

# Prospectus

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## 4DMedical Limited ACN 161 684 831

This Prospectus is being issued for a placement of up to approximately 22.2 million free-attaching New Options, on the basis of 1 New Option for every 2 Shares subscribed for Placement Investors (**Offer**).

Each New Option offered under the Offer has an exercise price of \$1.365 and expiry date of 31 December 2025.

The Offer is conditional on obtaining Shareholder approval at the Company's Extraordinary General Meeting, which is expected to be held in Melbourne on or around Monday, 22 January 2024.

If Shareholder approval is not obtained at the EGM, the issue of New Options will not occur. In these circumstances, participants in the Offer will continue to receive Shares under the Placement 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 New Options or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Options 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 release to US wire services or distribution in the United States, except by the Company to Placement Investors***

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# Important Notice

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

This Prospectus is dated 11 December 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 New Options will be issued on the basis of this Prospectus after the Expiry Date.

Application for Official Quotation of the New Options will be made to ASX. The fact that ASX may quote the New Options 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 New Options can only be submitted on an Application Form.

## **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 New Options and consider the risks that could affect the performance of 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 New Options that will be issued under this Prospectus are 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 New Options 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.

## **Exposure Period**

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](http://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 Offer Closing Date (as set out in section 1 of this Prospectus) by calling the Share Registry, from 8.30am to 5.30pm, Monday to Friday, on 1300 554 474 (from within Australia) or +61 1300 554 474 (from outside Australia).

## **Risk factors**

Potential investors should be aware that 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 5 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 Options and Shares issued upon exercise of the New Options in the future.

## **Restrictions on foreign jurisdictions**

This document does not constitute an offer of New Options of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Options may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Cayman Islands**

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

### **Hong Kong**

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 Options 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 Options 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 Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Options 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.

### **New Zealand**

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

The New Options 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:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## **Singapore**

This document and any other materials relating to the New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Options, may not be issued, circulated or distributed, nor may the New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares and Options.

The New Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Options (and the underlying ordinary shares) have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Options (and underlying ordinary shares) may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Options (and the underlying ordinary shares) will only be offered and sold in the United States to:

- "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

## **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 5, 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 7.

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 New Options 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. Indicative dates

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The indicative dates for the offer of New Options under the Offer contained in this Prospectus are as follows.

Event	Date*
Lodgement of Prospectus with ASIC and ASX Company announces Offer and lodged Appendix 3B with ASX Lodgement of notice of meeting to convene EGM Offer Opening Date	Monday, 11 December 2023
Settlement of Placement	Thursday, 14 December 2023
Allotment of Shares under the Placement	Friday, 15 December 2023
Lodge Appendix 2A with ASX	Monday, 18 December 2023
EGM held to approve the issue of New Options (among other things) Offer Closing Date	Monday, 22 January 2024
Allotment of New Options under the Offer	Tuesday, 23 January 2024
Trading of New Options on ASX commences	Wednesday, 24 January 2024

*\*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. The commencement of quotation of the New Options is subject to confirmation from ASX (including satisfaction of the Quotation Condition).*

## 2. Details of the Offer

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### 2.1 Imbio Acquisition and Placement

As announced to market on 11 December 2023, the Company has entered into a binding agreement to acquire all of the outstanding equity interests in US incorporated, Imbio Inc. (**Imbio**). Under the terms of the acquisition agreement for Imbio (**Imbio Agreement**), Imbio will be acquired for an upfront purchase price of approximately US\$25 million (approximately A\$38.5 million), plus a contingent earn out of US\$20 million, subject to the achievement of relevant performance milestones (as summarised in the Company's market announcement dated 11 December 2023).

As also announced to the market on 11 December 2023, the Company has undertaken a private placement to sophisticated and professional investors in Australia, New Zealand, Hong Kong, Singapore, the United States of America, the United Kingdom and the Cayman Islands, by the offer of Shares at \$0.79 per Share, for which the Company has received firm commitments of approximately \$35 million (before costs) using its existing placement capacity under ASX Listing Rule 7.1 (**Placement**).

Further details of the Imbio Agreement and Placement are set out in the Company's ASX announcement dated 11 December 2023, which is available on the Company's ASX announcements platform (ASX:4DX).

