Jarrod White) under the Convertible Note Offer. Shareholder approval is intended to be sought at the upcoming General Meeting.

Only Noteholders who will be issued Shares on conversion of their Convertible Notes may accept the Convertible Note Offer.

No payment is required for the issue of Quoted Options to Noteholders. Accordingly, no funds will be raised from the Convertible Note Offer.

The Convertible Note Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of any Quoted Options issued under the Convertible Note Offer, into Shares.

An Application Form in relation to the Convertible Note Offer will be issued to Noteholders together with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

An Application for Quoted Options under the Convertible Note Offer must be for the full amount of Quoted Options to which a Noteholder is entitled to subscribe for under the Convertible Note Offer. The Company will not accept an Application Form a Noteholder for a lesser number of Quoted Options.

The Quoted Options issued under the Convertible Note Offer will be in the same class and rank equally in all respects with the Quoted Options being issued under the Entitlement Offer, Placement Offer and the Lead Manager Offer. A summary of the terms and conditions attaching to the Quoted Options is set out in Section 6.2.

Shares issued on exercise of the Quoted Options will be fully paid and will rank equally in all respects with the Company's existing Shares on issue at the Prospectus Date. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for quotation of the Quoted Options, as summarised in Section 1.13.

3.4 **Shortfall Offer**

Any Shortfall that is remaining after the issue of the Top-Up Securities under the Top-Up Facility will form the Shortfall Securities. The offer of the Shortfall Securities is a separate offer under this Prospectus (**Shortfall Offer**). The Shortfall Offer will only be extended to parties identified by the Company, in conjunction with the Lead Manager.

The Shortfall Offer opens on the date of this Prospectus, and the Company may at any time while the Shortfall Offer is open make offers of Shortfall Securities under the Shortfall Offer which are conditional on the availability of Shortfall Securities following the close of the Entitlement Offer. For the avoidance of doubt, the Shortfall Offer will be open when Shares are issued under Tranche 1 of the Placement so that those Shares can be on-sold in reliance on section 708A(11) of the Corporations Act.

The issue price of New Shares offered under the Shortfall Offer will be \$0.08 each, which is the issue price at which New Shares have been offered to Eligible Shareholders under the Entitlement Offer. Quoted Options will be issued on the basis of 1 Quoted Option for every 3 New Shares subscribed for under the Shortfall Offer, on the same basis as the Entitlement Offer.

An Application Form in relation to the Shortfall Offer will be issued to Investors invited to apply for Shortfall Securities, together with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion within 3 months after the Closing Date of the Entitlement Offer. The Directors will take into consideration the allocation policy described in this Section. An Application for Shortfall Securities accompanied by payment of Application Monies does not guarantee the allotment of Shortfall Securities.

No New Securities will be issued to an Applicant under this Prospectus or via the Shortfall Offer if the issue of New Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no New Securities will be issued via the Shortfall Offer to any Directors or other related parties of the Company unless prior Shareholder approval is received.

A summary of the rights and liabilities attaching to the New Shares offered under the Shortfall Offer is in Section 6.1. The terms and conditions of the Quoted Options are in Section 6.2. Shares issued upon exercise of the Quoted Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus.

4. Effect of the Offers

4.1 Capital structure on completion of the Offers

The following table sets out the Company's current capital structure and its diluted capital structure immediately following the successful completion of the Offers, assuming that:

- (a) Shareholder approval has been received for the issue of the Shares under Tranche 2 of the Placement and all Quoted Options under the Placement Offer, Convertible Note Offer and Lead Manager Offer (including the Related Party Securities);
- (b) the Placement has completed;
- (c) all Convertible Notes have been converted;
- (d) the Offers are fully subscribed;
- (e) no Options or Performance Rights are exercised prior to the Record Date;
- (f) no other new Shares are issued.

	Shares	Unquoted Options	Quoted Options ¹	Performance Rights	Convertible Notes
Balance on the date of this Prospectus	143,683,524	25,045,377 ²	Nil	6,750,000	3,620,000 ³
To be issued under the Placement ^{4,5}	50,000,000	Nil	16,666,667	Nil	Nil
To be issued on conversion of Convertible Notes ^{4,5}	45,250,000	Nil	15,083,334	Nil	(3,620,000)
To be issued under the Entitlement Offer ⁵	50,063,946	Nil	16,687,982	Nil	Nil
To be issued under the Lead Manager Offer ⁶	Nil	Nil	3,000,000	Nil	Nil
TOTAL^{5,7}	288,997,470	25,045,377²	51,437,983	6,750,000	Nil

Notes:

1. See Section 6.2 for the terms and conditions of the Quoted Options.
2. Comprising:

Number	Exercise Price	Expiry Date
1,825,000	\$0.50	30/06/2028
6,740,689	\$0.50	17/02/2024
1,415,318	\$0.45	16/02/2026
1,300,000	\$0.80	30/06/2027
125,000	\$0.80	11/06/2026
300,000	\$0.50	26/02/2024
1,530,000	\$0.50	15/01/2024
400,000	0.50	15/02/2026
2,925,000	\$0.80	15/02/2026
1,244,370	\$0.45	16/12/2025
1,000,000	\$0.50	16/12/2027

Number	Exercise Price	Expiry Date
250,000	\$0.45	16/12/2025
150,000	\$0.50	26/04/2027
4,990,000	\$0.45	31/08/2026

- Convertible Notes on the terms set out in the Company's notice of extraordinary general meeting announced to ASX on 26 July 2023. Under the terms of the Convertible Notes, on completion of a 'Qualifying Capital Raising', the Company may give a conversion notice to Noteholders. The Placement qualifies as a 'Qualifying Capital Raising'. Accordingly, the Company expects conversion of the Convertible Notes to occur on the date specified in the Timetable.
- The issue of the Shares under Tranche 2 of the Placement together with the Quoted Options under the Placement Offer, Convertible Note Offer and Lead Manager Offer (including all Related Party Securities) are subject to prior Shareholder approval. If Shareholder approval is not obtained, the number of Securities issued under the Placement, Convertible Note Offer and Lead Manager Offer will be reduced accordingly.
- These numbers may vary due to rounding.
- The Lead Manager Offer is subject to between \$5 million and \$11 million having been raised under the Capital Raising.
- Assumes that the Offers are fully subscribed and the Placement has completed, and no further Shares are issued and none of the existing Performance Rights vest and are converted into Shares prior to the Record Date.

