4Dx Limited
ABN 31 161 684 831

Financial report for the half-year ended 31 December 2019

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Directors' report

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of 4Dx Limited (the "Company or "4Dx") and its controlled entities for the half-year ended 31 December 2019.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period, unless otherwise stated.

Andreas Fouras	
Heath Lee	
Robert Figlin	
Julian Sutton	
Lusia Guthrie	
John Livingston	
Bruce Rathie	(Appointed: 11 December 2019)
Lilian Bianchi	(Appointed: 11 December 2019)

Names, qualifications, experience and special responsibilities

Andreas Fouras (Managing Director)

MAICD, Member - Australian Institute of Company Directors
PhD - Monash University
Master of Engineering Science (Research) - Monash University
Bachelor of Engineering (Mechanical) - University of Queensland
Australian Davos Connection Australian Leadership Award 2013

Special responsibilities: Finance Committee Member, Investment Committee Member, Regulatory and Quality Committee Member

Dr Andreas Fouras is the founder, Chairman and Chief Executive Officer of 4Dx Limited.

Completing a Masters and PhD, and then rapidly rising to the position of Professor and Director of the Laboratory for Dynamic Imaging, Andreas was recognised by various accolades from a wide range of premier research bodies including the National Health and Medical Research Council and the American Asthma Foundation.

Andreas conceived and developed the XV Technology during his time as a researcher at Monash University and founded 4Dx in December 2012 from a desire for his work to reach and positively influence as many people globally as possible.

A recognised leader, as evidenced by an Australian Davos Connection Australian Leadership Award (2013), Andreas is now dedicated to applying his business acumen, drive and innovation to the commercialisation of 4Dx technologies.

Directors' report (continued)

Directors (continued)

Heath Lee

GAICD, Graduate Member - Australian Institute of Company Directors
F Fin, Fellow - Financial Services Institute of Australasia (FINSIA)
Graduate Diploma of Applied Finance - Financial Services Institute of Australasia (FINSIA)
Chartered Accountant - Institute of Chartered Accountants Australia
Bachelor of Economics (Accounting Major) - Monash University

Special responsibilities: Finance Committee Chair

Heath brings significant business acumen to 4Dx. Heath gained his Chartered Accountant qualification working with KPMG before moving into investment banking with BZW (Barclays Investment Bank) which was later acquired by ABN AMRO. As a merger and acquisition professional, Heath advised the Federal Government of Australia on the $4 billion Phase 1 & 2 privatisation of Australia’s airports and CSR on its $6.7 billion demerger of Rinker Materials. With extensive experience advising companies in relation to trade sales, mergers & acquisitions and company strategy, Heath left ABN AMRO to launch his own business - Oceania Customer Interactive Services (OCIS). Over a period of 9 years, as founder and CEO, Heath built OCIS from a startup contact centre and market research company with 10 staff in Melbourne to a business operating in Australia, New Zealand and Fiji with 637 staff servicing clients such as Optus, The Nielsen Company, Seek.com, Virgin Mobile and the New Zealand Government before the business was sold in 2013.

Heath actively invests across a range of asset classes and trades derivatives. He completed the AICD Graduate course in 2018 and currently works for clients in land development, hospitality and resort management.

Effective 1 January 2020, Heath Lee transitioned from Non-executive Director to Executive Director following his appointment as Chief Financial Officer of the Company.

Robert Figlin (Non-executive Director)

FACP, Fellow - American College of Physicians (ACP)
MD, Doctor of Medicine - Medical College of Pennsylvania

Robert A. Figlin, MD, FACP, is the Steven Spielberg Family Chair in Hematology-Oncology, Professor of Medicine and Biomedical Sciences, Director of the Division of Hematology-Oncology, Deputy Director of the Samuel Oschin Comprehensive Cancer Institute and Deputy Director, Integrated Oncology at Cedars-Sinai Medical Center in Los Angeles, California. Dr. Figlin received his medical degree from the Medical College of Pennsylvania. He completed his residency and chief residency in internal medicine at Cedars-Sinai Medical Center and a fellowship in hematology/oncology at the David Geffen School of Medicine at UCLA. He is an Emeritus Professor of Medicine and Urology at the David Geffen School of Medicine at UCLA.

A nationally recognised leader in genitourinary and thoracic oncology in the United States, Dr. Figlin brings a wealth of clinical knowledge and medical expertise, critical to 4Dx's commercial success globally.

Dr. Figlin serves as Editor for Kidney Cancer Journal, and his studies have appeared in Clinical Cancer Research, Journal of Clinical Oncology, New England Journal of Medicine, Lancet, JNCI, Lancet Oncology, and Journal of Urology, among others. He has authored over 350 peer reviewed articles, more than 70 book chapters, and has published as Editor, multiple books on kidney cancer. He is the Editor of the Springer Science book entitled, Renal Cell Carcinoma: Translational Biology, Personalized Medicine, and Novel Therapeutic Targets.