### 2.2 The Offer

In connection with, but ancillary to the Placement, the Company is making the Offer pursuant to this Prospectus as a placement of up to 22,151,898 Options for nil consideration to Placement Investor on the basis of 1 Option for every 2 Shares subscribed for under the Placement (**New Options**).

Each New Option is exercisable at \$1.365, expires on 31 December 2025 and entitles the holder to 1 Share per New Option exercised. While the Company will apply for Official Quotation of the New Options within 7 days of the date of this Prospectus, Official Quotation of the New Options is subject to satisfaction of the Quotation Conditions (please refer to section 2.5 for more information).

The full terms of the New Options are set out in section 4.1 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 Offer is conditional on Shareholder approval at the EGM. If Shareholder approval is not obtained at the EGM, the issue of New Options under the Offer will not occur. In these circumstances, participants in the Placement will receive Shares under the Placement and will not receive any New Options.

The purpose of the Offer is set out in section 3 of this Prospectus.

Please refer to section 4 of this Prospectus for further information regarding the rights and liabilities attaching to the New Options and the Shares underlying the New Options.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 22,151,898 New Options may be issued pursuant to the Offer, increasing the total number of Options on issue by the Company from 55,850,033 to 78,001,931 (assuming no Options exercised).

Each person applying for New Options under this Prospectus represents and warrants that it (and any person for whom it is acting):

- is a Placement Investor;



- understands that the New Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- is not acquiring the New Options and the underlying Shares with a view to any distribution thereof;
- is knowledgeable in relation to the business of the Company and capable of evaluating the merits and risks of an investment in the New Options and the underlying Shares, including income tax consequences of acquiring and disposing of the securities;
- has been afforded access to information about the New Options and the underlying Shares and the Company, including this Prospectus prepared by the Company and publicly available information filed by the Company that can be obtained from the ASX's website ([www.asx.com.au](http://www.asx.com.au));
- understands that any acquisition of New Options and the underlying Shares involves a degree of risk; and
- is able to bear the economic risk of any investment in the New Options and the underlying Shares.

### **2.3 Minimum subscription amount**

There is no minimum subscription for the Offer.

### **2.4 How to accept an Offer**

Applications for New Options must be made using the Application Form accompanying this Prospectus. Completed Application Forms must be sent by no later than the Closing Date.

### **2.5 ASX quotation**

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

However Official Quotation of the New Options on ASX is dependent on the satisfaction of ASX Listing Rule 2.5, condition 6, which requires that there are at least 100,000 New Options (which includes the Attaching Options) on issue and 50 holders of New Options with a marketable parcel (excluding restricted securities) (**Quotation Condition**).

As at the date of this Prospectus, the Company cannot guarantee that the Quotation Condition will be satisfied. If the Quotation Condition is not satisfied, the New Options will continue to be issued but will not be quoted on the ASX.

A decision by ASX to grant Official Quotation of the New Options 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 Options now offered for subscription.

### **2.6 Grant of New Options**

New Options granted pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out in section 1 of this Prospectus.

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

## **2.7 CHESS and Issuer Sponsorship**

The Company will not be issuing option certificates for the New Options offered under this Prospectus. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS 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 option certificates, investors who are granted New Options will be provided with a holding statement that sets out the number of New Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

## **2.8 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 Offer, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Applicants and other persons to whom the determination relates. The Company's rights may be exercised by its Board or any delegate of the Board.

## **2.9 Privacy Act**

If you complete an Application for New Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of Securities in the Company, facilitate distribution of payments and corporate communications to you as an Optionholder or Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

## **2.10 Variation, suspension and termination**

The Company may at its discretion and at any time to vary, suspend or terminate the Offer and to the extent permitted by law, waive compliance with any provision of the Offer or these terms and conditions. If the Company varies, suspends or terminates the Offer it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act).

The Company reserves the right to issue no New Options under the Offer or fewer New Options than applied for at its complete discretion, including if the Company believes the issue of those New Options would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

## **2.11 Further taxation implications**

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

## **2.12 Enquiries**

Any questions concerning the Offer should be directed to the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) from 8.30am to 5.30pm (Melbourne time), Monday to Friday (excluding public holidays).

### 3. Purpose and effect of the Offer

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#### 3.1 Purpose of the Offer

The primary purpose of this Prospectus is to:

- (a) make the Offer;
- (b) grant the New Options under the Offer;
- (c) obtain quotation of the New Options granted under this Prospectus; and
- (d) facilitate secondary trading of any Shares issued upon the exercise of New Options granted under the Offer.