4.2 Substantial Shareholders

Based on available information as at the Prospectus Date and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Shares	Voting power ¹	Entitlement	
			New Shares	Quoted Options
C2V (and its associates)	27,234,394	18.95%	9,489,336	3,163,112
Mr Darryl Patterson & Mrs Margaret Stewart Patterson	9,401,242	6.54%	3,275,694	1,091,898

Note:

- Assumes 143,683,524 Shares on issue at the Prospectus Date and that no other Shares are issued prior to the Record Date.

4.3 Effect on control of the Company

The maximum number of Shares to be issued under the Placement, on conversion of Convertible Notes and the Offers is 145,313,946, (subject to rounding) which will constitute approximately 50.28% of the Shares on issue following completion of the Offers (assuming the Placement is completed, the Entitlement Offer is fully subscribed, all Convertible Notes are converted and no other Shares are issued or convertible securities exercised or converted prior to the Record Date).

As a result of the Entitlement Offer, the Company's current major Shareholder, C2 Ventures Pty Limited (an entity controlled by Directors Niall Cairns and Craig Cooper) and its associates (**C2V**) may increase its voting power in the Company to above 20%.

Eligible Shareholders who do not take up their Entitlement in full may be diluted relative to those Eligible Shareholders who apply for some or all of their Entitlement. The extent of dilution will depend on the extent to which Eligible Shareholders take up their Entitlement.

The proportional interests of Ineligible Shareholders will also be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

Examples of how the dilution may impact Shareholders are set out in Section 4.4.

The following table illustrates each of the substantial Shareholders' maximum potential relevant interest and voting power in the Company under several scenarios where the Entitlement Offer is:

- (a) fully subscribed by other Eligible Shareholders;
- (b) 75% subscribed by other Eligible Shareholders;
- (c) 50% subscribed by other Eligible Shareholders; and
- (d) in the unlikely event that no other Eligible Shareholders take up their Entitlement under the Entitlement Offer.

Participation by other Eligible Shareholders	Voting power of C2V (and its associates) ¹	
	On completion of the Offers (undiluted) ²	On completion of the Offers (diluted) ²
100%	19.80%	22.48%
75%	20.70%	23.46%
50%	21.68%	24.54%
0%	23.03%	26.01%

Notes:

1. Assumes that Shareholders approval for the issue of the Related Party Securities is obtained.
2. Assumes that only C2V (and its associates) converts all of its Quoted Options (totalling 9,996,445 Quoted Options) acquired under the Placement Offer, Convertible Note Offer and Entitlement Offer.

As illustrated above, C2V may increase its voting power in the Company to a point that is above 20% as a result of the Entitlement Offer. This increase will fall within the exception pursuant to Item 10 of section 611 of the Corporations Act, subject to approval by ASIC of the appointment of the Nominee under section 615 of the Corporations Act.

In the event where the Entitlement Offer is significantly undersubscribed by Eligible Shareholders, with the result that there is a large number of Shortfall Securities, the Company intends to mitigate the potential effects on control by ensuring that its Allocation Policy under facilitates the allotment of Shortfall Securities to a spread of investors.

4.4 Potential dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the Prospectus Date). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	% holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 1	10,000,000	6.96%	3,484,321	6.96%	5.16%
Shareholder 2	5,000,000	3.48%	1,742,161	3.48%	2.58%

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	% holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 3	2,500,000	1.74%	871,081	1.74%	1.29%
Shareholder 4	1,000,000	0.70%	348,433	0.70%	0.52%
Shareholder 5	500,000	0.35%	174,217	0.35%	0.26%

Notes:

1. Based on 143,683,542 Shares on issue as at the Prospectus Date. Assumes the Entitlement Offer is fully subscribed and does not account for:
 - a. Shares to be issued pursuant to the Placement or on conversion of the Convertible Notes; or
 - b. Quoted Options to be issued pursuant to the Offers.
2. Assumes that no other Shares are issued or equity securities converted into Shares prior to the Record Date (including the Quoted Options).

The dilution effect shown in the table above is the maximum percentage on the assumption that those Entitlements not accepted are subscribed for under the Top-Up Facility or, in the case of Ineligible Shareholders, sold by the Nominee. In the event all Entitlements are not accepted and some or all of the resulting shortfall is not subsequently taken up, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.5 Pro forma consolidated statement of financial position

To illustrate the effect of the Offers and the Placement on the financial position of the Company, set out below is:

- (a) the audited statement of financial position of the Company as at 30 June 2023 (**Balance Date**);
- (b) the unaudited effects of the Placement and the Offers (assuming the Offers are fully subscribed);
- (c) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraph 4.5(b); and
- (d) adjustments indirectly related or material to the Offers subsequent to the audited balance date of (a) above. These include the receipt of a payment of \$A6.26 million (US\$4.12 million, exchange rate of US\$1.00 : A\$0.6581) from Clinichain, and associated material working capital movements from the use of those funds. Also included are any balance sheet movements, adjustments or reclassifications as a result of the receipt of funds from CliniChain or specific matters that have been identified as material adjustments and included in the referenced annotations to the pro-forma balance sheet.

