

10 May 2023



001 / 000001

MR AB SAMPLE
PO BOX 7525
SILVERWATER NSW 9999

Dear Shareholder,

4DMedical Limited Securities Purchase Plan

On behalf of the Board of 4DMedical Limited ACN 161 684 831 (**4DMedical** or the Company), I am pleased to offer you the opportunity to apply for new shares in the Company (**Shares**) through participation in a securities purchase plan (**SPP**).

The SPP

The SPP allows Eligible Shareholders, being Shareholders as at the Record Date of 7.00pm (AEST) 5 May 2023 with a registered address in Australia or New Zealand, the opportunity to subscribe for up to \$30,000 worth of Shares without paying brokerage or other transaction costs.

The SPP is being conducted as part of a capital raising to raise approximately \$35 million, comprising the SPP to raise \$15 million from Eligible Shareholders (which is subject to the Company's discretion to raise more than or less than this amount, and subject to scaleback) and the private placement to sophisticated and professional investors to raise \$20 million, which was announced on 8 May 2023 (**Placement**).

The SPP is being undertaken at the SPP Offer Price, which is the lower of:

- the offer price under the Placement, being \$0.91; and
- the price representing a 2.5% discount to the volume weighted average price of Shares during the five trading days up to and including the Closing Date of the SPP, rounded to the nearest half cent.

The SPP will not be underwritten.

Subject to receiving Shareholder approval (if required) at the Extraordinary General Meeting of the Company scheduled on Wednesday, 14 June 2023 (**EGM**), participants in the Placement and Eligible Shareholders will also be entitled to receive 1 free attaching option (**Option**) for every 2



Shares subscribed for under the Placement or the SPP (as the case may be). The Options will be exercisable at \$1.365, expire on 31 December 2024 and will be unquoted.

Shareholders in the United States are not eligible to participate in the SPP. Similarly Shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.

The offers of Shares and Options under the SPP are being made under a prospectus that is being provided to Eligible Shareholders (**Prospectus**).

A separate Notice of Meeting will be dispatched to Shareholders in connection with the Meeting, and I encourage all Shareholders to carefully read the Notice of Meeting and vote at the Meeting.

If Shareholder approval is not obtained, the offer and issue of Shares under the SPP will proceed, however the Company will not be able to proceed with the issue Options under the Placement and SPP unless the number of Options to be issued can be issued within placement capacity under Listing Rule 7.1.

Timetable

The indicative timetable for the Placement and SPP is set out below.

Event	Date*
Record Date	7.00pm (AEST) Friday, 5 May 2023
Announcement of Placement and SPP	Monday, 8 May 2023
Lodgement of Prospectus with ASIC and ASX	Wednesday, 10 May 2023
Placement Opening Date and SPP Opening Date	Wednesday, 10 May 2023
Lodgement of notice of EGM	Friday, 12 May 2023
Placement Closing Date	Friday, 12 May 2023
Settlement of Placement	Monday, 15 May 2023
Allotment of Shares under the Placement	Tuesday, 16 May 2023
Commencement of trading of Shares under the Placement (subject to ASX Listing Rules)	Tuesday, 16 May 2023
SPP Closing Date	5.00pm (AEST) Wednesday, 24 May 2023
Announce results of SPP and details of SPP Shortfall (if any)	Monday, 29 May 2023



Event	Date*
SPP Shortfall Opening Date	Monday, 29 May 2023
Allotment of Shares under the SPP	Wednesday, 31 May 2023
Commencement of trading of Shares under the SPP (subject to ASX Listing Rules)	Thursday, 1 June 2023
SPP Shortfall Closing Date	Friday, 2 June 2023
Allotment of Shares under the SPP Shortfall	Friday, 9 June 2023
Commencement of trading of Shares under the SPP Shortfall (subject to ASX Listing Rules)	Tuesday, 13 June 2023
EGM convened to approve issue of New Options under Offers	Wednesday, 14 June 2023
Issue of New Options under Offers (subject to EGM approval)	Thursday, 15 June 2023

How to apply

The SPP opens on Wednesday, 10 May 2023 and is expected to close on 5.00pm (AEST) Wednesday, 24 May 2023. Shares issued under the SPP are expected to be issued on Wednesday, 31 May 2023 and to commence trading on ASX on Thursday, 1 June 2023.

If you wish to participate in the SPP, please visit the 4DX SPP website at <https://events.miraql.com/4dx-spp>, by **5.00pm (AEST) Wednesday, 24 May 2023**:

1. Complete the necessary security checks to access the site
2. Download and read the Prospectus in its entirety and seek appropriate professional advice if necessary
3. Click on SPP Application and follow the prompts. You will need the following details:
 - (i) Security Reference Number (SRN) or Holder Identification Number (HIN) or Employee ID
 - (ii) The name of your registered holding (Surname or Company Name)
 - (iii) The postcode of your registered holding

Complete the online application and click submit to receive your personalised BPAY® details. Make your BPAY® payment in line with your financial institution's instructions (alternatively, in the



case of Eligible Shareholders with a registered address in New Zealand, by electronic funds transfer).

If you pay by BPAY®, you do not need to return the Application Form (which is available on the offer website for your reference).

Questions and further information

The Prospectus contains further information regarding the SPP, in particular, the Prospectus sets out the terms of issue of the Options and describes the risks associated with an investment in the Company. Eligible Shareholders should read the Prospectus before making any decision to invest. The Company is not licensed to provide financial advice and is not providing investment advice or any recommendation regarding the SPP.

If you have any queries about how to participate in the SPP, or if you would like to receive a paper copy of the Prospectus, and a paper Application Form, please contact the Share Registry on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia). You may also contact the Company Secretary on +61 3 9545 5940. You should consult your professional adviser when deciding whether or not to participate in the SPP.

Thank you for your continued support of 4D Medical Limited

Yours sincerely,

Dr Andreas Fouras
Managing Director and CEO

Prospectus

4DMedical Limited ACN 161 684 831

SPP Offer to Eligible Shareholders

For an offer to Eligible Shareholders, to remain open up to the SPP Offer Closing Date, to subscribe for up to \$30,000 worth of Shares (**SPP Shares**) at the Offer Price to raise up to approximately \$15 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**SPP Offer**), together with 1 free attaching Option for every 2 SPP Shares issued (**New Option**), each New Option being exercisable at \$1.365 and expiring on 31 December 2024.

Shortfall Offer

For a separate offer to Shortfall Participants, to remain open up to the Shortfall Offer Closing Date, to subscribe for any SPP Shares and New Options not taken up pursuant to the SPP Offer, in each case to be issued on the same terms of the SPP Offer (**Shortfall Offer**).

Placement

For a separate offer to Placement Participants, to remain open up to the Placement Closing Date, of up to approximately 10.99 million Shares (**Placement Shares**) at an issue price of \$0.91 per Placement Share, together with 1 free attaching New Option for every 2 Placement Shares issued, to raise up to approximately \$20 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Placement**).

New Options

The offers of New Options under the Offers are conditional on Shareholder approval at the Company's Extraordinary General Meeting, which is expected to be held in Melbourne on 14 June 2023 (**EGM**). If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Offers.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Offers and this Prospectus will not be affected and will have completed, however the issue of New Options will not occur. In these circumstances, participants in the Offers will receive New Shares under the Offers but will not receive the New Options.

Important Information

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Offer Securities or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Offer Securities offered by this Prospectus should be considered as speculative.

This is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the US or to US Persons.

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Important Notice

This Prospectus relates to the offer of Offer Securities by 4DMedical Limited ACN 161 684 831 (**4DX** or **Company**) under the Offers.

This Prospectus is dated 10 May 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (Melbourne time) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Offer Securities will be issued on the basis of this Prospectus after the Expiry Date.

Application for Official Quotation of the New Shares will be made to ASX. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities and options 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 their professional advisers.

None of ASIC, ASX, nor their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Applications for Offer Securities can only be submitted on an Application Form.

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus pursuant to the SPP Offer. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.4dmedical.com), or otherwise to persons to whom a target market determination is not required. By making an application under the SPP Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

No representation other than in this Prospectus

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

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of any New Options issued under this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for Offer Securities and consider the risks that could affect the performance of the New Shares, the New Options and Shares issued on exercise of the New Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Nature of Prospectus

The Offer Securities that will be issued under this Prospectus are either continuously quoted securities or options to acquire continuously quoted securities (as defined in the Corporations Act). This Prospectus is a transaction specific prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows for the issue of a more concise prospectus in relation to an offer of securities in a class that has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms, transaction specific prospectuses are only required to contain information in relation to the effect of the issue of the Offer Securities on the Company and the rights attaching to those 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.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering.

This Prospectus provides general information to assist you with your own evaluation of the Company's assets. This Prospectus is not, and is not intended to be, advice on legal, financial, taxation or investment matters nor is it intended to be financial product advice from the Company or any of its directors, employees, agents or advisers.

The information contained in this Prospectus has been prepared by the Company.

Application of ASIC Class Order on Share Purchase Plans

In certain circumstances, a listed company may undertake a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument allows a body which is admitted to the official list of the ASX not to comply with Part 6D.2 or 6D.3 of the Act (other than sections 736 and 738) for an offer of shares for issue under a share purchase plan, allowing the share purchase plan to be conducted without the use of a prospectus subject to compliance with the conditions of the ASIC Instrument.

The Company is unable to rely on the ASIC Instrument to the extent it applies to the New Options because the New Options proposed to be issued under the Offers are a new class of securities not quoted on the ASX and are not covered by the disclosure and advertising relief that is the subject of the ASIC Instrument. Accordingly, the Company is undertaking the Offers under this Prospectus.

Exposure Period

The exposure period under section 727(3) of the Corporations Act does not apply to the offer of New Shares under this Prospectus and no exposure period applies to the New Options due to the relief granted by *ASIC Corporations (Exposure Period) Instrument 2016/74*.

Obtaining a Prospectus and Application Form

This Prospectus will be issued as an electronic Prospectus. An electronic copy of this Prospectus can be downloaded from <https://investors.4dmedical.com/Investor-Centre/> and www.asx.com.au, and complies with the conditions detailed at paragraph 107.21 of *ASIC Regulatory Guide 107*.