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

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the New Options as they are not in a class of securities that were quoted securities at all times in the last 3 months.

#### 3.2 Use of funds

While the New Options are being issued for nil consideration and therefore no funds will be raised by the issue of the New Options, upon the exercise of any New Options, the Company will receive proceeds of \$1.365 for each New Option exercised. The Company intends to use any funds raised upon the exercise of the New Options for general working capital purposes.

#### 3.3 Effect of the Offer on capital structure

Effect of the Offer on the capital structure of the Company is set out below.

Shares	Number
Shares on issue as at the date of Prospectus <sup>1</sup>	346,580,003
Shares to be issued under the Placement	44,303,797
Shares offered under the Offer	Nil
Shares on issue following the Offer	390,883,800
Options	Number
Options on issue as at the date of Prospectus <sup>1</sup>	55,850,033
New Options to be issued under the Offer <sup>2</sup>	22,151,898
Options on issue following the Offer	78,001,931

<b>Performance Rights</b>	<b>Number</b>
Performance rights on issue as at the date of Prospectus <sup>1</sup>	126,070
Performance rights offered under the Offer	Nil
Performance rights on issue following the Offer	126,070

**Notes:**

1. *This assumes no existing Options are exercised and no existing performance rights are converted into Shares prior to the Record Date.*
2. *This assumes that Shareholders approve the issue of the New Options at the EGM.*

### **3.4 Effect of the Offer on financial position**

The Offer will not have a material impact on the financial position of the Company.

The audited balance sheet for the Company as at 30 June 2023, and the unaudited pro-forma statement of financial position as at 30 June 2023 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 that the Placement is completed and there have been no material movements in assets and liabilities of the Company between 30 June 2023 and the date of this Prospectus other than:

- (a) impact of the Placement and Offer (net of expenses) on the cash balance;
- (b) impact of the Imbio Acquisition; and
- (c) expenses of the Offer of approximately \$37,206.

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.

<b>\$'000</b>	<b>4DMedical 30 June 2023</b>	<b>Proforma Adjustments</b>	<b>Proforma 30 June 2023</b>
<b>Current assets</b>			
Cash	69,576	(5,962)	63,615
Accounts receivable	815	344	1,159
Inventory	665	0	665
Research & development tax incentive receivable	6,146	0	6,146
Other current assets	1,337	1,125	2,462
<b>Total current assets</b>	<b>78,539</b>	<b>(4,492)</b>	<b>74,047</b>
<b>Non-current assets</b>			
Trade and other receivables	45	0	45
Property, plant and equipment	5,516	63	5,579
Right-of-use assets	3,741	0	3,741
Intangible assets	5,083	39,328	44,410
<b>Total non-current assets</b>	<b>14,384</b>	<b>39,390</b>	<b>53,775</b>
<b>Total assets</b>	<b>92,924</b>	<b>34,898</b>	<b>127,822</b>
<b>Current liabilities</b>			
Trade and other payables	12,833	2,309	15,141
Contract liabilities	1,653	460	2,112
Loans and borrowings	933	0	933
Employee benefit liabilities	1,302	0	1,302
Income tax payable	351	0	351
<b>Total current liabilities</b>	<b>17,072</b>	<b>2,768</b>	<b>19,840</b>
<b>Non-current liabilities</b>			
Loans and borrowings	4,206	0	4,206
Employee benefit liabilities	186	0	186
<b>Total non-current liabilities</b>	<b>4,391</b>	<b>0</b>	<b>4,391</b>
<b>Total liabilities</b>	<b>21,463</b>	<b>2,768</b>	<b>24,232</b>
<b>Net assets</b>	<b>71,460</b>	<b>32,130</b>	<b>103,590</b>
<b>Equity</b>			
Issued capital	184,359	68,431	252,790
Other capital reserves	3,313	2,071	5,383
Other reserves	(153)	0	(153)
Accumulated losses	(116,059)	(38,372)	(154,431)
<b>Total equity</b>	<b>71,460</b>	<b>32,130</b>	<b>103,590</b>
<b>Total liabilities and equity</b>	<b>92,924</b>	<b>34,898</b>	<b>127,822</b>

### **3.5 Effect of Offer on control of the Company**

The Offer will not have a material impact on the control (as defined by section 50AA of the Corporations Act of the Company). No investor or existing Shareholder will have a voting power greater than 20% as a result of completion of the Offer.