Each has been prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between the Balance Date and the completion of the Offers and Placement (aside from any adjustments per (d) above), movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 30 June 2023 and the Prospectus Date.

	Note	Audited accounts as at 30 June 2023 (\$'000)	Material Adjustments Subsequent to 30 June 2023 /Indirectly Related to Offers (\$'000)	Pro Forma Adjustments as a Result of the Offers (\$'000)	Unaudited Pro Forma Balance Sheet Post Offers and Placement (\$'000)
Assets					
Current assets					
Cash and cash equivalents	1, i	716	3,699	7,339	11,755
Trade and other receivables	ii	2,239	(1,252)	-	987
Inventory		1,662	-	-	1,662
Financial assets	iii	5,793	(234)	-	5,558
Other current assets		1,433	-	-	1,433
Total current assets		11,843	2,213	7,339	21,395
Non-current assets					
Property, plant and equipment		1,472	-	-	1,472
Intangible assets		633	-	-	633
Financial assets		510	-	-	510
Other non-current assets		79	-	-	79
Total non-current assets		2,694	-	-	2,694
Total assets		14,537	2,213	7,339	24,089
Liabilities					
Current liabilities					
Trade and other payables	iv	7,459	(6,361)	-	1,099
Unearned revenue	v	3,042	(2,656)	-	385
Provisions		489	-	-	489
Financial liabilities	vi	2,176	(2,176)	-	-
Lease liabilities		169	-	-	169
Borrowings		1,461	-	-	1,461
Total current liabilities		14,796	(11,193)	-	3,603
Non-current liabilities					
Provisions		6	-	-	6
Promissory note	vii	-	2,361	-	2,361
Lease liabilities		483	-	-	483
Total non-current liabilities		489	2,361	-	2,850
Total liabilities		15,285	(8,832)	-	6,453
Net (liabilities) / net assets		(748)	11,045	7,339	17,636
Equity					
Contributed equity	2, viii, 3	76,616	3,620	7,295	87,531
Reserves	4, ix	6,389	161	44	6,594
Accumulated losses		(83,753)	7,264	-	(76,489)
Total equity		(748)	11,045	7,339	17,636

Pro Forma Adjustments and Assumptions

Unless specifically described, the Pro Forma Historical Consolidated Financial Information does not include adjustments for the Group's business occurring after 30 June 2023 that do not relate to the Capital Raising.

Adjustments made as a result of the offer are referred to in the adjustments separately marked "*Pro Forma Adjustments as a Result of the Offers*".

Material adjustments for events occurring or as a result of the Group's business occurring after 30 June 2023 have been specifically referred to in the adjustments separately marked "*Material Adjustments Subsequent to 30 June 2023/Indirectly Related to Offers*". These adjustments have been made as a result of material events that have affected the operational and capital position of the Company subsequent to the last audited accounts and deemed material by the Directors to warrant separate disclosure in conjunction with the Pro Forma Historical Consolidated Financial Information.

Further details as to each of these adjustments are presented below.

Pro Forma Adjustments as a Result of the Offers (per the 'Note' for the relevant item):

1. The Company's cash position increases by \$7,339,000 as a net result of the funds received from the Offers. This assumes \$8,000,000 being raised via the Placement and an Entitlement Offer, less costs of offer expenses of \$661,000.
2. Total increase in shares issued as equity following completion of the Offers as above at (1) net of the \$661,000 cash costs of the Offers, and after having been further reduced by the value of the options issued to the Lead Manager.
3. Funds raised as a result of the costs of the Offers under this Prospectus which are summarised at Section 6.13.
4. Increase to the Company's reserve at valuation price of the 3,000,000 Quoted Options issued to the Lead Manager (or its nominees).

Material Adjustments Subsequent to 30 June 2023/Indirectly Related to Offers (per the 'Note' for the relevant item):

- i. The Company's cash position increases as the result of the net proceeds of the following adjustments:
 - a. \$1,444,000 in convertible note proceeds receipted subsequent to 30 June 2023 and prior to the issuance of this Prospectus as per the terms of the convertible note facility announced to the ASX on 30 June 2023;
 - b. As announced 7 December 2023, the Company received A\$6,255,056 in December 2023 (US\$4,116,452) from Clinichain in full settlement of all contractual payments in relation to the Clinichain clinical trial. These amounts were largely accrued as income (see (ii) below) or unearned revenue (see (v) below) as at 30 June 2023 and their receipt immediately prior to the opening of the Offers is a material development to the Company;
 - c. allocation of \$4,000,000 in payments to creditors using funds receipted from the above fund inflows;
- ii. Recovery of income recognised in the 30 June 2023 and receivable at year end from CliniChain;
- iii. Adjustments to financial asset recorded as at 30 June 2023 as a result of Convertible Notes on hand as at balance date assuming a conversion of those Notes on the basis of the Offers in this Prospectus;

- iv. Recording the \$6,361,069 reduction in Trade and Other Payables as a result of:
 - a. Reduction of creditors and payments to suppliers of up to \$4,000,000 noting the assumed application of funds at i(c.) above;
 - b. Reduction of amounts recorded as a Trade Creditor from Wilson Sonsini Goodrich & Rosati ("WSGR"), who as announced to the ASX on 20 November 2023 has agreed to a Promissory Note arrangement for the principal sum of US\$1,500,000 (A\$2,361,089), which has reduced the Group's trade payables and led to a Promissory Note liability being recognised. As per terms of the Promissory Note, the repayment date of 20 April 2025, is more than 12 months subsequent to both the balance date and the closure of the Entitlement Offer, and therefore has been reflected as a non-current liability.
- v. Records the recognition of \$2,656,000 of amounts previously categorised as Unearned Revenue that have now been receipted and recognised as Revenue or Income during the period subsequent to 30 June 2023.
- vi. Assumes conversion of the Convertible Notes on hand as at 30 June 2023.
- vii. Records the Promissory Note allocation following the agreement signed with WSGR as described at iv(b) above.
- viii. Records the increase in issued equity following the assumed conversion of Convertible Notes totalling \$3,620,000 on the same terms as the Offers made under this Prospectus, ie: at a conversion price of \$0.08, being the same as the Offer Price. The Convertible Notes attract interest which is payable in cash (this is assumed to be paid out on conversion).
- ix. Allocation of costs for Quoted Options issued on conversion of Convertible Notes on the same terms as the Offers made under this Prospectus.