Directors' report (continued)

Directors (continued)

Julian Sutton (Non-executive Director)

CFA, Charterholder - Chartered Financial Analyst Institute
Bachelor of Science (Mathematics) - Monash University

Special responsibilities: Investment Committee Chair, People and Remuneration Committee Member

Julian started his career in 1995 as an actuarial analyst for Towers Perrin in Melbourne where he consulted to some of Australia’s largest superannuation funds. He later transferred with Towers Perrin to Brussels and then London, where he worked predominantly in an asset consulting capacity. In 2002, Julian joined Credit Suisse Asset Management in London as an assistant portfolio manager in their Multi-Manager team. Driven by strong performance, the team grew assets under management ten-fold from GBP50 million to GBP500 million over the following two years. In 2004, Julian joined Schroders Investment Management as a Senior Portfolio Manager in the Multi-Asset team, responsible for the management of a suite of investment funds with assets under management in excess of USD1 billion. These funds were invested on a global basis and had exposure to a broad range of asset classes including private equity, hedge funds, property, commodities, equities, bonds and cash. After seven years with Schroders, Julian returned to Australia with entrepreneurial ambitions. Julian established a sales and marketing business that helps best-in-class international fund management companies establish a presence in the Australian and New Zealand market. Currently, Julian is responsible for the sales and marketing function of Brown Advisory in Australia.

Lusia Guthrie (Non-executive Director)

MAICD, Member - Australian Institute of Company Directors
Master of Science (Science and Technology Commercialisation) - University of Adelaide and University of Texas, Austin, USA
Bachelor of Applied Science (Medical Technology) - University of South Australia

Special responsibilities: Australian Lung Health Initiative Chair, Regulatory and Quality Committee Chair

With over 35 years in the pharmaceutical and bioscience industries, Lusia Guthrie is an experienced CEO, technology developer and medtech entrepreneur, with strong leadership skills and international industry networks. She started her career as a Medical Laboratory Scientist before joining the Manufacturing Division of pharmaceutical company FH Faulding & Co (now Mayne Pharma). Lusia then went on to co-found medical technology innovation company LBT Innovations Limited (ASX:LBT) where she was Chief Executive Officer and Managing Director until 2016.

Lusia has a proven track record in bringing innovative products to global markets, embracing the entire process from company formation, capital raising and concept development to product launch and sales. She has an ongoing interest in the development and commercialisation of innovative healthcare products that embrace automation, robotics, machine learning and artificial intelligence.

Lusia is a generous contributor to the Australian life sciences sector through various engagements including: Chair of BioMelbourne Network; Chair of the Medical Device Partnering Program in Victoria; Chair of Australian Lung Health Initiative. She is also a member of the Innovation Taskforce, an initiative of the Victorian Government Minister for Jobs, Innovation and Trade.

Lusia also serves on several advisory boards: Medicines Manufacturing Innovation Centre (MMIC) at Monash University; Australian Institute for Machine Learning (AIML) at the University of Adelaide; and Australian Regenerative Medicine Institute (ARMI).

Directors' report (continued)

Directors (continued)

John Livingston (Non-executive Director)

GAICD, Graduate Member - Australian Institute of Company Directors
Bachelor of Applied Science (Medical Radiations) - RMIT
Graduate Diploma of Health Science (Health Education) - University of Ballarat
Graduate Certificate in Business Administration - Deakin University

Special responsibilities: People and Remuneration Committee Chair

John Livingston was a founding partner of Lake Imaging, subsequently becoming part of Integral Diagnostics Ltd where John was CEO and Managing Director. John has a special interest in radiology efficiency and the enhancement of Radiological experiences. He is considered an industry leader in the implementation of PACS and RIS in a radiology setting. John was awarded the AGFA International award for Development of Digital Imaging Solutions in 2005.

He has lectured in Australia and abroad on the digital radiology environment, as well as business strategies and systems within the commercial sector. John has considerable commercial experience, having worked with the team at Lake Imaging and later Integral Diagnostics through acquisitions and the establishment of Greenfield facilities across Australia. During his career at Integral Diagnostics, John lead the group through Private Equity investment with Advent Partners in 2014 and in 2015 John worked with Advent to list Integral Diagnostics on the Australian Stock Exchange.

John is a former director of VicWest Community Telco and United Way; a current director at Comrad Medical Systems and Ballarat Clarendon College (Chair); a member of The Australian Institute of Radiography and a graduate member of the AICD.

Bruce Rathie (Non-executive Director)

FAICD, Fellow - Australian Institute of Company Directors
Fellow Australian Institute of Managers & Leaders (AIM)
FGIA, Fellow - Governance Institute of Australia
Master of Business Administration - University of Geneva & IMI (now IMD)
Bachelor of Law - University of Queensland
Bachelor of Commerce - University of Queensland
Diploma Company Director - University of New England & AICD
Graduate Diploma Company Secretarial Practice - Governance Institute of Australia

Bruce has over 17 years experience in successful senior executive careers in law and investment banking. He practised as a legal partner and acted as Senior In-house Counsel to Bell Resources Limited from 1980 to 1985, then received his MBA at the University of Geneva & IMI (now IMD), embarking on an investment banking career in 1986. He was Head of the Industrial Franchise Group at Salomon Smith Barney in the late 1990s and led Salomon’s roles in the Federal Government’s privatisation of Qantas, Commonwealth Bank and Telstra.