In accessing the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

If you are accessing the electronic version of this Prospectus for the purposes of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus and an Application Form free of charge prior to the Closing Dates (as set out in Section 3 of this Prospectus) by calling the Share Registry, from 8.30am to 5.30pm, Monday to Friday, on 1800 810 827 (from within Australia) or +61 1800 810 827 (from outside Australia).

Risk factors

Potential investors should be aware that subscribing for New Shares and subscribing for and exercising New Options involves a number of risks. The key risk factors which investors should be aware are set out in Section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares, the New Options and Shares issued upon exercise of the New Options in the future.

Restrictions on foreign jurisdictions

This Prospectus contains an offer under the SPP Offer to Eligible Shareholders in Australia and New Zealand and a separate offer under the Placement to Placement Participants in Australia, New Zealand, Hong Kong and the Cayman Islands. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of Offer Securities in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and no offer of Offer Securities is to be made in, countries other than Australia or New Zealand, and in respect of Hong Kong and the Cayman Islands, except to certain exempt investors specified below.

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

This Prospectus may not be distributed to or relied on by persons outside Australia, New Zealand, Hong Kong or the Cayman Islands.

It is the responsibility of Applicants to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Application Form under the SPP Offer will be taken by the Company as a representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand.

In particular, this Prospectus, the Offers and the Offer Securities to be issued under the Prospectus have not been, and will not be, registered under the US Securities Act and the Offers may not be offered or sold in the US or to, or for the account or benefit of US Persons, except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand) (the **FMC Act**).

The Offer Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The Offer Securities offered under the SPP Offer are not being offered or sold 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 the Offer Securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. In addition, the Company is issuing the New Options to existing shareholders of the Company for no consideration.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document 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.

Information for Hong Kong investors

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the New Securities may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Information for Cayman Island investors

No offer or invitation to subscribe for New Securities may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

Financial information and forward looking statements

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any 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. Forward looking statements should be read in conjunction with risk factors as set out in Section 7, and other information in this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 9.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

Privacy

If you apply for Offer Securities under this Prospectus, you will provide personal information to the Company its agents, contractors and third party services providers. The Company its agents, contractors and third party services providers collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of the Company and by the Share Registry. You may also request the correction of your personal information by contacting the Company or the Share Registry using the details in the Corporate Directory at the back of this Prospectus.

1. Letter to Shareholders

Dear Shareholders and Investors

I am pleased to be able to present the details of the 4DMedical Limited Securities Purchase Plan and provide an update on the Company's operations.

Securities Purchase Plan

On behalf of the Board, I am pleased to offer Eligible Shareholders the opportunity to apply for new, fully paid ordinary Shares (**SPP Shares**) and Options in 4DMedical Limited (**Company**) under a Securities Purchase Plan (**SPP Offer**). While the Company is seeking to raise \$15 million (before costs) under the SPP Offer, the Company reserves the right to raise more or less than this amount.

The SPP Offer allows Shareholders with a registered address in Australia or New Zealand (**Eligible Shareholder**) at 7.00pm (AEST) on 5 May 2023 (**Record Date**) the opportunity to subscribe for up to \$30,000 worth of SPP Shares without paying brokerage or other transaction costs at the Offer Price.

Eligible Shareholders will also receive 1 free attaching New Option for every 2 SPP Shares issued under the SPP Offer. Each New Option will be issued for nil consideration and will be exercisable at \$1.365 and expire on 31 December 2024. Each New Option gives the holder the right to subscribe for 1 Share upon exercise and payment of the exercise price.

Shortfall Offer

This Prospectus also includes the Shortfall Offer, being an offer pursuant to which any securities remaining in the event that less than the maximum number of SPP Shares and New Options are applied for under the SPP Offer (**Shortfall Securities**), will be placed at the discretion of the Lead Manager, in consultation with the Company, in accordance with Section 4.4.

The ability of Shortfall Participants to participate in the Shortfall Offer will be limited to the extent that there is a shortfall under the SPP Offer.

Placement

As announced to the market on 8 May 2023, the Company has undertaken a private placement to sophisticated and professional investors, by the offer of Shares at \$0.91 per Share, for which the Company has received firm commitments of approximately \$20 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Placement**).

Participants in the Placement (**Placement Participants**) are also entitled to receive New Options on the same terms as the offer of free attaching New Options under the SPP Offer, that is Placement Participants are being offered 1 New Option for nil consideration for every 2 Shares issued under the Placement.

New Options

The offers of New Options under the Offers are conditional on Shareholder approval at the Company's Extraordinary General Meeting, which is expected to be held in Melbourne on 14 June 2023 (**EGM**). If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Offers.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Offers and this Prospectus will not be affected and will have completed, however the issue of New Options will not occur. In these circumstances, participants in the Offers will receive New Shares under the Offers but will not receive the New Options.

The terms and conditions of the SPP Offer, the Shortfall Offer and the Placement (collectively, the **Offers**) are provided for in this Prospectus and will be accompanied by a relevant Application Form. You should read this Prospectus in its entirety before deciding whether to participate in the Offers.

Use of funds

Proceeds from the Offers, will be used primarily to accelerate commercialisation of the Company's respiratory imaging platform and to significantly strengthen the Company's balance sheet including for the purposes of supporting acquisitive growth by acquisition opportunities.

Assuming \$20 million is successfully raised under the Placement and \$15 million is successfully raised under the SPP Offer (including any SPP Shortfall subscribed for under the Shortfall Offer), the Company intends to apply the funds raised towards the following items of expenditure.

Use of funds	Amount (\$m)
VA Commercialisation: Funding required for driving advocacy and engagement with KOL and industry	\$3.7
Expansion of US GTM and implementation capabilities: Expansion of customer success capabilities to drive implementation, IT integration, and scalability	\$4.2
Commercialisation and Launch of CTVQ (US & AU): New functional perfusion output; FDA approval; clinical evidence and product development	\$4.7
Reimbursement for SaaS Products: Funding required for engaging consultants/reimbursement advocacy support	\$2.1
FDA Approval for XV Scanner: Funding for XV FDA approval	\$1.1
CTLVAS & XV LVAS rollout acceleration and user adoption: Accelerate user adoption across the Australian market through I-MED and secondary networks	\$1.0
Working capital and expenses of the Offers	\$18.2
Total	\$35.0

In the event that circumstances change or other more favourable opportunities arise, the Company may vary the proposed use of funds to maximise the benefit to Shareholders and, to the extent that the Company does not raise the full amount of funds it is seeking to raise, the Company will reduce its expenditure as required.

Ranking

All New Shares issued under the Offers will rank equally with existing Shares.

All Shares issued upon exercise of the New Options offered under this Prospectus will rank equally with existing Shares at the time of exercise.

Eligibility

The Offers have separate eligibility requirements, which are as follows:

(a) SPP Offer

Participation in the SPP Offer is optional and is available exclusively to Eligible Shareholders. See Section 2 below for more detail on who is an Eligible Shareholder.

(b) **Shortfall Offer**

Participation in the Shortfall Offer is only open to Shortfall Participants and must be made using the Shortfall Offer Application Form. See Section 4.4 below for more detail.

(c) **Placement**

Participation in the Placement is only open by way of invitation to Placement Participants in Australia, New Zealand, Hong Kong and the Cayman Islands to apply for Shares and New Options. See Section 4.2 below for more detail.

How to apply

(a) **SPP Offer**

The SPP Offer opens on the SPP Offer Opening Date and closes on the SPP Offer Closing Date, subject to the Company's discretion to vary the dates of the SPP Offer.

To apply for SPP Shares and New Options you must review the enclosed SPP Offer Application Form, submit your application in accordance with the instructions set out in the form, and make a payment directly via BPAY® (or electronic funds transfer for New Zealand Shareholders only).

The SPP Offer Application Form provides for an application for both SPP Shares and New Options. If you do not wish to apply for both free attaching New Options and the SPP Shares, please do not submit an Application Form.

If you are an Eligible Shareholder you may apply for a parcel of SPP Shares (and corresponding free attaching New Options) valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000, or \$30,000 (subject to the discretionary scale back policy outlined in Section 4.9). Cleared funds must be received by no later than 5.00pm (Melbourne time) on the SPP Offer Closing Date.

(b) **Shortfall Offer**

The Shortfall Offer opens on the Shortfall Offer Opening Date and closes on the Shortfall Offer Closing Date, subject to the Company's discretion to vary the dates of the Offer.

If you are a Shortfall Participant your ability to participate in the SPP Offer will be limited to the extent that there is any SPP Shortfall.

Application for Offer Securities under the Shortfall Offer must be made using the Shortfall Offer Application Form and must be received by the Company prior to the Shortfall Offer Closing Date. You should not complete a Shortfall Offer Application Form unless specifically directed to do so by the Company.

(c) **Placement**

The Placements opens on the Placement Opening Date and closes on the Placement Closing Date, subject to the Company's discretion to vary the dates of the Offers.

Application for Offer Securities under the Placement must be made using the Placement Application Form and must be received by the Company prior to the Placement Closing Date. You should not complete a Placement Application Form unless specifically directed to do so by the Company.

Queries

If you have any questions in relation to how to participate in the Offers, please contact the Share Registry, from 8.30am to 5.30pm (Melbourne time), Monday to Friday, on 1800 810 827 (from within

Australia) or +61 1800 810 827 (from outside Australia). If you have any questions in relation to whether an investment in the Company through the Offers is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Thank you for your continued support of 4DMedical Limited.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A. Fouras', with a stylized flourish at the end.

Dr Andreas Fouras
Managing Director and CEO

2. Key SPP Information

What is the SPP Offer?

The SPP Offer provides Eligible Shareholders with the opportunity to subscribe for up to \$30,000 worth of SPP Shares (and free attaching New Options) without paying any brokerage or other charges. Additionally, Shortfall Participants will be able to participate in the Shortfall Offer to the extent that there is any SPP Shortfall.

The offers of New Options under the Offers are conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Offers.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Offers and this Prospectus will not be affected and will have completed, however the issue of New Options will not occur. In these circumstances, participants in the Offers will receive New Shares under the Offers but will not receive the New Options. Applications may be scaled back at the absolute discretion of the Company.