5. Risk factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. You should carefully consider the following factors in addition to the other information presented in this Prospectus. You should also consider publicly available information on the Company, and consult their financial, tax and other professional advisers before making an investment decision.

The principal risks include, but are not limited to, the following:

5.1 Risks specific to the Company

(a) Quotation and delisting risk

The Company's Shares went into a trading halt on 26 September 2023 and have been suspended from quotation since 28 September 2023 and it is anticipated that its Shares will remain suspended until the Company can satisfy certain requirements of the ASX. The Shares were suspended pending the release of the Company's annual report for the year ended 30 June 2023 (which was subsequently released on 9 November 2023) and release of an announcement regarding its capital raising.

The Company will keep Shareholders informed of the status of its suspension and proposed reinstatement to trading (including any material conditions to reinstatement imposed by ASX (if any)).

Whilst every endeavour will be made to complete with the requirements of the ASX, there can be no guarantee the Company will be able to satisfy all of the reinstatement conditions imposed by ASX or that the Shares will be reinstated to trading on ASX. In the event that the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no market for the Shares.

(b) Commercial operations risks

The Company has encountered challenges in relation to its financial performance, having incurred operating losses in the past, and there is no certainty that it will achieve or maintain profitability in the future. There are a number of risks to the Company's commercial operations which, if any one or more of them occur, could adversely affect the Company's business, financial condition, and operating results. These risks include, but are not limited to:

- (i) Failure of the Company's SphygmoCor technology-enabled products, from which the majority of the Company's revenue is currently derived, to gain market acceptance.
- (ii) The Company's limited operating history with certain products which are still in development makes it challenging to predict long-term performance based solely on historical financial results.
- (iii) Accurate demand forecasting for products and effective inventory management are crucial for the Company's financial success. Increases in component costs, supply shortages, and supply changes could disrupt the supply chain.
- (iv) The inability to anticipate appropriate pricing levels for its products, and economic downturns or uncertainties could reduce consumer discretionary spending and demand for its products and services.

- (v) Consolidation in the healthcare industry may result in demands for price concessions or the exclusion of existing market participants from certain markets.
- (vi) Inefficient management of growth and expansion, including cost-effective and timely scaling of operations.

The Company's business can also be significantly impacted by political events, international disputes, natural disasters, public health issues, industrial accidents, and other interruptions. Unforeseen accidents, safety incidents, or workforce disruptions may also adversely affect the Company's business, while certain segments of the business may be influenced by seasonality.

(c) **Product Risks**

The Company's success is closely tied to maintaining the value and reputation of its brands, which may not be as successful as anticipated.

The Company's products and services may encounter design and manufacturing defects, whether real or perceived, which could have adverse effects on its business and damage its reputation. The Company offers, and will offer, complex hardware and software products and services that can be affected by design and manufacturing defects. Sophisticated applications, such as the CONNEQT Portal, CONNEQT App and other products, often have issues that can unexpectedly interfere with the intended operation of hardware or software products. Defects may also exist in components and products that we source from third parties, or may arise from upgrades or changes to hardware that the Company or its third party manufacturing partners may make in the ordinary course of a product's lifecycle. Major defects could make the Company's products and services unsafe and create a risk of environmental or property damage and/or personal injury. Quality problems could also adversely affect the user's experience, and result in harm to the Company's brand or reputation, loss of competitive advantage, poor market acceptance, reduced demand for its products, delay in new product introductions, and lost revenue.

Users may rely on CONNEQT products and companion digital solutions to track and record health data accurately. Any failure to provide accurate metrics and data could harm the Company's brand and reputation, making it challenging to retain users.

Unsuccessful clinical trials related to products under development could adversely affect the Company's ability to obtain necessary clearance or approval of its new products and have a material adverse effect on the Company's future prospects. Such clinical trials are inherently uncertain and there can be no assurance that any clinical trial we conduct or sponsor will be completed in a timely or cost-effective manner or result in a commercially viable product.

(d) **Product liability**

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. The Company may be subject to warranty claims that result in significant direct or indirect costs, or it could experience more extensive product returns than expected, both of which could negatively affect its business, financial condition, and operating results. Adverse events could also expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(e) **Supply Chain**

The Company relies on a limited number of global suppliers, contract manufacturers, and logistics partners to manufacture its products, and any loss of supply or supply interruption from these partners could negatively affect its operations.

A large portion of the Company's contract manufacturers' primary facilities are located in Australia and for the Company's new products in China. Thus, its business could be adversely affected if one or more of its suppliers is impacted by a natural disaster, an epidemic such as the current COVID-19 pandemic, or other interruption at a particular location. Certain interruptions may be due to, among other things:

- (i) temporary closures of the Company's facilities or those of its manufacturers, and other vendors in the supply chain;
- (ii) restrictions on or delays surrounding travel or the import/export of goods and services from certain ports used by the Company; and
- (iii) local quarantines or other public safety measures.