The maximum number of New Options proposed to be granted under the Offer is 22,151,898 New Options (subject to rounding). If all of these New Options are exercised and issued, the Shares issued on exercise will represent approximately 5.36% of the Shares on issue following completion of the Offer (assuming no other Shares are issued other than Shares issued under the Placement).

## 4. Rights and liabilities attaching to New Options and Shares

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### 4.1 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) **Issuer**

The issuer of the New Options is the Company.

(b) **Issue price**

No amount is payable on the issue of a New Option.

(c) **Entitlement**

Each New Option entitles the New Option holder (**Holder**) to subscribe for, and be allotted, 1 Share.

(d) **Exercise price**

\$1.365 per New Option.

(e) **Expiry date**

31 December 2025.

Any New Option not validly exercised prior to 5.00pm (Melbourne time) on the expiry date (**Exercise Period**) lapses with immediate effect and is no longer capable of exercise.

In the event of liquidation of the Company, all unexercised New Options will lapse.

(f) **Exercise of New Option**

Each New Option is only exercisable by the Holder signing and delivering a notice of exercise of New Option during the Exercise Period together with the Exercise Price in full for each New Option to be exercised to the Company's share registry (**Exercise Notice**). Unless a Holder is exercising all of their New Options, New Options must be exercised in parcels of not less than 1,000 New Options.

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 New 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 New 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 New Options.

(g) **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 New Options the subject of valid Exercise Notices.



No fraction of a Share will be issued on the exercise of any parcel of New Options and no refund will be made to a Holder exercising their rights in respect of that part of the Exercise Price, which represents such a fraction.

The new Shares issued upon the exercise of a New Option will be issued fully paid, will rank equally in all respects with all other issued fully paid Shares from the date of the issue of those new Shares and will only carry an entitlement to receive distributions that have a record date after date of issue of those new Shares.

(h) **Constitution**

Each Holder who exercises New 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.

(i) **Quotation**

If the Shares of the Company are quoted on the ASX:

- (i) subject to meeting the requirements of the Listing Rules for quotation of a new class of securities, the Company will apply to the ASX for, and will use its best endeavours to obtain official quotation on the ASX of all New Options; and
- (ii) 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 New Options within 10 Business Days (as defined in the Listing Rules) of issue.

The Company gives no assurance that such quotation of New Options or any Shares issued on the exercise of any New Options will be granted.

(j) **Dividends and voting**

The New Options do not provide the Holder any entitlement to dividends or other distributions.

The New Options do not entitle the Holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.

(k) **Participation in securities issues**

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

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

In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of a Holder will be changed in accordance with the 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 New Options do not result in any benefit being conferred on the Holder which is not conferred on Shareholders of the Company.

In any reorganisation referred to above, New Options will be treated in the following manner:

- (i) in the event of a consolidation of the share capital of the Company, the number of New 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;

- (ii) in the event of a subdivision of the share capital of the Company, the number of New 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;
- (iii) in the event of a return of the share capital of the Company, the number of New 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;
- (iv) 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 New Options and the exercise price of each New Option will remain unaltered;
- (v) in the event of a pro-rata cancellation of Shares in the Company, the number of New Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each New Option will be amended in inverse proportion to that ratio; and
- (vi) in the event of any other reorganisation of the issued capital of the Company, the number of New 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 Holder which are not conferred on Shareholders.

(m) **Calculations binding**

Any calculations or adjustments to these terms and conditions of the New Options which are required or permitted to be made under these terms and conditions will be made by the directors of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and each Holder.

(n) **Notifications**

The Company must within a reasonable period or, as otherwise required by the Listing Rules if applicable at that time, give to the Holder notice of any change to the Exercise Price of any New Options held by the Holder or the number of Shares to be issued on the exercise of the New Option.

(o) **Application of Listing Rules**

While the Company is admitted to the Official List of ASX, the New Options and any Shares issued on exercise of the New Options are subject always to the provisions of the constitution of the Company and the Listing Rules and to the extent of any inconsistency between these terms and conditions, the constitution of the Company and the Listing Rules, the Listing Rules will prevail.