More details of the SPP Offer are set out in Section 4.3 of this Prospectus.

How much will the Company raise under the SPP Offer?

The Company is seeking to raise \$15 million under the SPP Offer (before costs and excluding any additional capital that may be raised upon the exercise of the New Options). The Company reserves the right to raise more or less than this amount in its absolute discretion.

The Company may, at its absolute discretion, scale back the number of SPP Shares (and free attaching New Options) that will be allotted to individual Shareholders under the SPP Offer. However, the Company anticipates that this will only occur to the extent that the SPP Offer is oversubscribed by Eligible Shareholders.

What is the Offer Price of SPP Shares under the SPP Offer?

The SPP Shares will be issued under the SPP at the Offer Price. For every 2 SPP Shares validly issued under the SPP Offer, the SPP Subscribers will also be entitled to receive 1 free attaching New Option, each exercisable at \$1.365 and expiring on 31 December 2024.

There is a risk that the market price of Shares may rise or fall between the date of this Prospectus, the date on which a Shareholder makes a payment for SPP Shares, submits an SPP Offer Application Form, and the time of issue of SPP Shares under the SPP Offer. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the time of issue of the SPP Shares.

There is also a risk that the market price of Shares may rise or fall between when the New Options are granted and when a holder of the New Options exercises the New Options. This means that the value of the New Options at any time prior to their exercise may be less or more than the value of the New Options as at the date of grant.

No cooling off rights apply to your application and your application may not be withdrawn even if the market price of Shares is less than the Offer Price.

The current Share price can be obtained from the ASX under the ticker code "4DX".

Is the SPP Offer underwritten?

No.

Am I a SPP Subscriber?

Participation in the SPP Offer and Shortfall Offer is open to:

- Eligible Shareholders being the registered holders of Shares in the Company at 7.00pm (Melbourne Time) on 5 May 2023 (**Record Date**) and whose address on the Company's Share register is in Australia or New Zealand, provided that such Shareholder:
 - is not in the United States, or acting for the account or benefit of a person in the United States; and
 - is eligible under all applicable securities laws to receive an offer under the SPP Offer; and
- Shortfall Participants, who are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

The SPP Offer is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP Offer on behalf of certain Eligible Beneficiaries (who are Australian or New Zealand residents and not in the United States, or acting for the account or benefit of a person in the United States) on the terms and conditions provided in this Prospectus.

The SPP Offer and the Shortfall Offer are made on the terms and conditions set out in this Prospectus.

How much can I invest under the SPP Offer and Shortfall Offer?

Eligible Shareholders may apply for a parcel of SPP Shares and New Options under the SPP Offer in accordance with the application amounts set out below. The maximum investment amount under the SPP Offer is \$30,000, subject to scale back at the absolute discretion of the Company.

The number of SPP Shares and New Options to be issued to successful applicants under the SPP Offer will be rounded down to the nearest whole number after dividing the application monies by the Offer Price. The table below shows how many New Shares (and New Options) may be issued on the basis of different parcel sizes at an assumed Offer Price for the SPP Offer of:

- \$0.91; and
- \$0.81.

Application amount	SPP Offer Price of \$0.91		SPP Offer Price of \$0.81	
	Number of SPP Shares	Number of New Options	Number of SPP Shares	Number of New Options
\$1,000	1,098	549	1,234	617
\$2,500	2,747	1,373	3,086	1,543
\$5,000	5,494	2,747	6,172	3,086
\$7,500	8,241	4,120	9,259	4,629
\$10,000	10,989	5,494	12,345	6,172

Application amount	SPP Offer Price of \$0.91		SPP Offer Price of \$0.81	
	Number of SPP Shares	Number of New Options	Number of SPP Shares	Number of New Options
\$15,000	16,483	8,241	18,518	9,259
\$20,000	21,978	10,989	24,691	12,345
\$30,000	32,967	16,483	37,037	18,518

Shortfall Participants' ability to participate in the Shortfall Offer will:

- be limited to the extent that there is any SPP Shortfall;
- not be restricted to a maximum amount (other than to the extent that SPP Shares and New Options are available under the Shortfall Offer); and
- be subject to scale back at the absolute discretion of the Company.

How do I apply for SPP Shares and free attaching New Options?

If you wish to participate in the SPP Offer, you need to do the following.

- **Pay by BPAY®**

Make payment by BPAY® as shown on the enclosed SPP Offer Application Form. To apply via BPAY® you must have an Australian bank account. If you apply via BPAY® there is no need to return the enclosed SPP Offer Application Form, but you will be taken to have made the statements and certifications that are set out in the SPP Offer Application Form.

For New Zealand Shareholders only, that are unable to pay by BPAY®, please contact the Share Registry from 8.30am to 5.30pm (Melbourne time) between Monday to Friday during the Offer period on 1800 810 827 (from within Australia) or +61 1800 810 827 (from outside Australia) for alternative electronic funds transfer payment arrangements.

Payment must be received in cleared funds by no later than 5.00pm (Melbourne time) on the SPP Offer Closing Date.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®.

The SPP Offer Application Form provides for Eligible Shareholders to apply for both SPP Shares and the corresponding number of free attaching New Options. If you do not wish to apply for both free attaching New Options and the SPP Shares, please do not submit an Application Form.

Do Eligible Shareholders have to participate in the SPP Offer?

No, participation in the SPP Offer by Eligible Shareholders is entirely voluntary.

If you do not wish to participate in the SPP Offer (and the offer of free attaching New Options), do nothing.

However, you may only apply for 1 New Option for every 2 SPP Shares you applied for under the SPP Offer.

Can Eligible Shareholders' offers under the SPP Offer be transferred to a third party?

No, the offer to participate under the SPP Offer cannot be transferred.

What are the rights attached to SPP Shares?

SPP Shares issued under the SPP Offer will rank equally with other fully paid ordinary Shares of the Company as at the date of issue of the SPP Shares.

What are the New Options and what is my entitlement to them?

The New Options are free attaching New Options, offered to participants under the Offers who subscribe for Shares under the SPP Offer.

SPP Subscribers will be entitled to apply for 1 free attaching New Option for every 2 SPP Shares issued under the SPP Offer and Shortfall Offer. Each New Option will be issued for nil consideration, is exercisable at \$1.365 and expires on 31 December 2024. Each New Option gives the holder the right to subscribe for 1 Share upon exercise. The terms of the New Options being offered under the Offers are set out at Section 6.1 of this Prospectus.

The offers of New Options under the Offers are conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Offers.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Offers and this Prospectus will not be affected and will have completed, however the issue of New Options will not occur. In these circumstances, participants in the Offers will receive New Shares under the Offers but will not receive the New Options. Applications may be scaled back at the absolute discretion of the Company.

Is the SPP Offer conditional?

No.

What happens if there is a scale-back?

In the event of a scale-back, the number of New Options issued to successful SPP Subscribers will be scaled back in the same proportion as the scale back applied to SPP Shares, so that successful SPP Subscribers under the SPP Offer and Shortfall Offer will continue to be issued 1 New Option for every 2 SPP Shares issued.

Will the SPP Shares and New Options be quoted on ASX?***SPP Shares***

Application for Official Quotation of the SPP Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus.

If ASX does not grant Official Quotation of the SPP Shares offered pursuant to this Prospectus within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any SPP Shares and will repay all application monies for the SPP Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the SPP Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the SPP Shares offered for subscription.

New Options

The Company will not apply for Official Quotation of the New Options.

Where can I get more information on the SPP Offer?

If you have questions in relation to how to participate in the SPP Offer, please contact the Share Registry on 1800 810 827 (from within Australia) or +61 1800 810 827 (from outside Australia). If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

What do I do if I am a Custodian?

The SPP Offer is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares (and free attaching New Options) on behalf of certain Eligible Beneficiaries.

The SPP Offer is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP Offer to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP Offer to receive SPP Shares and free attaching New Options for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications that are not accompanied by a duly completed Custodian Certificate will be limited to the maximum \$30,000 limit and any excess subscription monies will be refunded. Custodians can request a Custodian Certificate by calling the Share Registry on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia). By applying as a Custodian on behalf of Eligible Beneficiaries to acquire SPP Shares (and free attaching New Options), you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.

3. Indicative dates

The indicative dates in respect of the Offers are as follows.

Event	Date*
Record Date	7.00pm (AEST) Friday, 5 May 2023
Announcement of Placement and SPP Offer	Monday, 8 May 2023
Lodgement of Prospectus with ASIC and ASX	Wednesday, 10 May 2023
Placement Opening Date and SPP Offer Opening Date	Wednesday, 10 May 2023
Lodgement of notice of EGM	Friday, 12 May 2023
Placement Closing Date	Friday, 12 May 2023
Settlement of Placement	Monday, 15 May 2023
Allotment of New Shares under the Placement	Tuesday, 16 May 2023
Commencement of trading of New Shares under the Placement (subject to ASX Listing Rules)	Tuesday, 16 May 2023
SPP Offer Closing Date	5.00pm (AEST) Wednesday, 24 May 2023
Announce results of SPP Offer and details of Shortfall Securities (if any)	Monday, 29 May 2023
Shortfall Offer Opening Date	Monday, 29 May 2023
Allotment of New Shares under the SPP Offer	Wednesday, 31 May 2023
Commencement of trading of New Shares under the SPP Offer (subject to ASX Listing Rules)	Thursday, 1 June 2023
Shortfall Offer Closing Date	Friday, 2 June 2023
Allotment of New Shares under the Shortfall Offer	Friday, 9 June 2023
Commencement of trading of New Shares under the Shortfall Offer (subject to ASX Listing Rules)	Tuesday, 13 June 2023
EGM convened to approve issue of New Options under Offers	Wednesday, 14 June 2023
Issue of New Options under Offers (subject to EGM approval)	Thursday, 15 June 2023

**These dates are indicative only. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these times and dates (other than in respect of events that have already*

occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Melbourne time.

In particular, the Company reserves the right to extend the Closing Dates, to accept late applications under the Offers (either generally or in particular cases) and to withdraw the Offers without prior notice. Any extension of the Closing Dates will have a consequential effect on the allotment date of SPP Shares and free attaching New Options. The commencement of quotation of the SPP Shares is subject to confirmation from ASX.