Furthermore, the Company has limited control over suppliers, contract manufacturers and logistics partners, which may result in production delays or insufficient product quantities being available to the Company. If any of these suppliers, contract managers or logistics partners do not perform their obligations or meet the Company's and users' expectations, the Company's brand, reputation and business could suffer.

(f) **Cybersecurity risks**

Expanding the company's solutions and capabilities that rely on network communications expose the Company to risks including cybersecurity threats, interruptions or delays in telecommunications systems, or data service losses, all of which could impair product and service delivery.

Despite the Company's efforts and processes to prevent security breaches and incidents, its products and services, as well as its servers, computer systems, and those of third parties that it uses in its operations are vulnerable to cybersecurity risks, which could lead to interruptions, delays, loss, corruption, unavailability, and unauthorised processing of critical data, unauthorized access to or other processing of user health data, a negative impact on users' experience, and loss of consumer confidence. In the event of a breach or incident, the Company could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents. In addition, the Company's insurance applicable to these matters may not be adequate to cover a potential claim and may be subject to exclusions.

(g) **Intellectual Property Risks**

The Company heavily relies on patent, intellectual property and other proprietary rights, and failing to protect these rights or succeed in litigation related to them could result in significant monetary damages and royalty payments, negatively impacting its ability to sell current or future products. Protecting intellectual property rights worldwide may present challenges, and issued patents covering the Company's products and technologies could be found invalid or unenforceable if challenged. Failure to protect the confidentiality of trade secrets could materially adversely affect the value of the Company's technology and harm its business.

The value of the Company's products and brand is closely tied to its intellectual property rights. Infringement or perceived infringement of others' intellectual property rights by the Company's products could lead to costly patent and intellectual property litigation, substantial damages or royalties, limitations on technology essential to its products, or discontinuation of product sales. Obtaining and maintaining patent protection relies on compliance with various required procedures, document submissions, fee payments, and other requirements imposed by governmental patent agencies, and non-compliance with these requirements could reduce or eliminate patent protection.

The Company's use of open-source software and failure to comply with the terms of underlying open-source software licenses could impose limitations on commercialising its products and providing third parties access to its proprietary software.

(h) **Additional capital requirements**

The Company will require capital, in addition to amounts raised pursuant to the Capital Raising, to execute its business plan and maintain ongoing operations in the future. It is also possible that further capital may be required at an earlier stage if any risks, including those described in this Section 5 materialise. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy.

Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of the offering of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(i) **Going concern risk**

The Company's annual financial report for the year ended 30 June 2023 (**Financial Report**) includes a note in the independent auditor's report on the financial condition of the Company and existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Capital Raising and, with the support of the C2V Funding Commitment Agreement, the Company will have sufficient funds to adequately meet the Company's current commitments and medium-term working capital requirements. In the event that the Capital Raising is not completed successfully, it is likely to have a material adverse effect on the Company's current activities.

(j) **Potential acquisitions**

The Company may in the future pursue strategic investments or acquisitions to add new products and technologies, acquire talent, gain new sales channels, or enter into new markets or sales territories. Growth through investment and acquisitions entails numerous operational and financial risks. These include, but are not limited to, execution risk, poor integration of the acquired business, entry into market segments with more risk than existing operations and loss of managerial focus on existing business. These risks may have an adverse effect on the Company's financial performance.

(k) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include what are believed to be appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

5.2 Industry risks

(a) **Regulatory Risks**

Extensive government regulation and oversight in the United States, Australia, and in other jurisdictions apply to the Company's products and operations, and non-compliance with these requirements could harm its business. Regulatory clearances, approvals, and certifications are vital for marketing and commercial distribution, and the revocation or revision of such authorisations by agencies such as the U.S. Food and Drug Administration

or the Australian Therapeutic Goods Administration could harm the Company's commercial operations. Failure to comply with healthcare and other governmental regulations could result in substantial fines and penalties, adversely affecting the Company's business, results of operations, and financial condition.

Misuse or off-label use of the Company's products may harm its reputation in the marketplace, result in injuries leading to product liability suits, or result in costly investigations, fines, or sanctions by regulatory bodies, which could be costly to the Company. Misconduct or improper activities by employees, consultants, and commercial partners, including non-compliance with regulatory standards and requirements, pose further risks.

Changes in healthcare policies may also have a material adverse effect on the Company, including making it more difficult and costly for the Company to obtain regulatory clearances or approvals for its products or to manufacture, market, or distribute its products after clearance or approval is obtained. Further, healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organisations. A decline in coverage and reimbursement from government and third-party payors could lead to reduced product usage and sales.

Failure to comply with anti-corruption and anti-money laundering laws, including the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Financial Transactions Reports Act 1988 in Australia, the U.S. Foreign Corrupt Practices Act (**FCPA**) and similar laws related to activities in other jurisdictions, could materially adversely affect the Company's business and result in civil and/or criminal sanctions.

Numerous laws and regulations, including the U.S. Health Insurance Portability and Accountability Act (**HIPAA**) and the U.S. Health Information Technology for Economic and Clinical Health Act (**HITECH Act**), govern the collection, dissemination, security, use and confidentiality of patient-identifiable health information. Failure to comply with HIPAA, the HITECH Act, and similar laws and regulations in Australia and other jurisdictions and implementing those regulations could result in significant penalties, and regulations requiring the use of "standard transactions" for healthcare services under HIPAA (and other regulations in Australia and other jurisdictions) may negatively affect profitability and cash flows. Enforcement of laws and regulations regarding privacy and security of patient information may adversely affect the Company's business, financial condition, or operations.