(p) **Corporations Act**

The Holder's right to exercise a New Option is subject to compliance with Chapter 6 of the *Corporations Act 2001* (Cth). If the exercise of a New Option would result in the Holder having a relevant interest in greater than 20% of the Company's voting Shares on issue, then the Holder may be prohibited from exercising its New Options.

(q) **Governing law**

The terms and the rights and obligations of the Holders are governed by the laws of Victoria, Australia. Each Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

(r) **US securities laws restrictions**

The New Options and the underlying ordinary shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## **4.2 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.

## **5. Risk factors**

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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 and exercise New Options offered under this Prospectus.

The New Options 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 New Options.

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

### **5.1 Risks related to the Imbio Acquisition**

#### **(a) Transaction due diligence**

The Company has undertaken financial, operational, business and other analysis in respect of Imbio in order to determine its attractiveness to the Company and whether to pursue the Imbio Acquisition.

Risks may exist in relation to Imbio of which the Company may be unaware, including latent, future or otherwise unknown claims or liabilities. The analysis undertaken by the Company may draw conclusions and forecasts that are inaccurate or which are not realised in due course. There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified.

To the extent a risk was identified there is no assurance that the materiality of the risk has been accurately assessed or, to the extent that a material risk has been identified, that it is effectively mitigated. To the extent that the actual results achieved by the Imbio Acquisition are weaker than those indicated by the Company's analysis, there is a risk that there may be an adverse impact on the financial position and performance of the Company, and therefore on the return the Company receives from its ownership of Imbio.

The due diligence undertaken by the Company relied partly on the review of financial and other information provided by Imbio. The Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data.

#### **(b) Completion risk**

There is a risk that the Imbio Acquisition may not complete on the current terms and expected timing. Further, completion of the Imbio Acquisition may only occur only after completion of the Offer and accordingly there is a risk that the Company will have issued the New Options and the Imbio Acquisition will be terminated. If completion of the Imbio Acquisition is delayed, the Company may incur additional costs and it may take longer than anticipated for the Company to realise the benefits of the Imbio Acquisition.

Any failure to complete, or delay in completing the Imbio Acquisition may have a material adverse effect on the Company's operations, financial position and performance and the price of its Shares.

(c) **Superior proposal risk**

There is a risk that the Imbio Acquisition would not proceed in the event Imbio receives a superior proposal prior to completion. Imbio is permitted to terminate the Imbio Agreement in connection with a superior offer being received prior to obtaining the written consent of its securityholders to approve and adopt the Imbio Agreement. While such approval is expected to be received within a short timeframe, there is a risk that such approval could be delayed, thereby creating a longer time period within which a superior proposal could be presented to Imbio.

(d) **Break fees**

Imbio is required to pay the Company a break fee of US\$250,000 (approximately A\$384,615) in a number of circumstances including if:

- (i) 4DMedical USA Inc. terminates the Imbio Agreement following the failure of the Imbio Board to recommend the approval and adoption of the Imbio Agreement to its securityholders;
- (ii) 4DMedical USA Inc. terminates the Imbio Agreement following the Imbio Board withdrawing its recommendation to its securityholders to approve and adopt the Imbio Agreement;
- (iii) 4DMedical USA Inc. terminates the Imbio Agreement following a recommendation or endorsement of a competing transaction by the Imbio Board;
- (iv) 4DMedical USA Inc. terminates the Imbio Agreement following any public statement made by the Imbio Board that is inconsistent with their recommendation to approve and adopt the Imbio Agreement; or
- (v) Imbio terminates the Imbio Agreement in connection with accepting a superior proposal.

4DMedical USA Inc. is required to pay Imbio a reverse break fee of US\$250,000 (approximately A\$384,615) if funds are not received under the Placement and the Imbio Agreement does not complete as a result. Accordingly, the reverse break fee will no longer be payable upon settlement of the Placement.

(e) **Transition risk**

The transition of ownership brings with it a range of risks that need to be managed. These risks include:

- (i) possible loss of key Imbio personnel or corporate knowledge;
- (ii) reduced employee productivity due to uncertainty arising as a result of the Imbio Acquisition;
- (iii) possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner;
- (iv) disruption to the ongoing operations of both businesses;
- (v) impacts to the existing business of the Company from the increase in scale of the business upon implementation of the Imbio Acquisition;
- (vi) unanticipated costs arising from unforeseen issues, litigation or regulatory actions; and

- (vii) higher than anticipated costs, delays or failures relating to integration of businesses, IT , accounting or other systems.