The Company also reserves the right not to proceed with the Offers in whole or in part at any time prior to allotment and issue of the SPP Shares and free attaching New Options. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling off rights do not apply to an investment in SPP Shares or free attaching New Options. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the SPP Offer are encouraged to submit their SPP Offer Application Form as soon as possible after the SPP Offer opens.

There is no minimum amount to be raised under the Offers as at the date of this Prospectus.

4. Details of the Offers

4.1 The Offers

The Offers comprise the:

- (a) the Placement to Placement Participants;
- (b) the SPP Offer to Eligible Shareholders; and
- (c) the Shortfall Offer to Shortfall Participants, insofar as there is any SPP Shortfall.

Further information regarding the Placement, Conditional Placement and the SPP Offer is set out in Sections 4.2 to 4.4 below. The New Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Rights and liabilities attaching to the Offer Securities are summarised in Section 6 of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 5.3 of this Prospectus.

4.2 Placement

As announced to the market on 8 May 2023, the Company has undertaken a private placement to sophisticated and professional investors in Australia, New Zealand, Hong Kong and the Cayman Islands, by the offer of Shares at \$0.91 per Share, for which the Company has received firm commitments of approximately \$20 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Placement**), using its existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

Further details of the Placement are set out in the Company's ASX announcement dated 8 May 2023, which is available on the Company's ASX announcements platform (ASX:4DX).

The Company therefore offers 1 free attaching Option on the terms set out in Section 6.1 of this Prospectus (**New Options**) for every 2 New Shares issued under the Placement.

Each New Option is exercisable at \$1.365, expires on 31 December 2024 and entitles the holder to 1 Share per New Option exercised. The full terms of the New Options are set out in Section 6.1 of this Prospectus. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The offer of New Options under the Placement is conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Placement.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Placement will not be affected and will have completed, however the issue of New Options under the Placement will not occur. In these circumstances, participants in the Placement will receive New Shares under the Placement but will not receive the New Options.

Applications may be scaled back at the absolute discretion of the Company.

4.3 SPP Offer

As also announced by the Company on 8 May 2023, in conjunction with the Placement the Company is offering Eligible Shareholders the opportunity to purchase up to \$30,000 worth of Shares in the Company (**SPP Shares**) at the Offer Price to raise up to \$15 million (**SPP Offer**), using its existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

Eligible Shareholders who subscribe for SPP Shares are also entitled to apply for free attaching New Options on the basis of 1 New Option for every 2 SPP Shares issued under the SPP Offer. The full terms of the New Options are set out in Section 6.1 of this Prospectus.

The SPP Offer is subject to the terms and conditions set out in this Prospectus.

The Eligible Shareholders who will be entitled to participate in the SPP Offer are those persons that:

- (a) are the registered holders of Shares as at 7:00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

If you are an Eligible Shareholder, your rights under the SPP Offer are personal to you and cannot be transferred to another person. The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

The Company will apply to ASX for Official Quotation of the SPP Shares offered pursuant to this Prospectus within 7 days after the date of this Prospectus.

Employees of the Company who are Eligible Shareholders may participate in the SPP Offer.

The offer of New Options under the SPP Offer is conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the SPP Offer.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the SPP Offer will not be affected and will have completed, however the issue of New Options under the SPP Offer will not occur. In these circumstances, participants in the SPP Offer will receive New Shares under the SPP Offer but will not receive the New Options.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the New Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1 of this Prospectus. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

4.4 Shortfall Offer

In the event that less than \$15 million is applied for under the SPP Offer by Eligible Shareholders (or such other higher or lower amount that the SPP Offer is increased or reduced to at the Company's discretion), the Directors will place any SPP Shares or New Options not taken up pursuant to the SPP Offer under the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to the Shortfall Offer Closing Date. The issue price for each New Share to be issued under the Shortfall Offer will be the Offer Price (being the price at which SPP Shares have

been offered under the SPP Offer) and participants under the Shortfall Offer will also be entitled to receiving 1 free attaching Option for every 2 Shares issued under the Shortfall Offer (being on the same terms at which New Options have been offered under the SPP Offer).

The terms of the Shares and Options to be issued under the Shortfall Offer will be the same terms as the SPP Shares and New Options offered under the SPP Offer.

The allocation of the Shortfall Securities will be at the absolute discretion of the Directors, in consultation with the Lead Manager. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

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

4.5 Applying for SPP Shares and free attaching New Options

Participation in the SPP Offer by Eligible Shareholders is optional.

Eligible Shareholders may participate in the SPP Offer by applying to purchase a parcel of SPP Shares (and corresponding free attaching New Options) in the following amounts, up to a maximum amount of \$30,000 per Eligible Shareholder:

- (a) \$1,000;
- (b) \$2,500;
- (c) \$5,000;
- (d) \$7,500;
- (e) \$10,000;
- (f) \$15,000;
- (g) \$20,000; or
- (h) \$30,000.

The number of SPP Shares and free attaching New Options issued to successful Eligible Shareholders will be rounded down to the nearest whole number after dividing the Application Monies by the Offer Price.

If you are an Eligible Shareholder and wish to participate in the SPP Offer, you must make payment by BPAY® (or electronic funds transfer for New Zealand Shareholders only) in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised SPP Offer Application Form, so that payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on the SPP Offer Closing Date. If you make a payment by BPAY® you do not need to return your completed SPP Offer Application Form as receipt of your BPAY® payment will be taken by the Company as your application. Receipts for payment will not be issued.

If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for SPP Shares with an aggregate value of more than \$30,000 under the SPP Offer. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®. Your financial institution may have a set limit on the amount that you can pay via BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® is received by the Share Registry by 5.00pm (Melbourne time) on the SPP Offer Closing Date.

If you are an Eligible Shareholder and you make a payment via BPAY® you represent and warrant that the total of the application price for the following does not exceed \$30,000:

- (a) the SPP Shares the subject of your application;
- (b) any other Shares issued to you under an arrangement similar to the SPP Offer in the 12 months before the date of your application under the SPP Offer (for the avoidance of doubt, an entitlement offer is not an arrangement similar to the SPP Offer);
- (c) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the SPP Offer in the 12 months before the date of your application for SPP Shares (and corresponding free attaching New Options) as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity.

4.6 Company's discretion with regard to Applications

The Company may accept or reject any Application under the SPP Offer, including where:

- (a) the amount of your BPAY® payment is not equal to \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000. If this occurs, the Company may either;
 - (i) refund in full your Application Monies and not allot any SPP Shares (and corresponding free attaching New Options) to you; or
 - (ii) allot you the number of SPP Shares and New Options that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your Application Monies;
- (b) it appears that you are applying to purchase more than \$30,000 worth of SPP Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a Custodian or nominee arrangement);
- (c) your payment is received after 5.00pm (Melbourne time) on the SPP Offer Closing Date;
- (d) payment of the Application Monies is not submitted in Australian currency; or
- (e) the Company reasonably believes that you are not eligible to participate in the SPP Offer (subject to compliance with any applicable ASIC or ASX requirements).

4.7 Refund

If you are entitled to a refund of all or any of your Application Monies the refund will be paid to you, without interest, as soon as is practicable by direct credit to your nominated bank account (as recorded by the Share Registry).

4.8 Effect of making an Application

If you submit a BPAY® payment (or electronic funds transfer payment for New Zealand Shareholders only):

- (a) you warrant that you are an Eligible Shareholder and are eligible to participate in the SPP Offer;
- (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP Offer and the terms of the SPP Offer Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Offer;
- (c) you acknowledge that your application will be irrevocable and unconditional;
- (d) you agree to pay the Offer Price per SPP Share up to the maximum value of your BPAY® payment;
- (e) you certify and represent to the Company that you have not directly or indirectly, including through a Custodian, applied for more than \$30,000 worth of SPP Shares;
- (f) you certify that the total of the application price for the following does not exceed \$30,000:
 - (i) the SPP Shares the subject of your application;
 - (ii) any other Shares issued to you under an arrangement similar to the SPP Offer in the 12 months before the date of your application under the SPP Offer (for the avoidance of doubt an arrangement similar to the SPP Offer does not include an entitlement offer);
 - (iii) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the SPP Offer in the 12 months before the date of your application for SPP Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one offer or received offers in more than one capacity;
- (g) you accept the risk associated with any refund that may be sent to your nominated bank account (as recorded by Share Registry);
- (h) you acknowledge that no interest will be paid on any Application Monies held pending the allotment of SPP Shares and New Options or subsequently refunded to you for any reason;
- (i) you acknowledge that neither the Company nor its Share Registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP Offer;
- (j) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions of this Prospectus;
- (k) you acknowledge that the SPP Shares and New Options to be issued under the SPP Offer have not, and will not be, registered under the US Securities Act or the securities laws of any other jurisdiction outside Australia and, accordingly, the SPP

Shares and New Options to be issued under the SPP Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;

- (l) you agree not to send this Prospectus or any other material relating to the SPP Offer to any person in the United States or any other country outside Australia or New Zealand;
- (m) you agree to be bound by the Constitution;
- (n) you acknowledge that the Company may at any time reasonably and irrevocably determine that your application is invalid, in accordance with the terms and conditions of the SPP Offer;
- (o) you are responsible for any fees or costs the Company may incur in case of a refund; and
- (p) you have read and understood the TMD and fall within the target market as set out in the TMD.

4.9 Scale-back and increase in SPP Offer size

While the Company is seeking to raise \$15 million under the SPP Offer, the Company reserves the absolute discretion to raise more than or less than this amount. The Company may in its absolute discretion undertake a scale-back to the extent and in the manner it sees fit.

In the event that the SPP Offer is oversubscribed, the Company may, at its absolute discretion, scale-back the number of SPP Shares (and corresponding New Options) that will be allotted to individual Applicants under the SPP Offer and in the manner it sees fit.

Furthermore notwithstanding anything in this Prospectus, the Board reserves the right to waive any condition imposed on the acceptance of Applications, which may be exercised in the Board's sole and absolute discretion.

If there is a scale-back you may receive less than the parcel of SPP Shares (and corresponding New Options) for which you have applied.