(b) **Competition**

The Company operates in a highly competitive market and may struggle to attract and retain users, hindering its business growth. As the health wearable market is relatively new, any failure of the general market or specific demand for the Company's products to meet expectations, or if growth slows, could adversely impact its business, financial condition, and operating results. There is no assurance that the Company will be able to successfully compete in this landscape. Some of these competing companies may possess or develop technologies that are superior to the Company's, or have substantially greater financial, technical, and human resources. As a result, the Company's services, expertise, or products could be rendered obsolete, less attractive, or uneconomical due to advances in technology or alternative approaches developed by the Company's competitors.

(c) **Data security and privacy**

The collection, storage, processing, and use of personal data subject the Company to legal obligations and regulations related to security and privacy. Failure to meet these obligations, whether actual or perceived, could harm the Company's reputation and business. Data collection is further governed by restrictive regulations regarding the use, processing, and cross-border transfer of personal information.

(d) **Foreign exchange**

The Company operates in a variety of jurisdictions, including Australia, the United States, Europe and China, and as such, expects to generate revenue and incur costs and expenses in AUD, USD, EUR and CNY.

Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

5.3 Risks relevant to the Offers

(a) **Quotation risk**

The Company will apply for quotation of the Quoted Options subject to compliance with the requirements of ASX and the Listing Rules, however, the Quoted Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Quoted Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

The Company makes no guarantee that any such application for quotation will be successful and there is a risk that the Company will not be able to satisfy the ASX requirements for quotation. In the event that the Company is unable to satisfy the ASX requirements, the Quoted Options will still be issued, but will be unquoted Options and there will be no public market for the Quoted Options. If the Quoted Options are admitted to official quotation by ASX, the price of the Quoted Options is subject to uncertainty and there can be no assurance that an active market for the Quoted Options will develop or continue after the Offers.

(b) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Quoted Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares. There is a risk that the Quoted Options may expire at a time when they have little or no value.

The Company will issue a large number of Quoted Options under the Entitlement Offer, Placement Offer, Convertible Note Offer and Lead Manager Offer (assuming that the Offers are fully subscribed). If exercised, the Quoted Options will be converted into Shares, thereby causing substantial dilution to the shareholdings of Shareholders. There is no certainty that Quoted Options, if issued, will be exercised in full, or at all.

5.4 General risks

(a) **Economic risks**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential exploration and development programs, as well as on its ability to fund those activities.

(b) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive

activities or sabotage, fires, floods, explosions or other catastrophes, pandemics or epidemics or quarantine restrictions.

(c) **Infectious diseases**

The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19 or other infectious diseases. Measures to limit the transmission of the virus or other infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. It could interrupt the Company carrying out its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

(d) **Market conditions**

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders.

(a) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(b) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(c) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

5.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus.

Therefore, the New Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Securities pursuant to this Prospectus.

6. Additional information

6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to the Constitution, the Listing Rules and the rights or restrictions on voting which may attach to or be imposed on any class of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every Shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have one vote; and
- (iii) on a poll, every Shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have:
 - (A) one vote for each fully paid share held by that Shareholder; and
 - (B) a fraction of a vote for each partly paid share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) for that share (or, where applicable, a fraction of a Share), ignoring any amounts paid in advance of a call.

(c) Issues of further Shares

The Directors control the allotment and issue of Shares. Subject to the Corporations Act and the Listing Rules, the Directors may allot, issue, grant options over, cancel or otherwise dispose of Shares to any persons, on any terms and conditions terms, with the rights, at the issue price and at the times that the Directors decide.

(d) Variation of rights

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Subject to the Corporations Act and the Listing Rules, all or any of the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or cancelled, including by converting or reclassifying Shares from one class to another, by special resolution of the Company and with the written consent of the holders of at least 75% of the shares issued in the affected class, or by special resolution passed at a separate meeting of the holders of the shares issued in the affected class.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Dividends and reserves**

Subject to the Constitution, the Corporations Act, the Listing Rules and the rights of Shareholders entitled to Shares with preferential, special or qualified rights as to dividends, the Directors may from time to time determine that a dividend (including an interim dividend) is payable to Shareholders in proportion to the amounts paid up (not credited) on the Shares held by them. as paid on Shares. Any amount paid on a Share in advance of a call will be ignored when calculating the relevant proportion. Interest is not payable by the Company in respect of any dividend or other distribution.

Before determining payment of any dividends, the Directors may set aside out of the Company's profits any sums they think proper as reserves to be applied to meet contingencies, to equalise dividends, to pay special dividends, to repair, improve or maintain any Company property, or for any other purpose the Directors in their absolute discretion consider to be in the Company's interests.

The Directors may implement and in their discretion maintain, on terms and conditions determined by the Directors from time to time, dividend reinvestment plans for cash dividends paid by the Company in relation to shares to be reinvested by way of subscription for shares or other securities to be issued and allotted by the Company.

(g) **Winding up**

Subject to the Constitution, the Corporations Act, the Listing Rules and the rights of holders of shares issued on special terms and conditions (at present there are none), on a winding-up of the Company, the liquidator may, with the approval of a special resolution of the Company, divide among the contributories in specie or kind any part of the assets of the Company and may set the values the liquidator considers fair and reasonable on any property to be divided and determine how the division is to be carried out.

(h) **Directors**

The Constitution states that the minimum number of Directors is 3 and the maximum is 10.

(i) **Powers of the Directors**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage, or cause the management of, the business of the Company and may exercise, or cause to be exercised, all powers of the Company that are not, by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(j) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(k) **Preference Shares**

The Company may issue preference Shares including preference Shares which are, at the option of the Company or holder, liable to be redeemed or converted into ordinary Shares.