(f) **Customer risk**

Imbio's business relies on a number of key customer and supplier contracts and arrangements. There can be no assurance that key customer and supplier contracts or arrangements will continue, or where formal contracts exist, will be renewed upon their expiration or that the terms of any renewal will be as favourable to Imbio as the terms of the current arrangements.

The loss of a significant portion of these customers and suppliers, a significant reduction in sales to customers, or a significant change in the commercial terms of the relationships with these customers and suppliers could have a material adverse impact on Imbio's financial performance and prospects.

(g) **Legal risk**

The proposed acquisition of Imbio will involve the Company and its related bodies corporate entering into a number of transaction documents, including the Imbio Agreement. While the documents contain some protections in respect of certain historical liabilities of Imbio, there is always a risk that potential liabilities or risks in relation to Imbio's business or other costs are not matters for which the Company has protection under those transaction documents, potentially exposing the Company to the risk of future costs or disputes arising in relation to the proposed acquisition.

(h) **Future earnings**

To the extent that the actual financial performance achieved by Imbio is weaker than anticipated by the Company in its analysis of whether to pursue the proposed acquisition, there are difficulties in integrating the operations of Imbio with the Company or operating costs are higher than anticipated, the profitability and future earnings of Imbio may be materially less favourable than the pro-forma financial performance presented in this prospectus.

(i) **Foreign jurisdiction compliance risk**

Imbio operates in the United States of America, Canada, Australia and the European Union and such operations are subject to extensive laws, regulatory requirements and industry standards and codes. A failure by Imbio to hold relevant licences or approvals could, if not rectified, result in Imbio being liable to fines, penalties and requirements to pay compensation for damages as well as reputational damage and the possibility, ultimately, of revocation of licences or approvals which could have a material adverse impact on the business carried out in those jurisdictions. If the Company or Imbio do not have appropriate systems and procedures in place to manage its regulatory compliance, Imbio could be subject to fines, penalties and requirements to pay compensation for damages as well as reputational damage and the possibility of revocation of licences.

(j) **Economic, political and social conditions in foreign jurisdictions**

Due to its operations in the United States of America, Imbio's business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, political, social and legal conditions in the United States of America. Imbio's operations in the United States of America are also governed by local laws and regulations in which may differ from the jurisdictions in which the Company currently operates.

(k) **Personnel risks**

Pursuant to a consulting agreement between Imbio and one of its majority shareholders, Imbio procures certain consulting services, office management services and office equipment. Those services include executive, infrastructure, engineering, accounting and administrative services performed by approximately 25 employees of the majority shareholder, including the Chairman of the Imbio Board. Given Imbio has only 8 employees, Imbio leverages these consultants to perform numerous services that could only be performed if Imbio directly hired additional employees. Either party may terminate such consulting agreement by giving the other party 180 days' written notice.

If the consulting agreement were terminated, there is a risk that Imbio would not be able to perform critical business functions utilising its own employees due to its heavy reliance on contractors engaged under this arrangement. Additionally, if Imbio intends to hire any of the employees engaged pursuant to such consulting agreement following completion of the Imbio Acquisition, Imbio would be liable to pay the majority shareholder a fee equal to 50% of that individual's salary in accordance with the consulting agreement.

**5.2 Company-specific risk**

(a) **Sufficiency of funding**

The Directors consider that, on completion of the Placement, 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.

(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 some of the Company's products, 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 Company's revenue is, and is expected to continue to be, substantially US dollar denominated. The Company is subject to adverse exchange movements, particularly in the USD/AUD exchange rate.

(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 circumvent 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**

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 certain functionality and workflows in its software. If the Company's ability to rely on such third party 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.

### 5.3 **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 5 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. 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 New Options.

Therefore, the New Options 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 New Options.

(j) **Dividends**

There are a range of factors that determine the payment of dividends on the Company's Shares. These include the profitability of the business, its cash reserves, future capital requirements and obligations under debt facilities. The Board will determine any future dividend levels based upon the Company's operating results and financial standing at the time. There is no guarantee that any dividend will be paid by the Company, or guarantee that future dividends will equal or exceed previous payments.