Bruce brings an expansive skill set to 4Dx that draws upon his experiences in management, finance, law, compliance and regulation, technology and biotechnology, as well as start-up IPO management and technology commercialisation. In the medical device sector, he was previously Chairman of Anteo Diagnostics Limited, and a Director of Compumedics Limited and USCOM Limited.

Bruce’s current roles include Independent Non-executive Director of Capricorn Society Limited, Independent Non-executive Director & Chairman of Capricorn Mutual Limited, and Independent Non-executive Director of Australian Meat Processor Corporation Limited.

Bruce served as Non-executive Director and chair of PolyNovo from 2004 through to February 2010, and continues to serve as an Independent Non-executive Director of the ASX 200 listed company. PolyNovo is a medical device corporation which develops and manufactures devices using CSIRO developed IP for biodegradable polymers. PolyNovo currently has distribution in Australia, New Zealand and the US with current market capitalisation in excess of $1 billion.

Directors' report (continued)

Directors (continued)

Lilian Bianchi (Non-executive Director)

GAICD, Graduate Member - Australian Institute of Company Directors
Master of Computer Science - University of Newcastle upon Tyne (UK)
Bachelor of Economics - London School of Economics (UK)
Securities & Investment Certificate (UK CISI)

Lilian brings to 4Dx an invaluable history of experience in technology products and business transformations, helping lead boards to build an agile and robust strategy through expansive growth. She has participated in business transformations for US listed technology companies and risk collaborations across financial risk modelling, climate science and primary industry productivity models. She also has specifically beneficial technology product expertise with AI and SaaS offerings and boasts vast international experience in the US, Australia, India, Singapore, UK, France, Germany, New Zealand, Italy and Spain.

Lilian's value to the 4Dx board lies in her CEO, board, and senior executive track record in financial services, global listed +$Billion tech corporations, tech start-ups, tier 1 management consultancies, public sector organisations, and international research operations. Her governance, strategy and capital raising experience has helped her lead corporations in periods of massive growth, guiding them in the pivot to stock market listings and international sales.

Company Secretaries

The names and details of the Group's secretaries in office during the half-year ended 31 December 2019 and until the date of this report are as follows. Secretaries were in office for this entire period, unless otherwise stated.

Charlene Stahr (Appointed: 11 September 2019)
Melanie Jaye Leydin (Resigned: 11 September 2019)
Andreas Fouras (Secretary of 4Dx Limited's wholly owned US subsidiary, 4Dx Inc.)

Melanie Jaye Leydin (Company Secretary)

Registered Company Auditor
Chartered Accountant - Institute of Chartered Accountants Australia
Bachelor of Business (Accounting and Corporate Law major)

Melanie has 25 years experience in the accounting profession, 15 years experience in company secretarial services and is a director and company secretary for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of chartered accounting firm, Leydin Freyer, specialising in outsourced company secretarial and financial duties.

Charlene Stahr (Company Secretary)

MAICD, Member - Australian Institute of Company Directors
GIA, Affiliate Member - Governance Institute of Australia
Master of Engineering Science (Research) - Monash University
Bachelor of Engineering (Mechanical) - Monash University
Bachelor of Technology (Aerospace) - Monash University

Charlene has over 10 years experience in the engineering and biomedical research sectors, where she has developed strong technical and business skills across corporate administration, finance and accounting, project and risk management, regulatory affairs, and grant writing. Her 7 years at Monash University saw core involvement in international research programs and technology development, leading to publication of her own research and patented IP. Charlene has extensive experience in administration management and auditing, with a strong focus on compliance and governance, previously holding a number of official roles at the University. Charlene holds a Master of Engineering Science (Research), with her thesis demonstrating the application of XV Technology's precursor preclinical research technology to a lung disease model.

Directors' report (continued)

Dividends

No dividends have been paid or declared since the end of the previous financial period, nor do the directors recommend the declaration of a dividend (31 December 2018: none).

Principal activities

The principal activities of the Group during the half-year ended 31 December 2019 were medical research technology and development of lung function analysis using four-dimensional imaging. The technology combines X-ray imaging and advanced visualisation to generate high-resolution images of motion and airflow in lung tissues. The intention is to enable medical professionals to view and measure abnormal function in lung regions in the earliest clinical stages of disease.

There have been no significant changes in the nature of these activities during the period.

Operating and financial review

4Dx Limited is a software technology company founded to create a step change in the capacity of physicians to diagnose and manage patients with diseases of the lung.

The net loss after tax of the Group for the half-year ended 31 December 2019 was $5,368,342 (2018: $2,624,205).

This result is in line with the plan and reflects 4Dx Limited's continued investment in the development of the 4Dx patented imaging technology ‘XV Technology’, and the associated pipeline of Software-as-a-Service (SaaS) products. Increased expenditure has resulted from an increase in staff numbers during this period, increased consulting costs associated with regulatory clearance, and an increased investment in go-to-market activities.