If a scale-back produces a fractional number of SPP Shares (and corresponding New Options) when applied to your parcel, the number of SPP Shares (and corresponding New Options) you will be allotted will be rounded down to the nearest whole number of SPP Shares (and corresponding New Options).

If there is a scale-back, the difference between the Application Monies received from you, and the number of SPP Shares allocated to you multiplied by the Offer Price (and corresponding New Options), will be refunded to you in accordance with Section 4.7.

If there is a consolidation or re-organisation of the issued share capital of the Company prior to the SPP Offer Closing Date, the maximum number of SPP Shares (and corresponding New Options) to be issued pursuant to and in accordance with the SPP Offer shall be consolidated or re-organised (as the case may be) in the same ratio as the issued capital of the Company.

4.10 No transaction costs

Successful SPP Subscribers and Placement Participants who participate in the Offers will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of the Offer Securities.

4.11 Timetable

Subject to qualifications set out therein, a timetable of indicative dates for the key events relating to the Offers is set out in Section 3 of this Prospectus (**Timetable**).

The Company may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions in accordance with the Corporations Act and ASX Listing Rules.

4.12 ASX quotation

(a) New Shares

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made within seven (7) days of the date of this Prospectus.

If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any New Shares and will repay all Application Monies for the New Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares offered for subscription.

(b) New Options

The Company will not apply for Official Quotation of the New Options.

4.13 Allotment and holding statements

The Company anticipates issuing the Offer Securities successfully subscribed for under the Offers in accordance with the timetable set out in Section 3 of this Prospectus.

Holding statements for Shares and Options issued under the Offer will be mailed as soon as reasonably practicable after the Offer Securities are allotted.

4.14 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of Share and Option certificates, investors will be provided with a holding statement that sets out the number of Offer Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

4.15 Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the Offers, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. The Company's rights may be exercised by its Board or any delegate of the Board.

4.16 Variation, suspension and termination

- (a) The Company may at its discretion and at any time:
 - (i) vary, suspend or terminate the Offers (or any part of it). If the Company does this, it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act). Failure to notify Shareholders of variations to or the suspension or termination of the SPP Offer (or any part of it) will not invalidate the variation, suspension or termination; or
 - (ii) to the extent permitted by law, waive compliance with any provision of the Offers or these terms and conditions.
- (b) The Company reserves the right to issue no Offer Securities under the Offers or fewer Offer Securities under the Offers than applied for at its complete discretion, including if the Company believes the issue of those Offer Securities would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

4.17 Further taxation implications

Applicants should be aware that there may be taxation implications in participating in the Offers and subscribing for Offer Securities. The taxation consequences of participating in the Offers or acquiring Offer Securities may vary depending upon the individual circumstances of each Applicant. Before making a decision on whether or not to participate in this Offers, Applicants should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

4.18 Enquiries

Any questions concerning the Offers should be directed to the Share Registry on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday (excluding public holidays).

5. Purpose and effect of the Offers

5.1 The Offers

As announced to the market on 8 May 2023, the Company has undertaken the Placement to sophisticated and professional investors, by the offer of Shares at \$0.91 per Share, for which the Company has received firm commitments of approximately \$20 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options).

Placement Participants are also entitled to subscribe for free attaching New Options on the basis of 1 New Option for every 2 Shares issued under the Placement.

In conjunction with the Placement, the Company is undertaking the SPP Offer whereby Eligible Shareholders are offered the opportunity to acquire up to \$30,000 worth of Shares per Eligible Shareholder whereby Eligible Shareholders will be eligible to apply for SPP Shares at the Offer Price and are also entitled to subscribe for free attaching New Options on the basis of 1 free attaching New Option for every 2 SPP Shares issued under the SPP Offer.

The SPP Offer will be extended to the Shortfall Participants to the extent that there is any SPP Shortfall.

The offers of New Options under the Offers are conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM and the Company has sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the Company reserves the right to proceed with the issue of New Options under the Offers.

If Shareholder approval is not obtained at the EGM and the Company does not have sufficient placement capacity under ASX Listing Rule 7.1 for the issue of the New Options, the offer and issue of Shares under the Offers and this Prospectus will not be affected and will have completed, however the issue of New Options will not occur. In these circumstances, participants in the Offers will receive New Shares under the Offers but will not receive the New Options.

5.2 Purpose of this Prospectus

This Prospectus has been issued for the purposes of enabling the SPP Offer to be made to all Eligible Shareholders and to the extent it relates to the SPP Offer and the Shortfall Offer, to enable the SPP Shares and the Shortfall Shares issued to be on-sold without disclosure under Chapter 6D of the Corporations Act.

In addition, the purpose of this Prospectus is to remove any trading restrictions that may be applicable to the Shares and Options to be issued by the Company under the Placement, which would otherwise be issued without disclosure under Chapter 6D of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Relevantly, section 708A(11) of the Corporations Act provides an exemption from this general requirement and states that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and

- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued, but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Accordingly, an additional purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act so that the Shares and Options issued under the Placement, may be sold within the next 12 months without the issue of a disclosure document. The issue of the Shares under the Placement will not be undertaken by the Company with the purpose of the Placement Participants selling or transferring those Shares. However, the Directors consider that the Placement Participants should be able to sell them should they wish to do so, without being required to issue a prospectus.

5.3 Purpose of the Offers

The purpose of the SPP Offer is to provide Eligible Shareholders the opportunity to subscribe for up to \$30,000 of SPP Shares on the same subscription price and terms as those offered to Placement Participants under the Placement.

Up to a total of \$15 million will be raised from the SPP Offer (which includes any SPP Shortfall subscribed for under the Shortfall Offer), the proceeds of which, together with the \$20 million to be raised under the Placement, will be used primarily to accelerate commercialisation of the Company's respiratory imaging platform and to significantly strengthen the Company's balance sheet including for the purposes of supporting acquisitive growth by acquisition opportunities.

Assuming \$20 million is successfully raised under the Placement and \$15 million is successfully raised under the SPP Offer (including any SPP Shortfall subscribed for under the Shortfall Offer), the Company intends to apply the funds raised towards the following items of expenditure.

Use of funds	Amount (\$m)
VA Commercialisation: Funding required for driving advocacy and engagement with KOL and industry	\$3.7
Expansion of US GTM and implementation capabilities: Expansion of customer success capabilities to drive implementation, IT integration, and scalability	\$4.2
Commercialisation and Launch of CTVQ (US & AU): New functional perfusion output; FDA approval; clinical evidence and product development	\$4.7
Reimbursement for SaaS Products: Funding required for engaging consultants/reimbursement advocacy support	\$2.1
FDA Approval for XV Scanner: Funding for XV FDA approval	\$1.1

Use of funds	Amount (\$m)
CTLVAS & XV LVAS rollout acceleration and user adoption: Accelerate user adoption across the Australian market through I-MED and secondary networks	\$1.0
Working capital and expenses of the Offers	\$18.2
Total	\$35.0

In the event that circumstances change or other more favourable opportunities arise, the Company may vary the proposed use of funds to maximise the benefit to Shareholders and, to the extent that the Company does not raise the full amount of funds it is seeking to raise, the Company will reduce its expenditure as required.

On completion of the SPP Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, additional funding may be required to advance the projects as deemed appropriate.

5.4 Effect of the Offers

The principal effect of the Offers, assuming the SPP Offer Price is \$0.91 and that the SPP Offer is fully subscribed to \$15 million, will be to:

- (a) increase the number of Shares on issue by approximately 38,461,537 Shares;
- (b) increase the number of Options on issue by 19,230,768 Options;
- (c) increase the Company's cash reserves by \$35 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options); and
- (d) provide the Company with additional working capital for the purposes referred to in Section 5.3 of this Prospectus.

It should be noted that the Company has the discretion to increase or decrease the size of the SPP Offer.

The table below sets out the effect on the capital structure of the Company upon completion of the Offers assuming \$20 million is successfully raised under the Placement and \$15 million is successfully raised under the SPP Offer (which includes any SPP Shortfall subscribed for under the Shortfall Offer), in each case before costs and excluding any additional capital that may be raised upon the exercise of the New Options:

Shares	Number
Shares on issue as at the date of Prospectus ¹	295,110,455
New Shares to be issued under the Placement to Placement Participants	21,978,021
New Shares to be issued under SPP Offer (including under the Shortfall Offer) ²	16,483,516
Shares on issue following the Offers ²	333,571,992

Shares	Number
Options and Performance Rights	Number
Options and performance rights on issue as at the date of Prospectus ¹	26,729,952
New Options to be issued under the Placement	10,989,010
New Options to be issued under SPP Offer (including under the Shortfall Offer) ^{2, 3}	8,241,758
Options and performance rights on issue following the Offers ^{2, 3}	45,960,720

Notes:

1. This assumes no existing Options are exercised and no existing performance rights are converted into Shares prior to the Record Date.
2. The Number of New Shares to be issued under the SPP Offer is calculated as the total amount raised divided by the SPP Offer Price. This amount assumes the SPP Offer Price is \$0.91 and that the SPP Offer is fully subscribed to \$15 million.
3. This assumes that (if required) Shareholder approval for the issue of the New Options is obtained at the EGM.

Fully diluted capital structure

The table below sets out the fully-diluted capital structure of the Company upon completion of the Offers assuming:

- (a) an amount of \$20 million is successfully raised under the Placement;
- (b) an amount of \$15 million is successfully raised under the SPP Offer (which includes any SPP Shortfall subscribed for under the Shortfall Offer);
- (c) the SPP Offer Price is \$0.91;
- (d) all New Options offered under the Prospectus are granted and (if required) Shareholder approval for the issue of the New Options is obtained at the EGM; and
- (e) all existing Options are exercised (including New Options issued under the Offers) and all existing performance rights are converted into Shares.