6.2 Terms and conditions of Quoted Options

- (a) **(Entitlement):** Each Quoted Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price):** The Options have an exercise price of \$0.20 per Option (**Exercise Price**).
- (c) **(Expiry Date):** The Options expire at 5.00pm (Sydney time) on 30 November 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) **(Quotation of the Options):**
- (i) The Company will apply for quotation of the Options on ASX. However, the Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the ASX Listing Rules)).
 - (ii) If official quotation of the Options is not granted by ASX in accordance with paragraph (e)(i) above, the Options will not be quoted.
- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 2,500 must be exercised on each occasion.
- Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) **(Transferability):** The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws and paragraph (i) below.

- (i) **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph (g)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- (k) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- (l) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

6.3 Lead Manager

The Company has agreed to pay the following fees to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate:

- (a) a management fee of 3% of the total value of the capital raised under the Capital Raising;
- (b) a selling fee of 3% of the total value of the capital raised under the Capital Raising; and
- (c) 3,000,000 Quoted Options, subject to between \$5 million and \$11 million having been raised under the Capital Raising.

The Lead Manager Mandate otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature

6.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject

to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.6 below). Copies of all documents announced to the ASX can be found at <https://cardiex.com.au/asx-announcements/>.

6.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

6.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the Annual Report for the period ending 30 June 2023 lodged with ASX on 9 November 2023 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2022 lodged with ASX on 28 February 2023; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX, until the Prospectus Date:

Date lodged	Subject of Announcement
18/12/2023	Notification of cessation of securities - CDX
12/12/2023	Notification of cessation of securities - CDX
07/12/2023	Receipt of Clinichain Trial Funds
30/11/2023	Amended Constitution
30/11/2023	Results of Meeting
30/11/2023	CardieX AGM Executive Update
20/11/2023	Finance Facility and Creditor Restructure Update
09/11/2023	Funding and Capital Update
09/11/2023	2023 Appendix 4G and Corporate Governance Statement
09/11/2023	2023 Annual Report

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;

- (b) the Constitution; and
- (c) the consents referred to in Section 6.14 and the consents provided by the Directors to the issue of this Prospectus.

6.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

6.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

6.9 Market price of Shares

The Company's Shares went into a trading halt on 26 September 2023 and have been suspended from quotation on the ASX since 28 September 2023.

The highest and lowest closing market sale prices of the Shares on ASX during the 3 months immediately preceding the date of the Offers, and the respective dates of those sales were:

Lowest:	\$0.135 on 25 September 2023
Highest:	\$0.155 on 22 September 2023

The latest available market sale price of the Shares on ASX prior to the Company's suspension from trading and the date of lodgement of this Prospectus with ASIC was \$13.50 per Share on 25 September 2023.

This is not a reliable indicator as to the potential value of Shares after completion of the Offers or reinstatement to trading on ASX.

6.10 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offers.

(b) Security holdings

The relevant interests of each of the Directors in securities of the Company as at the Prospectus Date is set out below.

Director	Shares	Voting power ¹	Entitlement		Performance Rights	Convertible Notes
			New Shares	Quoted Options		
Niall Cairns ²	26,634,394	18.54%	9,280,277	3,093,426	3,000,000	850,000
Craig Cooper ³	26,124,394	18.18%	9,102,576	3,034,192	3,000,000	750,000
Randall King Nelson ⁴	15,385	0.01%	5,361	1,787	Nil	Nil

Notes:

1. Assumes 143,683,524 Shares on issue as at the date of this Prospectus and that no other Shares are issued or existing convertible securities exercised or converted into Shares prior to the Record Date.
2. Mr Cairn's interest is held indirectly via C2V, a company which is controlled by Mr Cairns and Mr Cooper, Carnethy Evergreen, a company controlled by Mr Cairns, and Carnethy Investments Pty Ltd, a company controlled by Mr Cairns.
3. Mr Cooper's interest is held directly and indirectly via C2V, a company which is controlled by Mr Cairns and Mr Cooper.
4. Mr Nelson's interest is held directly.

Messrs Cairns and Cooper have indicated to the Company that they and their associated entities intend to take up their full Entitlements under the Entitlement Offer.

In addition, C2V, an entity controlled by Messrs Cairns and Cooper, has indicated to the Company that it intends to subscribe for up to \$790,000⁸ worth of Shares under the Placement, subject to Shareholder approval.

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution, or consist of a commission on or percentage of profits or operating revenue. The aggregate amount of compensation for non-executive directors is currently set at \$500,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The remuneration of executive directors is to be fixed by the Board.

The Constitution also provides that:

- (i) if a director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including being a member on a committee of Directors or the chairperson of Directors or deputy chairperson of Directors), the Company may pay additional remuneration or provide benefits to that Director as the Directors resolve; and
- (ii) the Company must pay a director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in attending meetings of the Company, the Board, or a committee of the Board, on the business of the Company, or in carrying out duties as a director.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY), inclusive of directors' fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

⁸ See footnote 1.

Director	FY ended 30 June 2023	FY ended 30 June 2022
Niall Cairns	\$1,006,996	\$759,325
Craig Cooper	\$1,479,171	\$1,215,746
Randall King Nelson	\$115,652	\$86,760

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2023, which was released to ASX on 9 November 2023.

6.11 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offers.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

6.12 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the New Securities offered under this Prospectus.

Hamilton Locke will be paid approximately \$50,000 (plus GST) in fees for legal services in connection with the Offers.

The Lead Manager is entitled to be paid the fees summarised in Section 6.3.

The Nominee is entitled to be paid the fees summarised in Section 1.15.

Automic Registry Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions.

