

## TARGET MARKET DETERMINATION

- MADE BY:** 4DMedical Limited ACN 161 684 831 of Level 7 Melbourne Connect, 700 Swanston Street, Carlton, Victoria, 3053 (**4DX** or the **Company**)
- PRODUCT:**
- (a) Quoted options (**New Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) and Piggyback Options (defined below) with an exercise price of \$0.55 and an expiry date of the earlier of 28 February 2026 and the date being 30 days from the date on which the Company announces receipt of FDA clearance for its ventilation and perfusion technology, CT:VQ™ (if at all) (**FDA Announcement**); and
  - (b) quoted options (**Piggyback Options**) to acquire Shares with an exercise price of \$0.75 and an expiry date of the earlier of 29 February 2028 and the date being 2 years from the date of the FDA Announcement,
- to be issued in connection with a prospectus lodged by the Company on or around Tuesday, 25 March 2025 (**Prospectus**).
- EFFECTIVE DATE:** 25 March 2025

### 1. Introduction

---

This target market determination (**TMD**) has been prepared pursuant to section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to offers to issue New Options and Piggyback Options to be made by the Company pursuant to the Prospectus, with respect to:

- the offer of 1 free New Option for every 1 Share issued to:
  - institutional and sophisticated investors, under the placement (**Placement**) announced by the Company to the Australian Securities Exchange (**ASX**) on 21 February 2025 (**Placement Participants**); and
  - Eligible Shareholders under the share purchase plan (**SPP**) announced by the Company to ASX on 21 February 2025 (**SPP Participants**);
- the offer of up to 5,000,000 New Options to the sub-underwriters to the SPP (**Sub-Underwriters**); and
- the offer of 1 free Piggyback Option for every 1 New Option exercised by a holder of New Options (**Eligible Optionholders**) (**Piggyback Options Offer**),

(the Placement Participants, SPP Participants, Sub-Underwriters and Eligible Optionholders collectively, the **Eligible Participants**).

The offer of New Options and the Piggyback Options (together, **Options Offer**) is being made by the Company under the Prospectus, being a transaction specific prospectus, a copy of which will be made available on the Company's website (<https://4dmedical.com/investor/investor-services/>) and has been released to the ASX.

The New Options and Piggyback Options (together, **Options**) are being offered under the Prospectus to Eligible Participants so that the Shares issued on exercise of those Options will be freely tradeable due to the operation of *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

The issue of the Options, other than the proposed issue to the Sub-Underwriters, is subject to shareholder approval. The Company will also seek quotation of the New Options and Piggyback Options on ASX, subject to the receipt of such shareholder approval and satisfying relevant quotation requirements.

The Options Offer will only be made under, or accompanied by, a copy of the Prospectus. Recipients of this TMD are only entitled to acquire Options under the Options Offer as set out in the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional advisers if they have any questions regarding the contents of the Prospectus.

Any recipient of this TMD who wishes to acquire New Options under the Options Offer will need to complete the application form that will be in, or will accompany, the Prospectus. As the Piggyback Options will be issued on exercise of the New Options, there is no need for an application form to be completed for Piggyback Options.

There is no cooling off period in respect of the issue of the Options. This TMD is not a disclosure document for the purposes of the Corporations Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

## 2. Product information

---

The key features of the New Options are as follows:

Information	Description
<b>Eligibility</b>	The offer of New Options is made under the Prospectus to Placement Participants, SPP Participants and the Sub-Underwriters.
<b>Share and option entitlement</b>	<p>Each New Option entitles the holder to subscribe for, and be allotted, 1 Share and 1 Piggyback Option.</p> <p>Shares issued on the exercise of New 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 and any escrow restrictions imposed on them by the ASX.</p> <p>Please refer to the following table for a summary of key terms of the Piggyback Options.</p>
<b>Shareholder approval</b>	The issue of New Options, other than the proposed issue to the Sub-Underwriters, is subject to shareholder approval.
<b>Exercise price</b>	The New Options confer on the holder the right to subscribe for 1 Share and 1 Piggyback Option at an exercise price of \$0.55.
<b>Expiry Date</b>	The earlier of:

Information	Description
	<ul style="list-style-type: none"> <li>28 February 2026; and</li> <li>the date being 30 days from the date on which the Company announces receipt of FDA clearance for its ventilation and perfusion technology, CT:VQ™ (if at all) (<b>FDA Announcement</b>),</li> </ul> <p><b>(New Options Expiry Date).</b></p> <p>New Options not exercised before the New Options Expiry Date will automatically lapse at that time. The New Options will be exercisable at any time on or prior to the New Options Expiry Date.</p>
<b>Quotation</b>	If the Shares are quoted on the ASX, subject to meeting the requirements of the ASX 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 the New Options.
<b>Transferability</b>	Until such time as the New Options are quoted on the ASX (if at all), the New 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 New Options will lapse immediately if any such thing purports to occur.