	Number
Shares on issue as at the date of Prospectus	295,110,455
Shares to be issued under the Placement	21,978,021
Shares to be issued under SPP Offer (including under the Shortfall Offer)	16,483,516
Existing Options and performance rights on issue	26,729,952
New Options to be issued under SPP Offer (including under the Shortfall Offer) ¹	8,241,758

	Number
New Options issued under Placement ²	10,989,010
Total Shares (on a fully diluted basis)	379,532,712

Notes:

1. *Upon the exercise of such Options, the Company will receive additional capital of approximately \$11.25 million from the exercise price payable by the holders of the New Options in order to exercise the New Options.*
2. *Upon the exercise of such Options, the Company will receive additional capital of approximately \$15 million from the exercise price payable by the Placement Participants in order to exercise the New Options.*

5.5 Effect of the Offers on financial position

A principal effect of the Offers on the Company, assuming that all New Shares under the Offers are taken up and that the SPP Offer Price is \$0.91, will be that cash reserves will increase from \$45.7 million as at 31 December 2022 (unaudited) to \$78.9 million based on the pro forma balance sheet as at 31 December 2022 (assuming that the Offers were completed as at this date) set out below.

The audit reviewed balance sheet for the Company as at 31 December 2022, as per the half year report for the half year ended 31 December 2022, and the unaudited and unreviewed pro forma balance sheet shown below, have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro forma balance sheet has been prepared on the basis the SPP Offer is fully subscribed, and there have been no material movements in assets and liabilities of the Company between 31 December 2022 and the date of this Prospectus other than:

- (a) impact of the Placement (net of expenses) on the cash balance;
- (b) impact of the SPP Offer (net of expenses) on the cash balance; and
- (c) expenses of the Offers of approximately \$1,860,053.

The pro forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

\$M AUD	31 Dec 22	Proforma adjustments	Proforma Balance Sheet 31 Dec 22
Assets			
Current assets			
Cash and cash equivalents	45.7	33.1	78.9
Trade and other receivables	0.2	0.0	0.2
Inventories	0.0	0.0	0.0
Research and development tax incentive receivable	2.4	0.0	2.4
Other assets	1.8	0.0	1.8
Total current assets	50.2	33.1	83.3
Non-current assets			
Trade and other receivables	0.1	0.0	0.1
Property, plant and equipment	5.7	0.0	5.7
Right-of-use assets	4.2	0.0	4.2
Intangible assets	5.4	0.0	5.4
Total non-current assets	15.3	0.0	15.3
Total assets	65.5	33.1	98.6
Liabilities and equity			
Current liabilities			
Trade and other payables	14.9	(0.2)	14.8
Contract liabilities	0.4	0.0	0.4
Loans and borrowings	1.2	0.0	1.2
Employee benefit liabilities	1.1	0.0	1.1
Income tax payable	0.0	0.0	0.0
Total current liabilities	17.5	(0.2)	17.3
Non-current liabilities			
Loans and borrowings	4.6	0.0	4.6
Employee benefit liabilities	0.0	0.0	0.0
Total non-current liabilities	4.6	0.0	4.6
Total liabilities	22.1	(0.2)	21.9
Net assets	43.4	33.3	76.7
Equity			
Issued capital	141.8	33.3	175.1
Other capital reserves	2.6	0.0	2.6
Other reserves	(0.1)	0.0	(0.1)
Accumulated losses	(100.8)	0.0	(100.8)
Total equity	43.4	33.3	76.7
Total liabilities and equity	65.5	33.1	98.6

5.6 Dilution

Shareholders should note that if they do not participate in the SPP Offer, their shareholdings are likely to be diluted at the conclusion of the Offers (assuming the Offers are fully subscribed), as compared to their holdings and number of Shares on issue as at the date of the Prospectus.

The proportional interests of Shareholders who are not Eligible Shareholders will be diluted because those Shareholders are not entitled to participate in the Offers.

Examples of how the dilution may impact Shareholders is set out in the table below. The dilutionary effect shown illustrates 2 alternative scenarios depending on whether the SPP Offer is 50% subscribed or fully subscribed by Eligible Shareholders and, in each case, assumes the SPP Offer Price is \$0.91.

Holder	As at Record Date		As at date of Prospectus	If SPP Offer is 50% subscribed	If SPP Offer is fully subscribed
	Shares	%	%	%	%
Shareholder 1	25,000,000	8.47%	7.88%	7.68%	7.49%
Shareholder 2	20,000,000	6.78%	6.31%	6.15%	6.00%
Shareholder 3	15,000,000	5.08%	4.73%	4.61%	4.50%
Shareholder 4	10,000,000	3.39%	3.15%	3.07%	3.00%
Shareholder 5	5,000,000	1.69%	1.58%	1.54%	1.50%
Shareholder 6	1,000,000	0.34%	0.32%	0.31%	0.30%

Notes:

1. The dilutionary effect shown in the table assumes that the example Shareholders do not participate in the Placement.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that the Company raises an aggregate of \$15 million under the SPP Offer and that the SPP Offer Price is \$0.91.
3. The dilutionary effect shown in the table assumes that no existing Options are exercised and no performance rights are converted prior to the completion of the Offers.

5.7 Effect of Offers on control of the Company

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

The SPP Offer is not anticipated to have an effect on control of the Company as each Eligible Shareholder may only apply for a maximum of \$30,000 worth of SPP Shares (including a corresponding amount of free attaching New Options).

The proportional ownership (and voting power) of Shareholders that are not Eligible Shareholders will be diluted because such Shareholders are not entitled to take up SPP Shares under the SPP Offer.

For more information on the effect of the Offers on the capital structure of the Company, including the effect of the Placement, please refer to section 5.4 of this Prospectus.

6. Rights and liabilities attaching to Offer Securities

6.1 Terms of New Options

The New Options to be issued under this Prospectus entitle the holder to subscribe for Shares on the following terms and conditions.

(a) **Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, 1 ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company.

(b) **Exercise of Option**

- (i) The Options are exercisable at any time from the issue date.
- (ii) The Options expire on 31 December 2024.
- (iii) The exercise price per Option is \$1.365 (**Exercise Price**).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option prior to their expiry date together with the Exercise Price in full for each Share to be issued upon exercise of each Option to the Share Registry (**Exercise Notice**). Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) In order for an Exercise Notice to be valid, the Company must receive in cleared funds before the expiry date, payment of an amount of money equal to the Exercise Price for the number of Options to which the Exercise Notice relates by way of bank cheque or by other means of payment approved by the Company. If the amount of money paid is less than the Exercise Price for the number of Options to which the Exercise Notice relates, the Company may in its discretion elect to treat the Exercise Notice as an Exercise Notice for such lower amount of Options.
- (vi) Remittances must be made payable to '4DMedical Limited'.
- (vii) All Options will lapse on the earlier of the:
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.
- (ix) The terms and the rights and obligations of the Option holders are governed by the laws of Victoria, Australia. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

(c) **Issue of Shares**

Upon receipt of a valid Exercise Notice (accompanied by the applicable Exercise Price monies), the Company must issue the number of Shares equal to the number of Options the subject of valid Exercise Notices.

(d) **Constitution**

Each Option holder who exercises Options consents to becoming a member of the Company, and agrees to be bound by the Constitution of the Company upon the issue of the new Shares.

(e) **Quotation**

- (i) The Company will not apply for Official Quotation of the Options issued under the Offers.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the ASX Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(f) **Dividends and voting**

- (i) The Options do not provide the Option holder any entitlement to dividends or other distributions.
- (ii) The Options do not entitle the Option holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.

(g) **Restrictions on transfer**

The Options are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with or encumbered in any way, and the Options will lapse immediately if any such thing purports to occur.

(h) **Participation in securities issues**

Subject to paragraph (i) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(i) **Participation in a reorganisation of capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the ASX Listing Rules applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation referred to in paragraph (i)(i) above, Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

6.2 Rights attaching to Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

(b) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

(c) Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

(d) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, Corporations Act and ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX

requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(e) **Issue of further Shares**

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(f) **Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

(g) **Non-marketable parcels**

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of less than \$500.

(h) **Variation of class rights**

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of Shares may be varied:

- (i) with the consent in writing of the holders of 75% of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(i) **Shareholder liability**

As the Shares offered under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) **Ranking of Shares**

As at the date of this Prospectus, all Shares on issue in the Company are of the same class and rank equally in all respects. Furthermore, the Shares offered under this Prospectus are fully paid ordinary shares and will therefore rank equally in all respect with the existing fully paid ordinary Shares in the Company.

7. Risk factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire New Shares or acquire and exercise New Options offered under this Prospectus.

The Offer Securities are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for the Offer Securities.

The principal risk factors include, but are not limited to, the following.

7.1 Company-specific risk

(a) Sufficiency of funding

The Directors consider that, on receipt of funds from the Offers, the Company will have sufficient working capital to carry out its objectives. However, financial resources are limited and there is a risk that the Company may never achieve profitability. The Company may be required to raise additional funds from time to time to finance the development and commercialisation of its products and other longer-term objectives. The ability to raise additional funding is subject to factors beyond the control of the Company and its Directors. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, or at all.

(b) Barrier to entry

Competitors in the respiratory imaging sector may seek to minimise the ability of the Company to penetrate the market by seeking to impede or disrupt the Company's ability to establish product distribution and maintenance pathways. However, as a cloud-based SaaS service provider, the risk that a third party may successfully impede the Company's ability to penetrate the market is reduced.

(c) Future profitability is uncertain

The Company is not yet profitable and has historically incurred losses. The Company is still in the early sales and commercialisation stage for its XV Technology®. Although FDA and TGA clearance has been obtained for the XV (Ventilation) product, there is no guarantee that regulatory approval will be obtained for any of the Company's other products or that regulatory approval of the Company's products will guarantee market adoption of its products, which is crucial for revenue generation and profitability.

(d) Foreign exchange risk

The Company's financial position may be negatively affected by exchange rate fluctuations. In particular, the majority of the Company's costs are Australian dollar denominated relating to remuneration for R&D staff who are based in Melbourne, whereas a significant proportion of the Company's revenues from operations are U.S. dollar denominated. The Company is subject to adverse exchange movements, particularly in the USD/AUD exchange rate. This is expected to increase in the future as more revenue is anticipated to be generated offshore.

(e) **Intellectual property risks**

The Company's success, in part, depends on its ability to obtain patents, maintain trade secret protections and operate without infringing the proprietary rights of third parties. If patents are not granted, or if granted only for limited claims, the Company's intellectual property may not be adequately protected and other third parties may be able to copy or reproduce the Company's intellectual property. The Company has developed and owns a range of proprietary items of intellectual property that management believe are novel and inventive. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology to avoid the patented technologies.