During the half-year ended 31 December 2019, 4Dx Limited successfully concluded its clinical validation trial which illustrated the efficacy of XV Technology in quantifying and visualising regional lung function defects in human subjects, throughout the course of a full breath. The confirmatory clinical trial showed that its XV Technology gave clinicians much more detailed information than the commonly used pulmonary function test (PFT) and computed tomography (CT) imaging methods.

During the half year ended 31 December 2019, 4Dx Limited incurred increased interest expenses compared to prior periods. The increased interest expenses were due to the repayment of the amounts on the borrowings had with Mitchell Asset Management, amounts paid relating to current rental lease arrangements which are now recognised under the new leasing standards and interest on the convertible notes. A breakdown of these costs can be seen at Note 4.4 for further details.

The Company leveraged the trial results to support and complete its XV Technology 510(k) submission to the US Food and Drug Administration (FDA) in November 2019. The FDA has since conducted its administrative acceptance review on the Company’s 510(k) submission and has proceeded with a substantive review. 4Dx Limited anticipates obtaining regulatory clearance in the USA in 2020.

The main market for XV Technology lies within respiratory diagnostics (designated as RDx). RDx products provide detailed regional measurements of lung function - a key unmet need in this multi-billion-dollar industry. The RDx products are designed to be fully compatible with existing hospital equipment and will be delivered through a SaaS business model enabling 4Dx Limited to deliver its technology at low cost and scale quickly to meet projected demand.

The Company recorded growing interest amongst key leaders in the industry as it continues to actively engage in dialogues with potential hospitals, healthcare institutions, partners and customers for both collaborative and commercial projects in the future.

In parallel with its efforts to achieve FDA clearance, 4Dx Limited is continuing to build revenue opportunities in business to business market sectors where regulatory clearance is not required. 4Dx Limited’s hardware product lines which support accelerated validation of the XV Technology software platform includes small animal ventilators and pre-clinical scanners. In September 2019, the Company successfully delivered and commissioned its third pre-clinical scanner to the South Australian Health and Medical Research Institute. The sale of the pre-clinical scanner includes a five-year SaaS and four-year maintenance and support service agreement valued at $1,600,000.

Directors' report (continued)

Operating and financial review (continued)

The Australian Lung Health Initiative (ALHI), a collaboration led by 4Dx Limited with Australia's leading scientists, engineers, manufacturers and medical researchers continues to make significant progress in its five year project which aims to produce the world's first dedicated lung function scanners. ALHI, the recipient of the Federal Government's $960,000 award under Stage One of the Medical Research Future Fund (MRFF) Frontiers initiative, is partnering with Micro-X, the University of Adelaide, Monash University, South Australian Health and Medical Research Institute, and Telethon Kids Institute to revolutionise lung screening and treatment built on the 4Dx's XV Technology. According to the Federal Government announcement, should the ALHI be successful in winning stage 2 support, this will include funding of up to $10-$20 million per annum for five years.

4Dx Limited continued to grow its patent portfolio to a total of 41 patents (12 granted, 2 accepted and 27 filed) across jurisdictions such as the USA, Europe, Australia, Japan, Singapore, Canada, India, New Zealand and China. The Company also filed trademarks for 4Dx, 4DMedical and XV Technology in China (1 accepted and 4 filed).

As part of its ongoing efforts in enhancing board governance, the Company appointed new Non-executive Directors, Bruce Rathie and Lilian Bianchi in December 2019. Additionally, 4Dx Limited's Advisory Board, established to provide guidance regarding business, market and industry trends, clinical and commercial value of 4Dx Limited's products, commercialisation activities and exploration of new business ideas welcomed the appointment of its new member, Dr. Sam Hupert.

In a continuation to secure funding for its operations, 4Dx Limited completed a converting notes issue in December 2019 which successfully raised $17.413 million. The proceeds from the converting notes issue will fund the Company's go-to-market activities, provide short-term liquidity and working capital to ensure it is fully prepared to capitalise on new market opportunities once FDA clearance is obtained.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the half-year ended 31 December 2019.

Significant events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Likely developments and expected results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Share options under the employee equity plan

For the half-year ended 31 December 2019, 2,386,241 (2018: 373,568) options to acquire, and 1,817,637 (2018: 1,601,025) rights to purchase shares in the Company have been granted. No shares have been issued during the financial year or since the end thereof by virtue of the exercise of any options or rights. There are 2,296,360 options and 4,421,394 rights that have been granted but not yet vested at the date of this report (2018: 18,984,887 and 2,778,481). These disclosures do not include any options that have lapsed.