The key features of the Piggyback Options are as follows:

Information	Description
<b>Eligibility</b>	The offer of Piggyback Options is made under the Prospectus to Eligible Optionholders who have validly exercised the New Options.
<b>Share entitlement</b>	<p>Each Piggyback Option entitles the holder to subscribe for, and be allotted, 1 Share.</p> <p>Shares issued on the exercise of Piggyback 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 and any escrow restrictions imposed on them by the ASX.</p>
<b>Shareholder approval</b>	The issue of Piggyback Options, other than the proposed issue to the Sub-Underwriters, is subject to shareholder approval.
<b>Exercise price</b>	The Piggyback Options confer on the holder the right to subscribe for 1 Share at an exercise price of \$0.75.
<b>Expiry Date</b>	<p>The earlier of:</p> <ul style="list-style-type: none"> <li>29 February 2028; and</li> <li>the date being 2 years from the date of the FDA Announcement,</li> </ul> <p><b>(Piggyback Options Expiry Date).</b></p>

Information	Description
	Piggyback Options not exercised before the Piggyback Options Expiry Date will automatically lapse at that time. The Piggyback Options will be exercisable at any time on or prior to the Piggyback Options Expiry Date.
<b>Quotation</b>	If the Shares are quoted on the ASX, subject to meeting the requirements of the ASX 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 the Piggyback Options.
<b>Transferability</b>	Until such time as the Piggyback Options are quoted on the ASX (if at all), the Piggyback 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 Piggyback Options will lapse immediately if any such thing purports to occur.

### 3. Target market

---

The Options have been designed for investors whose likely objectives, financial situation and needs (as detailed below) are aligned with the product (including the key attributes) as set out in this section 0.

Market attribute	Description
<b>Class of investors within target market</b>	<p>The information below summarises the overall class of investors that fall within the target market, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet.</p> <p>The Options have been designed for persons whose likely objectives, financial situation and needs (as listed below) are consistent with the product (including the key attributes).</p> <p>The Options are for those persons who:</p> <ul style="list-style-type: none"> <li>• in respect of the New Options, are entitled to apply for them under the Prospectus;</li> <li>• in respect of the Piggyback Options, have an existing holding of New Options and choose to exercise them;</li> <li>• are accustomed to participating in speculative investments;</li> <li>• wish to gain exposure to equities in a medical technology company listed on the ASX;</li> <li>• are in a position to pay any exercise amounts in relation to the Options in due course; and</li> <li>• are looking to diversify their investment holdings.</li> </ul>

Market attribute	Description
<b>Objectives, financial situation and needs</b>	<p>The Options are issued only to specific parties as set out in the Prospectus and consequently have been designed for persons who would:</p> <ul style="list-style-type: none"> <li>• be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the relevant expiry date, as an exercise price of: <ul style="list-style-type: none"> <li>○ \$0.55 is required to be paid to acquire Shares and Piggyback Options on exercise of each New Option; and</li> <li>○ \$0.75 is required to be paid to acquire Shares on exercise of each Piggyback Option;</li> </ul> </li> <li>• be able to bear the loss of some or all of their investment as the Options offer no income guarantee or capital protection for investors;</li> <li>• have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company (including the Options) as an asset class generally and the more specific risks of investing in an ASX listed medical technology company;</li> <li>• not have a need to derive income from an investment in the Options; and</li> <li>• have adequate means to provide for their current needs and other contingencies and to withstand a loss of their entire investment in the Options.</li> </ul>
<b>Investment timeframe</b>	<p><b>New Options</b></p> <p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company.</p> <p>Investors with a short-term outlook for their investment will benefit from an ability to exercise New Options and trade the underlying Shares and, subject to satisfying quotation conditions, the Piggyback Options, issued on exercise should the New Option exercise price be lower than the trading price of the Company's Shares.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise New Options prior to the New Options Expiry Date and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price on the New Options to acquire Shares and Piggyback Options, investors in the target market are in a financial position that is sufficient for them to invest further funds over the time period prior to New Options Expiry Date, should they wish to exercise their New Options.</p>