(f) **Key personnel risk**

The successful operation of the Company in part relies on its ability to retain its existing key management personnel who have intimate knowledge of the business and its products. The loss of any key members of management or the inability to attract additional skilled individuals to key management roles, may adversely affect the Company's capacity to develop and implement its business strategies.

(g) **Changes in law risk**

The legislative frameworks in key countries may vary without notice and adversely impact the Company's operations and profitability. Failure by the Company to comply with legislative or regulatory requirements may result in compliance orders being issued against the Company, financial penalties being levied against the Company, a cessation of its operations or reputational damage.

(h) **Regulatory risk**

There is a risk that regulatory bodies will not grant the Company regulatory clearance to market its products or will significantly delay the grant of such clearances. Failure to receive regulatory clearance will have a negative impact on the Company's future revenue streams. In addition, changes to regulatory regimes may become more burdensome in the future. If this occurs, the Company may be required to dedicate more time and resources to ensuring that it complies with these regulations, which could adversely affect its financial performance and future prospects.

(i) **Superseding technology and competition from new entrants**

There is a risk that new technology will be developed that will supersede the Company's technology. Although new technologies have significant development and commercialisation times, the Company cannot guarantee that its technology will not be superseded by a competitor. The Company's potential competitors may include companies with substantially greater resources and access to more markets. Therefore, competitors may succeed in developing products that are more effective or otherwise commercially superior to the Company's products.

(j) **Technology supplier risk**

There is a risk that the Company's cloud delivery supplier could breach the delivery agreement or another relevant contractual arrangement and that the Company would be required to replace its supplier. A significant interruption to the Company's ability to deliver its SaaS product could adversely impact its business, operating results and financial performance. Further, the Company currently relies on third party software licensors to enable PACS to PACS workflow via the software. If the Company's ability to rely on the software is compromised, then its ability to service U.S. based customers would be impacted.

(l) **Product liability risk**

There are no assurances that there will not be unforeseen performance characteristics or defects arising in relation to the Company's products. Adverse events relating to its products could expose the Company to product liability claims, litigation or the removal of its regulatory approvals. Product liability claims also have the potential to damage the Company's reputation and the ongoing viability of the Company if there is a significant erosion in the reputation of the Company.

(m) **The Company's business may not achieve its intended goals**

There is a risk that the Company may fail to achieve commercialisation and distribution goals. The Company's technology needs to find acceptance in a competitive market. Market acceptance depends on numerous factors (including convincing current and potential consumers and partners of the attractiveness of the Company's products).

(n) **Future acquisitions**

The Company may seek to acquire businesses or companies to achieve its objectives. There is a risk that any due diligence investigations undertaken by the Company will not identify issues which are material to the acquisition and which could result in additional liabilities affecting the Company.

(o) **Privacy risk**

The Company seeks to ensure that it has appropriate security measures and risk management systems in place to maintain the confidentiality and privacy of personal information collected from its customers, end-user patients, employees and others. However, those security measures are subject to various risks (including computer viruses, electronic theft, physical damage, third party provider failures or similar disruptions). The failure of the Company to maintain the confidentiality of this information could breach law and cause significant operational, financial and reputational damage.

(p) **Contract risk**

The Company, through its wholly owned subsidiary ALHI, has executed a grant agreement with the Commonwealth (as announced to the ASX on 4 March 2021). The Commonwealth has the right to reduce, suspend or terminate the grant if ALHI does not comply with its obligations under the grant or fails to remedy a breach, in which case there is a risk that the Commonwealth may seek repayment of funds advanced under the grant.

7.2 General risks

(a) **Economic**

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and prices of its securities may be affected by these factors, which are beyond the Company's control.

(b) **Changes in legislation and government regulation**

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) **Global credit investment market**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) **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 the Company's securities.

(e) **Combination of risk**

A combination of risks, including any of the risks outlined in this Section 7 could affect the performance valuation, financial performance and prospects of the Company.

(f) **Unforeseen expenditure risk**

Expenditure may need to be incurred by the Company that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional material expenditure requirements other than those announced on the ASX, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) **Market conditions**

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities 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 biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the

scope of its operations and may be prevented from progressing the commercialisation of its products. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(i) **Speculative investment**

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 Offer Securities.

Therefore, the Offer Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Offer Securities.

8. Additional information

8.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain 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.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of 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 whether or not to invest.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2022;
 - (ii) any half-year financial report lodged with by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts lodged on 30 September 2022 and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
8 May 2023	4DMedical Investor Webinar Details
8 May 2023	Proposed issue of securities - 4DX

Date	Description of announcement
8 May 2023	Investor Presentation Capital Raise
8 May 2023	4DMedical completes \$20m Placement and launches SPP
5 May 2023	Application for quotation of securities - 4DX
5 May 2023	4DMedical wins commercial pilot with US Dept of Defense
4 May 2023	Trading Halt
4 May 2023	Pause in Trading
1 May 2023	4DMedical conducts first commercial scan within VA
28 April 2023	Appointment of Company Secretary
27 April 2023	Appendix 3Y – JL
27 April 2023	Notification regarding unquoted securities - 4DX
27 April 2023	Application for quotation of securities - 4DX
27 April 2023	Late Lodgement ASX Appendices
26 April 2023	Quarterly Activity Report and Appendix 4C for Q3 FY2023
13 April 2023	Dr David Shulkin, MD, joins 4DMedical
13 April 2023	4DX provides further info on US hospital SaaS contract
5 April 2023	4DMedical signs first US hospital SaaS contract
3 March 2023	S&P DJI Announces March 2023 Quarterly Rebalance
28 February 2023	4DMedical Reports 1H FY2023 Results
28 February 2023	Appendix 4D and Half-Year Financial Report
31 January 2023	Quarterly Activity Report and Appendix 4C for Q2 FY2023
11 January 2023	Notification of cessation of securities - 4DX
23 December 2022	Ceasing to be a substantial holder
23 December 2022	Appendix 3Y - AF
23 December 2022	Notification regarding unquoted securities - 4DX
8 December 2022	Appointment of Senior VP Business Development
2 December 2022	S&P DJI Announces December 2022 Quarterly Rebalance
29 November 2022	4DMedical receives \$9.4m from MRFF
8 November 2022	Investor Presentation

Date	Description of announcement
3 November 2022	Results of Meeting
3 November 2022	2022 Annual General Meeting Presentation
3 November 2022	Chairman's Address to Shareholders
28 October 2022	Quarterly Activity Report - Clarification
27 October 2022	Quarterly Activity Report and Appendix 4C for Q1 FY2023
25 October 2022	4DMedical releases CT LVAS in Australia
19 October 2022	4DMedical progresses towards full reimbursement in the US
13 October 2022	Change in substantial holding
13 October 2022	Notification of Expiry of Unlisted Options
13 October 2022	Notification of cessation of securities - 4DX
3 October 2022	Notice of Annual General Meeting/Proxy Form

The announcements are also available through the Company's website <https://investors.4dmedical.com/Investor-Centre/?page=announcements-and-media-releases>.

8.2 Lead Manager Mandate

The Company has signed a mandate letter to engage Bell Potter Securities Limited ACN 006 390 772 (AFSL 243480) to act as lead manager of the Offers (**Lead Manager Mandate**), the material terms and conditions of which are summarised below.

(a) Term

The Lead Manager Mandate is for a term of 6 months, unless the Offers are completed earlier or the engagement is terminated earlier in accordance with the terms of the Lead Manager Mandate.

(b) Fees

In consideration for such services, the Company has agreed to pay the Lead Manager a management fee calculated based on the gross proceeds raised by the Company under the Offers (**Gross Proceeds**), as follows:

- (i) a management fee of 5.0% (plus GST) on the Gross Proceeds raised by the Company under the Placement;
- (ii) a management fee of 5.0% (plus GST) on up to \$10 million of Gross Proceeds raised by the Company under the SPP Offer;
- (iii) a management fee of 4.0% (plus GST) on the Gross Proceeds raised by the Company under the SPP Offer above \$10 million but below \$20 million; and
- (iv) a management fee of 3.0% (plus GST) on the Gross Proceeds raised by the Company under the SPP Offer above \$20 million.

For the avoidance of doubt, Gross Proceeds excludes any amounts raised upon the exercise of any New Options offered under the Offers.

(c) **Termination**

Either the Company or the Lead Manager may terminate the Lead Manager Mandate by providing 14 days' written notice.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX. The New Options offered under this Prospectus are not currently trading on ASX.

The highest, lowest and last market closing prices of the Shares on the ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	Share price	Date
Highest	\$1.16	2 May 2023
Lowest	\$0.30	3 April 2023
Last	\$1.055	9 May 2023

8.4 Substantial Shareholders

Based on publicly available information, as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Relevant interest	%
Velocimetry Consulting Pty Ltd ¹	65,699,277	22.26%
Helen Fouras ²		
Dr Andreas Fouras ³		

Notes:

1. Representing a relevant interest in 64,838,000 Shares held directly and Shares held by its associates, Helen Fouras and Dr Andreas Fouras.
2. Representing a relevant interest in 850,000 Shares held directly, Shares held by her associate Dr Andreas Fouras, and a deemed relevant interest in Shares held by Velocimetry Consulting Pty Ltd pursuant to 608(3) of the Corporations Act.
3. Representing a relevant interest in 11,277 Shares held directly, Shares held by his associate Helen Fouras, and a deemed relevant interest in Shares held by Velocimetry Consulting Pty Ltd pursuant to 608(3) of the Corporations Act.

8.5 Interests of Directors

Other than as disclosed to market by the Company, set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) 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 or proposed Director:

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

8.6 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Mr Bruce Rathie	509,638	Nil
Dr Andreas Fouras	64,849,277	8,589,326
Ms Lilian Bianchi	53,306	Nil
Ms Evonne Collier	Nil	Nil
Dr Robert Figlin	519,943	Nil
Mr John Livingston	1,925,352	636,576
Mr Julian Sutton	480,800	6,205,162

8.7 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 37 to 46 of the Company's Annual Report for the financial year ending 30 June 2022, for full details of the remuneration of the Company's executive and non-executive directors.