Directors' report (continued)

Share options under the employee equity plan (continued)

Unissued shares of 4Dx Limited under option granted during the half-year and up to the date of this report:

Date options granted	Expiry date	Issue price of shares $	Number under option
1 July 2019	1 July 2026	0.40	129,466
24 October 2019	24 October 2022	0.40	2,256,775
1 January 2020	31 December 2024	0.40	2,000,000
1 January 2020	1 July 2027	0.40	139,260
1 March 2020	1 March 2025	0.40	2,429,416

4Dx Limited granted rights during the half-year and up to the date of this report:

Date rights granted	Expiry date	Issue price of shares $	Number of rights
1 July 2019	N/A	0.40	1,817,637
1 January 2020	N/A	0.40	2,120,875

Indemnification and insurance of directors and officers

Deeds of access and indemnity were issued to Bruce Rathie and Lilian Bianchi on the 11 December 2019. No other indemnities have been given or paid during, or since the end of the financial period for any person who is, or has been an officer of the Group. Key person insurance has been in place for the half-year ended 31 December 2019 for an officer of the Company.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the half-year ended 31 December 2019 and the number of meetings attended by each director were as follows:

	Board meetings		Finance		People & Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Andreas Fouras	3	3	6	6	-	-
Heath Lee	3	3	6	6	-	-
Robert Figlin	3	2	-	-	-	-
Julian Sutton	3	3	-	-	2	2
Lusia Guthrie	3	3	-	-	-	-
John Livingston	3	3	-	-	2	2
Bruce Rathie	1	1	-	-	-	-
Lilian Bianchi	1	1	-	-	-	-

There were no meetings for the Regulatory and Quality Committee or the Investment Committee during the half-year ended 31 December 2019.

Directors' report (continued)

Auditor's independence

The directors have received a declaration from the auditor of 4Dx Limited. This has been included on page 10.

Signed in accordance with a resolution of the directors.

Andreas Fouras
Managing Director
16 March 2020

Auditor’s Independence Declaration to the Directors of 4Dx Limited

In relation to our review of the financial report of 4Dx Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

This declaration is in respect of 4Dx Limited and the entities it controlled during the financial period.

PKF
Melbournec, 16 March 2020

Steven Bradby
Partner

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2019

	Notes	6 months to 31 December 2019 $	6 months to 31 December 2018 $
Revenue	4.1	1,100,000	570
Cost of sales		(981,545)	-
Gross income		**118,455**	**570**
Other income		837,443	348,099
Employee benefits expense	4.2	(2,700,740)	(1,525,527)
Depreciation and amortisation expense		(258,523)	(48,488)
Foreign currency losses		(99,931)	(19,797)
Other expenses	4.3	(2,493,427)	(1,343,685)
Finance costs - net	4.4	(771,619)	(35,377)
Loss before income tax		**(5,368,342)**	**(2,624,205)**
Income tax expense		-	-
Loss for the period		**(5,368,342)**	**(2,624,205)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the period		**(5,368,342)**	**(2,624,205)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2019

	Notes	31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents	5	15,130,422	3,085,224
Trade and other receivables		702,689	676,986
Inventories		5,292	628,758
Research and development tax incentive receivable		505,295	926,662
Other assets		74,006	181,723
Total current assets		16,417,704	5,499,353
Non-current assets			
Trade and other receivables		118,005	118,005
Property, plant and equipment	6	804,575	769,461
Right-of-use assets	2.3	1,127,303	-
Intangible assets	7	2,982,260	2,637,382
Total non-current assets		5,032,143	3,524,848
Total assets		**21,449,847**	**9,024,201**
Liabilities and equity			
Current liabilities			
Trade and other payables		1,837,606	1,153,623
Contract liabilities		212,586	124,586
Loans and borrowings	8	16,256,216	1,500,000
Employee benefit liabilities		193,616	161,215
Total current liabilities		18,500,024	2,939,424
Non-current liabilities			
Loans and borrowings	8	795,582	1,500,000
Employee benefit liabilities		43,376	29,087
Total non-current liabilities		838,958	1,529,087
Total liabilities		**19,338,982**	**4,468,511**
Equity			
Issued capital	9	18,927,393	17,705,138
Other capital reserves		4,364,383	3,460,544
Other equity	9.3	797,423	-
Accumulated losses		(21,978,334)	(16,609,992)
Total equity		**2,110,865**	**4,555,690**
Total liabilities and equity		**21,449,847**	**9,024,201**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2019

	Issued capital (Note 9)	Other capital reserves	Other equity (Note 9.3)	Accumulated losses	Total equity
	$	$	$	$	$
At 1 July 2019	**17,705,138**	**3,460,544**	**-**	**(16,609,992)**	**4,555,690**
Loss for the period	-	-	-	(5,368,342)	(5,368,342)
Other comprehensive income	-	-	-	-	-
Total comprehensive for the period	-	-	-	(5,368,342)	(5,368,342)
Issue of share capital	1,222,255	-	-	-	1,222,255
Share-based payments (Note 10)	-	903,839	-	-	903,839
Convertible notes	-	-	797,423	-	797,423
At 31 December 2019	**18,927,393**	**4,364,383**	**797,423**	**(21,978,334)**	**2,110,865**
At 1 July 2018	**11,473,199**	**2,424,011**	**-**	**(10,118,987)**	**3,778,223**
Loss for the period	-	-	-	(2,624,205)	(2,624,205)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,624,205)	(2,624,205)
Issue of share capital	1,813,785	-	-	-	1,813,785
Share-based payments (Note 10)	-	397,809	-	-	397,809
At 31 December 2018	**13,286,984**	**2,821,820**	**-**	**(12,743,192)**	**3,365,612**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2019