(k) **Litigation**

Legal proceedings and claims may arise from time to time in the ordinary course of the Company's business and may result in high legal costs, adverse monetary judgments and/or damage to the Company's reputation which could have an adverse impact on the Company's financial position or performance and the price of its Shares.

(l) **Combination of risk**

A combination of risks, including any of the risks outlined in this Section 5 could affect the performance valuation, financial performance and prospects of the Company.

## 6. Additional information

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### 6.1 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 2023 (**Annual Report**);
  - (ii) any half-year financial report lodged with by the Company with ASIC after the lodgement of the Annual Report 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 Report 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 29 August 2023 and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
11 December 2023	Proposed issue of securities - 4DX
11 December 2023	Proposed issue of securities - 4DX

Date	Description of announcement
11 December 2023	Investor Presentation Imbio acquisition and capital raise
11 December 2023	4DMedical acquires Imbio and completes equity raising
7 December 2023	Trading Halt
1 December 2023	S&P DJI Announces December 2023 Quarterly Rebalance
1 December 2023	Webinar presentation
30 November 2023	4DMedical Webinar
29 November 2023	4DMedical and Philips sign Memorandum of Understanding
24 November 2023	Application for quotation of securities - 4DX
22 November 2023	4DX signs SaaS contracts to expand into Detroit & Memphis
20 November 2023	4DMedical receives U.S. FDA clearance for CT LVAS
13 November 2023	Presentation to Bell Potter Healthcare Conference
13 November 2023	U.S. CMS Approves Reimbursement for 4DMedical
6 November 2023	Notification regarding unquoted securities - 4DX
6 November 2023	Change of Director's Interest Notice
2 November 2023	Constitution
2 November 2023	Final Director's Interest Notice
2 November 2023	Results of Meeting
2 November 2023	AGM presentation and Chairman's address
1 November 2023	Final Director's Interest Notice
1 November 2023	Resignation of non-executive director
31 October 2023	Quarterly Activity Report and Appendix 4C for Q1 FY2024
30 October 2023	4DMedical enters contract with Integral Diagnostics
26 October 2023	Application for quotation of securities - 4DX
26 October 2023	Notification regarding unquoted securities - 4DX
20 October 2023	Application for quotation of securities - 4DX
11 October 2023	Application for quotation of securities - 4DX
4 October 2023	Notification of cessation of securities - 4DX
4 October 2023	Notification regarding unquoted securities - 4DX

Date	Description of announcement
3 October 2023	Appointment and retirement of Chair
28 September 2023	Notice of Annual General Meeting/Proxy Form
25 September 2023	Initial Director's Interest Notice
25 September 2023	4DMedical appoints Dr Geraldine McGinty to board
11 September 2023	Investor Presentation
6 September 2023	Application for quotation of securities - 4DX
1 September 2023	S&P DJI Announces September 2023 Quarterly Rebalance
1 September 2023	Appendix 3Y
29 August 2023	Notice of AGM Date
29 August 2023	Appendix 4G
29 August 2023	Corporate Governance Statement
29 August 2023	FY2023 Full Year Results

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

## 6.2 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	\$0.995	29 November 2023
Lowest	\$0.450	29 September 2023
Last	\$0.955	6 December 2023

### 6.3 Substantial Shareholders

As at the date of this Prospectus, the following persons have notified the Company that they had voting power in 5% or more of Shares.

Shareholder	Relevant interest	%
Velocimetry Consulting Pty Ltd <sup>1</sup>	65,701,465	18.96%
Helen Fouras <sup>2</sup>		
Dr Andreas Fouras <sup>3</sup>		

**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 852,188 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.*

### 6.4 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 Offer; or
- (c) the Offer,

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 Offer.



## 6.5 Security holdings of Directors

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

Director	Shares	Options
Ms Lilian Bianchi	53,306	Nil
Dr Andreas Fouras	65,701,465	9,895,426
Dr Robert Figlin	519,943	Nil
Mr John Livingston	1,925,352	636,576
Dr Geraldine McGinty	Nil	Nil
Mr Julian Sutton	480,800	6,205,162

## 6.6 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 39 to 49 of the Company's Annual Report for the financial year ending 30 June 2023, 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 2023 was lodged with ASX on 29 August 2023 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 Offer Closing Date by contacting the Company at its registered address using the details in Section 8 of this Prospectus.