The Annual Report for the financial year ending 30 June 2022 was lodged with ASX on 30 September 2022 and is available on the Company's ASX announcements page at

<https://investors.4dmedical.com/Investor-Centre/?page=announcements-and-media-releases>.

A hard copy of the Annual Report is also available free of charge before the Closing Dates by contacting the Company at its registered address using the details in Section 10 of this Prospectus.

8.8 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) 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 any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Bell Potter Securities Limited has acted as the lead manager to the Offers. In consideration for such services, the Company has agreed to pay the Lead Manager a management and calculated on the gross proceeds raised by the Company under the Offers as described in Section 8.2(b) above, but for the avoidance of doubt, excluding any amounts raised upon the exercise of any Options offered under the Offers.

Gadens has acted as the Australian legal adviser to the Company in relation to the Offers. The Company has paid or agreed to pay \$60,000 (excluding GST) for these services in connection with the Offers up to the date of the Prospectus. Further amounts may be payable to Gadens in accordance with its time-based charge out rates.

The Company will also pay approximately \$38,680 (excluding GST) in connection with the services provided to the Company in respect of the Offers for printing and distribution, and including share registry services provided by Link Market Services Limited.

8.9 Consents

Gadens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser in the form and context in which it is named. Gadens takes no responsibility for any part of this Prospectus, other than a reference to its name.

Bell Potter Securities Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager to the Offers in the form and context in which it is named. Bell Potter Securities Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

Link Market Services Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Link Market Services Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Link Market Services Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

8.10 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$1,860,053 (excluding GST) and are expected to be applied towards the items set out in the table below.

Cost	Amount
ASIC fees	\$3,206
ASX fees	\$58,167
Lead Manager fees	\$1,700,000
Legal fees	\$60,000
Share Registry fees, printing and distribution	\$38,680
Total	\$1,860,053

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.12 Governing law

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares and New Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

8.13 Directors authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 10 May 2023

A handwritten signature in blue ink, appearing to read 'A Fouras', is positioned above the printed name of the signatory.

Dr Andreas Fouras
Managing Director and CEO
4DMedical Limited

9. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time.

ALHI means Australian Lung Health Initiative Pty Ltd ACN 631 802 447.

Applicant means a person that submits an Application Form.

Application means an application for Offer Securities under the Offers described in this Prospectus.

Application Form means the SPP Offer Application Form, the Shortfall Application Form or the Placement Application Form (as the case applies).

Application Monies means the amount payable by an Applicant for the New Shares the subject of an Application Form, as set out in this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

Closing Dates means the last of SPP Offer Closing Date, Shortfall Offer Closing Date or Placement Closing Date (or any one of such dates as the context requires).

Company means 4DMedical Limited ACN 161 684 831.

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means a person:

- (a) that holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service; or
 - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- (b) that is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the **Regulations**); or
 - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
 - (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or

- (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
- (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia); or
- (vi) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- (c) that is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust; or
- (d) that is the responsible entity of an IDPS-like scheme; or

that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

Director means a director of the Company.

EGM means the extraordinary general meeting of the Company, which is expected to be held in Melbourne on 14 June 2023.

Eligible Beneficiary means a person who would otherwise satisfy the definition of an Eligible Shareholder but for they hold a beneficial interest in Shares and whose legal interest in Shares is held by a Custodian.

Eligible Shareholders means Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia and/or New Zealand;
- (c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the US Securities Act as amended) (US Persons) or acting for the account or benefit of US Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the SPP Offer.

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China.

Offer Price means the price at which each New Share is offered under the SPP Offer and the Shortfall Offer, being the lower of:

- (a) \$0.91 per New Share, being the issue price of New Shares under the Placement; and
- (b) the volume-weighted average price of Shares traded on ASX during the 5 trading days up to, and including, the day on which the SPP Offer is scheduled to close (Wednesday, 24 May 2023) less a 2.5% discount, rounded to the nearest half cent.

Offer Securities means the New Shares and New Options offered pursuant to this Prospectus.

Offers means the SPP Offer or the Shortfall Offer (or either of them, as the case requires).

Official Quotation means official quotation on the ASX.

Option means an option to acquire a Share.

New Option means the free attaching Options, offered to participants in the Offers for nil consideration on the basis of an entitlement to 1 New Option for every 2 Shares issued under the Placement, the SPP Offer or the Shortfall Offer (as the case may be), and such New Option otherwise being on the terms outlined in Section 6.1 of this Prospectus.

New Shares means the SPP Shares, Shortfall Shares and the Placement Shares, or any one of them (as the context requires).

Placement means the Company's share placement to sophisticated and professional investors to raise approximately \$20 million.

Placement Application Form means the placement confirmation letter that will be provided to Placement Participants by the Board.

Placement Opening Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

Placement Closing Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

Placement Shares means those Shares issued pursuant to the Placement.

Placement Participants has the meaning given to that term in Section 1 of this Prospectus.

Prospectus means this prospectus.

Record Date means the relevant date specified in Section 3 of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shortfall Offer means the offer of the Shortfall Securities under this Prospectus, as set out in section 4.4.

Shortfall Application Form means the Application Form relevant to subscribers under the Shortfall Offer.

Shortfall Offer Closing Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

Shortfall Offer Opening Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

Shortfall Participants means those persons to whom the Directors decide to offer the Shortfall Securities in consultation with the Lead Manager.

Shortfall Securities means any securities remaining in the event that less than the maximum number of SPP Shares and New Options are applied for under the SPP Offer.

Shortfall Shares means those Shares issued pursuant to the Shortfall Offer.

SPP Offer means the offer to Eligible Shareholders of up to \$30,000 worth of SPP Shares at the Offer Price and 1 free attaching New Option for every 2 SPP Shares issued.

SPP Offer Application Form means the Application Form relevant to subscribers under the SPP Offer.

SPP Offer Closing Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

SPP Offer Opening Date means the relevant date specified in Section 3 of this Prospectus (unless extended).

SPP Share means a new Share offered under the SPP Offer.

SPP Shortfall means the difference between:

- (a) the dollar value of valid applications received from Eligible Shareholders under the SPP Offer; and
- (b) the amount sought to be raised under the SPP Offer from the issue of SPP Shares and New Options, being \$15 million.

SPP Subscribers means Eligible Shareholders and the Shortfall Participants.

Timetable means the timetable of key dates for the Offers set out in Section 3 of this Prospectus.

US Person has the meaning given to that term under the US Securities Act.

US Securities Act means the *US Securities Act of 1933*, as amended.

US means the United States of America.

10. Corporate directory

Directors

Mr Bruce Rathie (Non Executive Chairman)
Dr Andreas Fouras (Managing Director, CEO)
Ms Lilian Bianchi (Non Executive Director)
Ms Evonne Collier (Non Executive Director)
Dr Robert Figlin (Non Executive Director)
Mr John Livingston (Executive Director)
Mr Julian Sutton (Non Executive Director)

Lead Manager

Bell Potter Securities Limited
Level 29
101 Collins Street
Melbourne VIC 3000

Company Secretary

Ms Naomi Lawrie

Australian legal adviser

Gadens
Level 13, Collins Arch
447 Collins Street
Melbourne VIC 3000

Registered Office

Level 7
700 Swanston Street
Carlton VIC 3053
T: +61 3 9545 5940

ASX Code

4DX

Share Registry

Link Market Services Limited
Level 13, Tower 4
727 Collins Street
Melbourne VIC 3000

T: 1800 810 827 (from within Australia) or
+61 1800 810 827 (from outside Australia)



ACN 161 684 831

All Share Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1800 810 827
From outside Australia: +61 1800 810 827
ASX Code: 4DX
Website: www.linkmarketservices.com.au



001 / 000001

MR AB SAMPLE
PO BOX 7525
SILVERWATER NSW 9999

ID: 999999999999
SRN/HIN: X*****4047
Entitlement Number: 123456
Record Date: 05 May 2023
7:00pm (Melbourne time)
Offer Opens: 10 May 2023

Offer Closes 5:00pm (Melbourne time):	24 May 2023
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SECURITIES PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares (and free attaching New Options) under this offer?

- Carefully read the Prospectus available at <https://events.miraqle.com/4dx-spp>
- Decide on the amount you wish to apply for being one of the permitted parcels of Shares (and free attaching New Options) detailed in the Prospectus.
- Pay for the Shares in accordance with the instructions outlined in the Prospectus and further important instructions on the reverse of this form using BPAY®.
- Payments must be in Australian dollars.
- Subject to receiving shareholder approval (if required) at the extraordinary meeting of the Company scheduled to occur on 14 June 2023, Eligible Shareholders will also receive Eligible Shareholders will also receive 1 free attaching New Option for every 2 SPP Shares issued under the SPP Offer. Each New Option will be issued for nil consideration and will be exercisable at \$1.365 and expires on 31 December 2024. Each New Option gives the holder the right to subscribe for 1 Share upon exercise and payment of the exercise price.

PAYMENT OPTION

Paying by BPAY®

When paying by BPAY®, you do **NOT** need to complete or return this Application Form below. Payment must be received by the Share Registry by BPAY® by 5:00pm (Melbourne time) on Wednesday, 24 May 2023. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and 4DMedical Limited receives an amount which is not equal to either A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$15,000, A\$20,000 or A\$30,000, 4DMedical Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



Biller Code: 397513
Ref: 999999999999

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares (and free attaching New Options) under this SPP, there is no need to take action.
3. Please ensure you have read and understood the Prospectus and this Important Information, before you make the Application Payment by BPAY®.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 you must complete and submit an additional Schedule that contains additional certifications and details that must be provided (“the Schedule”) before your Application will be received. The Schedule can be obtained by contacting the 4DMedical Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of payment by BPAY® does not exceed A\$30,000.
7. 4DMedical Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as 4DMedical Limited may scale back applications in its discretion.

How to pay your Application Monies

Payment for new Shares must be received by the Share Registry no later than the SPP Offer Closing Date shown overleaf. When paying by BPAY® you do not need to complete or return this Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry by the close of the SPP Offer.

4DMedical Limited reserves the right not to process any Application Monies received after the SPP Offer Closing Date.

If you require information on how to accept this offer please contact the 4DMedical Limited SPP Offer Information Line on 1800 810 827 if calling within Australia or +61 1800 810 827 if calling from outside of Australia.