6.13 Estimated expenses

The estimated expenses of the Offers (assuming the Entitlement Offer is fully subscribed) are as follows (excluding GST):

Estimated expense	\$
ASIC lodgement fees	3,500
ASX quotation fees	21,000
Lead Manager fees ¹	480,000
Nominee fees ²	2,000
Legal, corporate support and advisory expenses	145,000
Printing, distribution and other expenses	9,500
TOTAL	661,000

Notes:

1. Assumes the maximum fees are payable to the Lead Manager pursuant to the Lead Manager Mandate (refer to Section 6.3 for further details).
2. Refer to Section 1.15 for further details.

6.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

MST Financial Services Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus. MST Financial Services Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Taylor Collison Limited has given its written consent to being named as Nominee in this Prospectus. Taylor Collison Limited has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

Hamilton Locke Pty Ltd has given its written consent to being named as the Legal Adviser to the Company in this Prospectus. Hamilton Locke Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

Automic Registry Services has given its written consent to being named as the Share Registry to the Company in this Prospectus. Automic Registry Services has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

6.15 **Electronic Prospectus**

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7. **Directors' statement and consent**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Niall Cairns
Executive Chairperson
CardieX Limited

Dated: 19 December 2023

8. Glossary of terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
AEDT	means Australian Eastern Daylight Time, being the time in Sydney, Australia.
Applicant	means a person who submits an Application Form.
Application	means a valid application for New Securities made on an Application Form.
Application Form	means the application form provided by the Company with a copy of this Prospectus pursuant to an Offer.
Application Monies	means the amount of money submitted or made available by an Applicant in connection with an Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
C2V	C2 Ventures Pty Limited (ACN 625 301 528) and its associates.
C2V Funding Commitment Agreement	The Funding Commitment Agreement between the Company and C2V dated 3 November 2023, as announced to ASX on 9 November 2023.
Carnethy Evergreen	Carnethy Evergreen Pty Ltd (ACN 115 480 334).
CHES	means ASX Clearing House Electronic Subregistry System.
Closing Date	means the closing date of an Offer, as specified as the closing date in the Timetable.
Company	means CardieX Limited (ACN 113 252 234).
Constitution	means the constitution of the Company as at the Prospectus Date.
Convertible Notes	means the convertible notes issued by the Company with a face value of \$1.00 each and maturing on 15 July 2025.
Convertible Note Offer	has the meaning given in Section 3.3.
Corporations Act	means <i>Corporations Act 2001</i> (Cth), as amended.
Directors	mean the directors of the Company as at the Prospectus Date.

Eligible Shareholder	means a person who: <ul style="list-style-type: none"> (a) is registered as the holder of Shares on the Record Date; (b) has a registered address in Australia or New Zealand, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Entitlement	means the number of New Securities which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer, being 1 New Share for every 2.87 existing Shares held on the Record Date together with 1 Quoted Option for every 3 New Shares subscribed for and issued.
Entitlement Offer	means the offer under this Prospectus of New Securities to Eligible Shareholders in accordance with their Entitlements.
General Meeting	has the meaning given in Section 1.1(a).
Ineligible Shareholder	means a Shareholder who does not satisfy the criteria of an Eligible Shareholder.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
Lead Manager	means MST Financial Services Pty Ltd (ACN 617 475 180; AFSL 500557).
Lead Manager Offer	has the meaning given in Section 3.2.
Listing Rules	means the listing rules of ASX.
New Securities	means, collectively, the New Shares and Quoted Options offered under this Prospectus.
New Shares	means the new Shares to be issued pursuant to the Entitlement Offer, Top-Up Facility and Shortfall Offer.
Nominee	means Taylor Collison Limited (ABN 53 008 172 450; AFSL 247083).
Noteholder	means the holder of a Convertible Note.
Offers	means the offers under this Prospectus to subscribe for New Securities, namely the Entitlement Offer and the Other Offers.
Offer Price	means \$0.08 per New Share.
Other Offers	means the Placement Offer, the Lead Manager Offer, the Convertible Note Offer and/or Shortfall Offer, as applicable.
Performance Rights	means a right to acquire a Share, subject to the satisfaction of certain performance conditions.
Placement	has the meaning given in Section 1.1(a).
Placement Offer	has the meaning given in Section 3.1.

Placement Participants	means investors in the Placement who subscribed for and will be issued Shares under the Placement.
Prospectus	means this prospectus dated 19 December 2023.
Prospectus Date	has the meaning given to that term on page i of this Prospectus.
Quoted Options	means the Options which are intended to be quoted on the official list of ASX and which are offered under this Prospectus pursuant to the Offer
Record Date	means the date specified as the record date in the Timetable.
Related Party Securities	means the securities to be issued to related parties of the Company, subject to Shareholder approval at the General Meeting, comprising: <ul style="list-style-type: none"> (a) 9,875,000 Shares and 3,291,667 Quoted Options to C2V under the Placement; (b) 3,125,000 Quoted Options to C2V under the Convertible Note Offer; (c) 416,667 Quoted Options to Carnethy Evergreen under the Convertible Note Offer; and (d) 1,041,667 Quoted Options to Kidnetic Pty Ltd under the Convertible Note Offer.
Section	means a section of this Prospectus.
Securities	mean any securities including Shares, Options, Convertible Notes or Performance Rights issued or granted by the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Shortfall	means those New Securities made available for subscription under the Entitlement Offer and for which Applications have not been received or accepted by the Closing Date.
Shortfall Securities	means the Shortfall remaining after the allocation of Top-Up Securities applied for an issued under the Top-Up Facility
Shortfall Offer	has the meaning given in Section 3.4.
Timetable	means the indicative timetable on page iv of this Prospectus.
Top-Up Facility	has the meaning given in Section 1.4.
Top Up Securities	means those New Securities made available for subscription by Eligible Shareholders in excess of their Entitlement under the Entitlement Offer.