	Note	6 months to 31 December 2019 $	6 months to 31 December 2018 $
Operating activities			
Grant and receipts from customers		1,827,941	786,978
Payments to suppliers and employees		(2,515,288)	(2,322,975)
Research costs		(1,410,348)	(663,151)
Interest paid		(246,217)	(37,235)
Interest received		1,284	3,353
Research and development tax incentive		554,657	365,237
Net GST (paid)/received		(178,406)	89,027
Net cash flows used in operating activities		**(1,966,377)**	**(1,778,766)**
Investing activities			
Purchase of property, plant and equipment		(119,264)	(169,168)
Purchase of intangibles		(80,345)	(94,659)
Research and development tax incentive		372,005	750,601
Capitalisation of development costs to intangible assets		(389,606)	(335,799)
Net cash flows (used in)/from investing activities		**(217,210)**	**150,975**
Financing activities			
Proceeds from issuance of shares		1,222,255	1,813,785
Proceeds from convertible notes issue		17,287,500	-
Cost of fund raising		(1,111,195)	-
Repayment of borrowings		(3,000,000)	(1,000,000)
Payment of principal portion of lease liabilities		(169,775)	-
Net cash flows from financing activities		**14,228,785**	**813,785**
Net increase/(decrease) in cash and cash equivalents		12,045,198	(814,006)
Cash and cash equivalents at the beginning of the period		3,085,224	1,662,696
Cash and cash equivalents at the end of the period	5	**15,130,422**	**848,690**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the half-year ended 31 December 2019

1 Corporate information

The financial report of 4Dx Limited and its controlled entities (the "Group") for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on the date the director's declaration was signed.

4Dx Limited (the "Company") is a for-profit company limited by shares incorporated in Australia. It is not a listed entity.

The registered office and principal place of business of the Group is Suite 501, Level 5, 468 St Kilda Road, Melbourne, Victoria 3004.

The nature of the operations and principal activities of the Group are described in the directors' report.

2 Summary of significant accounting policies

2.1 Basis of preparation

The report is a condensed half-year financial report, which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars ($).

The half-year financial report does not include all notes of the type normally included within the annual financial report and, therefore, cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full audited financial report prepared as at June of each year.

It is recommended that the half-year financial report should be read in conjunction with the annual report prepared for the year ended 30 June 2019.

The accounting policies and methods of computation are consistent with those followed in the most recent annual financial report except for the adoption of new standards effective 1 January 2019 detailed in Note 2.3.

2.2 Going concern

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred an operating loss during the half-year ended 31 December 2019 of $5,368,342 (2018: $2,624,205) and as at that date, the Group's current liabilities exceeded current assets by $2,082,320 (30 June 2019: current assets exceeded current liabilities by $2,559,929).

The Group's forecasts demonstrate its ability to meet its current debt and normal business trading obligations over the next twelve months and continue as a going concern. A key assumption in these forecasts is successful capital raising. The Group also has the ability to request additional support from existing shareholders if financial assistance is required to continue its operations and fulfil its financial obligations.

In the event that the above assumptions and forecasts are not achieved as contemplated, this may give rise to a material uncertainty as to whether the Group can generate sufficient cash flows to meet its financial obligations. In the Directors' view it remains appropriate to prepare this half-year financial report on a going concern basis.

2.3 Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The Group applied AASB 16 *Leases* for the first time in accordance with a resolution of the directors. The nature and effect of the changes as a result of the adoption of this new accounting standard are described below.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

2 Summary of significant accounting policies (continued)

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

New and amended standards and interpretations (continued)

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group.

AASB 16 *Leases*

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use (ROU) asset.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. The Group elected to use the transitional practical expedient to not reassess whether a contract is, or contains a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4 at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	$
Operating lease commitments disclosed as at 30 June 2019	1,422,793
Weighted average incremental borrowing rate as at 1 July 2019 (in %)	7.5%
Discounted operating lease commitments at 1 July 2019	1,316,005
Lease liability as at 1 July 2019	**1,316,005**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

2 Summary of significant accounting policies (continued)

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

New and amended standards and interpretations (continued)

AASB 16 *Leases* (continued)

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Right-of-use assets
	$
At 1 July 2019	**1,316,005**
Depreciation expense	(188,702)
As at 31 December 2019	**1,127,303**

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2019
	$
At 1 July 2019	**1,316,005**
Accretion of interest	25,600
Payments	(195,375)
At 31 December 2019	**1,146,230**
Current	**350,648**
Non-current	**795,582**

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 31 December 2019.