## 6.7 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 Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

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

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

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:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Gadens has acted as the Australian legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay \$20,000 (excluding GST) for these services in connection with the Offer 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 \$15,000 (excluding GST) in connection with the services provided to the Company in respect of the Offer for printing and distribution, and including share registry services provided by Link Market Services Limited.

## **6.8 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.

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.

## **6.9 Expenses of the Offer**

The total expenses of the Offer are estimated to be approximately \$37,206 (excluding GST) and are expected to be applied towards the items set out in the table below.

<b>Cost</b>	<b>Amount</b>
ASIC fees	\$3,206
Legal fees	\$20,000
Share Registry fees, printing and distribution	\$15,000
<b>Total</b>	<b>\$37,206</b>

## **6.10 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.

## **6.11 Governing law**

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

#### **6.12 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:** 11 December 2023



Dr Andreas Fouras  
Managing Director and CEO  
**4DMedical Limited**

## 7. Glossary

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

**AEDT** means Australian Eastern Daylight Savings Time.

**Applicant** means a person that submits an Application Form.

**Application** means an application for New Options under the Offer described in this Prospectus.

**Application Form** means the application form for the Offer.

**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.

**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).

**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 or around Monday, 22 January 2024.

**Eligible US Fund Manager** means a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which it exercises investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

**IAI** means an “institutional accredited investor” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act.

**Imbio** means Imbio Inc, a US registered company.

**Imbio Acquisition** means the proposed acquisition of Imbio, as announced to market on 11 December 2023.

**Imbio Agreement** means the binding agreement entered into by the Company to acquire all the outstanding equity interests in Imbio, a summary of the key terms of which are contained in the Company’s announcement to market on 11 December 2023.

**Imbio Board** means the board of directors of Imbio, as constituted from time to time.

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

**Offer** means the offer of New Options pursuant to this Prospectus.

**Offer Opening Date** means the date specified as such in the Timetable.

**Offer Closing Date** means the date specified as such in the Timetable.

**Official Quotation** means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules) of Securities, which if such quotations is conditional may only be conditional on the allotment of the relevant Securities or otherwise satisfying the 50 holder requirement for a secondary class of security in Chapter 2 of the Listing Rules.

**Option** means an option to acquire a Share.

**New Option** means the Options offered to Placement Investors subject to obtaining Shareholder approval at the EGM, for nil consideration on the basis of an entitlement to 1 New Option for every 2 Shares issued under the Placement, and such New Option otherwise being on the terms outlined in Section 4.1 of this Prospectus.

**Placement** has the meaning given to that term in section 2.1 of this Prospectus.

**Placement Investor** means an institutional, sophisticated or professional investor that subscribed for Shares under the Placement and which is:

- if it (or any person for whom it is acting) is in **Australia**, a person who does not require disclosure pursuant to section 708 of the Corporations Act;
- if it (or any person for whom it is acting) is in **Cayman Islands**, acknowledges that any communications received in relation to the Offer occurred from outside the Cayman Islands;
- if it (or any person for whom it is acting) is in **Hong Kong**, a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong);
- if it (or any person for whom it is acting) is in **New Zealand**, a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
- if it (or any person for whom it is acting) is in **Singapore**, an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA"));
- if it (or any person for whom it is acting) is in the **United Kingdom**, a (i) "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; or
- if it (or any person for whom it is acting) is in the **United States**, either an IAI or an Eligible US Fund Manager.

**Prospectus** means 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.

**Timetable** means the timetable of key dates for the Offer set out in section 1 of this Prospectus.

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

**US or United States** means the United States of America.

## 8. Corporate directory

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### Directors

Ms Lilian Bianchi  
*Non Executive Director and Chair*

Dr Andreas Fouras  
*Managing Director and CEO*

Dr Robert Figlin  
*Non Executive Director*

Mr John Livingston  
*Executive Director*

Dr Geraldine McGinty  
*Non Executive Director*

Mr Julian Sutton  
*Non Executive Director*

### Company Secretary

Ms Naomi Lawrie

### ASX Code

4DX

### Registered Office

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

### Australian legal adviser

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

### Share Registry

Link Market Services Limited  
Level 10, Tower 4  
727 Collins Street  
Melbourne VIC 3000  
T: 1300 554 474 (from within Australia)  
or +61 1300 554 474 (from outside  
Australia)