Market attribute	Description
	<p><b>Piggyback Options</b></p> <p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company.</p> <p>Investors with a short-term outlook for their investment will benefit from an ability to exercise Piggyback Options and trade the underlying Shares issued on exercise should the Piggyback Option exercise price be lower than the trading price of the Company's Shares.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise Piggyback Options prior to the Piggyback Options Expiry Date and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price on the Piggyback Options to acquire Shares, investors in the target market are in a financial position that is sufficient for them to invest further funds over the time period prior to the Piggyback Options Expiry Date, should they wish to exercise their Piggyback Options.</p>
<p><b>Investor metrics</b></p>	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be accustomed to participating in speculative investments in the medical technology sector and who will be able to withstand potential fluctuations in the value of their investment. The Options offer no guaranteed income or capital protection.</p>
<p><b>Risks</b></p>	<p>The Company considers that an investment in the Options is high risk and speculative, such that an investment in the Company is not appropriate for any persons who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the high risks of investing in Options as an asset class generally and the high risks of investing in the Company.</p>
<p><b>Excluded class of consumers</b></p>	<p>The product is not suitable for:</p> <ul style="list-style-type: none"> <li>• any person who is not a specified recipient under the Prospectus;</li> <li>• any investor who is ineligible to receive the Options;</li> <li>• inexperienced investors, especially those who do not understand the risks of investing in options as an asset class or in Shares; and</li> <li>• investors looking for immediate returns or those not seeking to have the potential to increase their investment in the Company.</li> </ul>

The Company has assessed the Options and formed the view that the Options are likely to be consistent with the objectives, financial situation and needs of investors in the target market described in this section 0.

#### **4. Distribution conditions**

---

The offer of New Options is designed to be distributed under the Prospectus to Eligible Participants only.

The offer of Piggyback Options is designed to be distributed under the Prospectus to Eligible Optionholders who have exercised the New Options. The issue of Piggyback Options is conditional on the Eligible Optionholders exercising the New Options.

The Prospectus will include jurisdictional conditions on eligibility.

A copy of the Prospectus and relevant application form will only be made available to the specified persons eligible for the Options Offer (and/or their nominee(s) acceptable to the Company) before they apply for New Options. Only those investors who are confirmed as Eligible Participants will be eligible to apply for New Options under the Prospectus.

As the Piggyback Options will be issued on exercise of New Options there is no need for an application form to be completed for Piggyback Options.

The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

#### **5. Review triggers**

---

The Options are being offered to a discrete class of persons for a limited offer period set out in the Prospectus. The Options will no longer be available for investment by way of issue following close of the relevant offer period. Accordingly, this TMD will only apply in the periods between:

- (a) in respect of the New Options, the commencement of the offer of New Options to Eligible Participants (**New Options Offer**) and the issue of the New Options shortly after the close of the New Options Offer; and
- (b) in respect of the Piggyback Options, the commencement of the Piggyback Options Offer and the issue of the Piggyback Options, shortly after the close of the Piggyback Options Offer,

(such periods, separately or collectively being (as the context requires), the **Offer Period**).

To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply during the Offer Period:

- (a) there is a material change to the Options' key attributes that make the Options no longer consistent with the likely objectives, financial situation and needs of persons in the target market;
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) the occurrence of a significant dealing in Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options is a significant dealing;

- (d) the Company identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- (e) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (f) there are material changes to the regulatory environment that applies to an investment in the Options.

The Company may also amend this TMD at any time.

## 6. Review

---

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger as soon as reasonably practicable.

The Company will otherwise complete a review of the TMD immediately prior to:

- (a) the issue of New Options under the New Options Offer; and
- (b) the issue of Piggyback Options under the Piggyback Options Offer.

Periodic reviews of the TMD will not occur during the Offer Period given its duration (subject to any decision to extend the Offer Period). If the Offer Period is extended for more than three months, the TMD will be reviewed on a monthly basis.

## 7. Reporting requirements

---

In the event that an external distributor is appointed to undertake retail product distribution of the Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options	Weekly report during the Offer Period.	<ul style="list-style-type: none"> <li>• The number of complaints received.</li> <li>• A summary of the nature of each complaint or a copy of each complaint.</li> </ul>
A significant dealing of the Options occurs that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> <li>• Details of the significant dealing.</li> <li>• Reasons why the distributor considers that the significant dealing is not consistent with this TMD.</li> </ul>
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD	Within 10 business days after the end of the close of the New Options Offer or Piggyback Options Offer (as the context requires) in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

## **8. Contact details**

---

For further information, contact the Share Registry during the Offer Period, from 8.30am to 5.30pm (AEDT), Monday to Friday, on 1800 817 266 (within Australia) or +61 1800 817 266 (outside Australia).