2.4 Update to significant accounting policies

Following the adoption of new accounting standards as described in Note 2.3, the updated accounting policies are as follows:

a) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

2 Summary of significant accounting policies (continued)

2.4 Update to significant accounting policies (continued)

a) Leases (continued)

Group as a lessee (continued)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Convertible notes

Convertible notes are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting judgements, estimates and assumptions relating to taxes and development costs capitalised to intangible assets for the half-year ended 31 December 2019 remain consistent with that adopted in the 30 June 2019 financial statements. The additional estimate below is as a consequence of adopting AASB 16.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

4 Revenue and expenses

4.1 Revenue

Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2019	2018
	$	$
Type of goods or service		
Sale of goods	1,100,000	-
Ongoing support and maintenance	-	570
Total revenue from contracts with customers	**1,100,000**	**570**
Timing of revenue recognition		
Goods transferred at a point in time	1,100,000	-
Services transferred over time	-	570
Total revenue from contracts with customers	**1,100,000**	**570**

Performance obligations

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

Ongoing support and maintenance

Ongoing support and maintenance services are provided for a defined time period in which the customer has the ability to use the Group's support team in relation to goods purchased by the customer. The entitlement to this service is considered over time as the customer simultaneously receives and consumes the benefits provided for the 12 month support period (the satisfaction period). Payment is received in advance, and the revenue is recognised over the satisfaction period and commences from the date the related goods are delivered.

Software licences

The Group provides software licences with the goods sold for a fixed period. The commencement of the satisfaction period of the performance obligation is considered to be when the related goods are delivered. Payment is received in advance, and the revenue is recognised as services are provided over the satisfaction period.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

	31 December 2019	31 December 2018
	$	$
Within one year	-	-
More than one year	212,586	605,799
	212,586	**605,799**

The remaining performance obligations expected to be recognised in more than one year relate to the provision of predominantly support and maintenance services that are to be satisfied within the next four years. All the other remaining performance obligations are expected to be recognised within one year.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

4 Revenue and expenses (continued)

4.2 Employee benefits expense

	6 months to 31 December 2019	6 months to 31 December 2018
	$	$
Wages and salaries	1,183,796	986,573
Other employee benefits expense	660,199	208,432
Equity-settled share-based payments (Note 10)	856,745	330,522
Total employee benefits expense	**2,700,740**	**1,525,527**

4.3 Other expenses

	6 months to 31 December 2019	6 months to 31 December 2018
	$	$
Legal, professional and consultant expenses	1,108,523	591,708
Sales and marketing expenses	258,893	138,935
Occupancy and utilities expenses	97,991	164,129
Postage and couriers fees	5,814	10,511
Travel expenses	234,519	197,248
Computer expenses	13,389	11,786
Insurance expenses	178,873	81,191
Bad debts expenses	125,000	-
Other	470,425	148,177
Total other expenses	**2,493,427**	**1,343,685**

4.4 Finance costs - net

	6 months to 31 December 2019	6 months to 31 December 2018
	$	$
Interest expense on borrowings	747,303	37,235
Interest expense on lease liabilities	25,600	-
Total finance costs	**772,903**	**37,235**
Interest income	(1,284)	(1,858)
Total finance income	**(1,284)**	**(1,858)**
Total finance costs- net	**771,619**	**35,377**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

5 Cash

	31 December 2019 $	30 June 2019 $
Cash at bank	**15,130,422**	**3,085,224**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the above.

6 Property, plant and equipment

Reconciliation of carrying amounts at the beginning and the end of the period

	31 December 2019 $	30 June 2019 $
Furniture, fittings and equipment		
Opening net amount	175,224	60,209
Additions	1,615	133,725
Depreciation charge for the period	(14,638)	(18,710)
Disposals	(4,034)	-
Net book value	**158,167**	**175,224**
Workshop equipment		
Opening net amount	54,518	64,284
Additions	-	1,334
Depreciation charge for the period	(5,059)	(11,100)
Net book value	**49,459**	**54,518**
Conference assets		
Opening net amount	180,211	-
Additions	-	184,729
Depreciation charge for the period	(6,502)	(4,518)
Net book value	**173,709**	**180,211**
Leasehold improvements		
Opening net amount	57,964	59,511
Depreciation charge for the period	(778)	(1,547)
Net book value	**57,186**	**57,964**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

6 Property, plant and equipment (continued)

	31 December 2019	30 June 2019
	$	$
Computer equipment		
Opening net amount	301,544	159,820
Additions	117,649	204,785
Depreciation charge for the period	(40,156)	(63,061)
Disposals	(12,983)	-
Net book value	**366,054**	**301,544**
Total property, plant and equipment		
Opening net amount	769,461	343,824
Additions	119,264	524,573
Depreciation charge for the period	(67,133)	(98,936)
Disposals	(17,017)	-
Net book value	**804,575**	**769,461**

7 Intangible assets

Reconciliation of carrying amounts at the beginning and the end of the period

	31 December 2019	30 June 2019
	$	$
Development costs		
Opening net amount	2,264,009	1,686,775
Additions	267,221	577,234
Net book value	**2,531,230**	**2,264,009**
Other intangible assets		
Opening net amount	373,373	253,738
Additions	80,345	124,643
Amortisation for the period	(2,688)	(5,008)
Net book value	**451,030**	**373,373**
Total intangible assets		
Opening net amount	2,637,382	1,940,513
Additions	347,566	701,877
Amortisation for the period	(2,688)	(5,008)
Net book value	**2,982,260**	**2,637,382**

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

8 Loans and borrowings

	31 December 2019	30 June 2019
	$	$
Current		
Loan from third party	-	1,500,000
Lease liabilities	350,648	-
Convertible notes	15,905,568	-
	16,256,216	**1,500,000**
Non-current		
Loan from third party	-	1,500,000
Lease liabilities	795,582	-
	795,582	**1,500,000**

Loan from third party

The loan at 30 June 2019 represents an early receipt of the estimated research and development tax refund. It consists of two tranches of $1.5 million. The interest rate on the tranches are 1.25% and 1.80% per month. The first tranche of $1.5 million was repaid on 31 October 2019. The second tranche of $1.5 million was due to be repaid on 31 October 2020. The loan was fully repaid as at 31 December 2019.

Convertible notes

In mid to late December 2019, the Company issued $17,287,500 in unsecured convertible notes ("the Notes"). The Notes bear a coupon rate of 10% per annum that accrues on each Note from the date of issue until maturity (ie. 12 months from the date of issue) or at IPO. The amount of interest payable is non-cumulative and calculated on the face value of each Note for each complete 6 month period from the date of issue. The Notes mature 12 months after the date of issuance, unless earlier converted. The Notes are convertible into ordinary shares of the Company immediately before the occurrence of an initial public offering of the Company's shares on the Australian Securities Exchange in accordance with the Deed Poll. This is based on the market price per share at the date of issue of the Notes of $0.40 but subject to adjustments for reconstructions of equity. The Notes are presented in the consolidated statement of financial position net of capital raising costs, as follows:

	31 December 2019
	$
Face value	16,176,305
Other equity securities - value of conversion rights (Note 9.3)	(797,423)
	15,378,882
Interest expense*	526,686
Non-current liability	**15,905,568**

*Interest expense is calculated by applying the effective interest rate of 49.72% to the liability component.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

9 Issued capital

	31 December 2019	30 June 2019
	$	$
Ordinary shares	18,927,393	17,705,138

9.1 Terms and conditions of ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

9.2 Movement in ordinary shares on issue

	No. of shares	$
At 1 July 2018	**128,893,936**	**11,473,199**
Issued shares	15,994,856	6,231,939
At 1 July 2019	**144,888,792**	**17,705,138**
Issued shares	3,115,396	1,222,255
At 31 December 2019	**148,004,188**	**18,927,393**

9.3 Other equity

	2019
	$
Value of conversion rights - convertible notes	797,423

Conversion rights of convertible notes

The amount shown for other equity securities is the value of the conversion rights relating to convertible note with a coupon rate of 10%, details of which are shown in Note 8.

10 Share-based payments under the employee equity plan

During the half-year ended 31 December 2019, certain employees (including key management personnel) were granted 129,466 options (2018: 373,568) and/or 1,817,637 rights (2018: 1,601,025) under the 4Dx Limited Employee Equity Plan.

No shares have been issued during the half-year or since the end thereof by virtue of the exercise of any options or rights. There are 2,296,360 (2018: 18,984,887) and 4,421,394 (2018: 2,778,481) options and rights, respectively, that have been granted but not yet vested as at date of this report.

Notes to the consolidated financial statements (continued)

For the half-year ended 31 December 2019

10 Share-based payments under the employee equity plan (continued)

The following tables list the inputs to the models used for the plans for the half-year ended 31 December 2019 and 2018:

	2019	
	Option plans	**Right plans**
Weighted average fair values at the measurement ($)	0.17	0.18
Expected volatility (%)	55	-
Risk-free interest rate (%)	1.03	-
Expected life of share options (years)	7	-
Weighted average share price ($)	0.40	0.36
Model used	Black-Scholes	Qualitative assessment

	2018	
	Option plans	**Right plans**
Weighted average fair values at the measurement ($)	0.18	0.22
Expected volatility (%)	55	-
Risk-free interest rate (%)	2.75	-
Expected life of share options (years)	7	-
Weighted average share price ($)	0.37	0.33
Model used	Black-Scholes	Qualitative assessment

The cost recognised for employee services received during the half-year and remunerated by equity-settled share based payment transactions is shown in the following table:

	31 December 2019	**31 December 2018**
	$	**$**
Recognised in employee benefits expense	856,745	330,522
Recognised in cost of inventories	-	53,830
Recognised in the cost of capitalised development costs	47,094	13,457
Total cost arising from share-based payment transactions	**903,839**	**397,809**

11 Events after the reporting period

There have been no significant events occurring after the reporting which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Directors' declaration

In accordance with a resolution of the directors of 4Dx Limited, I state that:

In the opinion of the directors:

(a) the consolidated financial statements and notes of 4Dx Limited for the half-year ended 31 December 2019 are in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

Andreas Fouras
Managing Director
16 March 2020

Independent Auditor's Review Report to the Members of 4Dx Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of 4Dx Limited (the Company) and its subsidiaries (the Group) which comprises the statement of financial position as at 31 December 2019, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Uncertainty relating to Going Concern

Without modification to our review conclusion, we draw attention to Note 2.2 in the financial report, which comments on the Group's continuation as a going concern, depending on its success in raising additional capital. These conditions, along with the other matters set forth in Note 2.2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

PKF	**Steven Bradby**
Melbourne, 16 March 2020	**Partner**

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