



Notice of Extraordinary General Meeting and Explanatory Statement

4DMedical Limited
ACN 161 684 831
(Company)

Extraordinary General Meeting of 4DMedical Limited to be held as a fully virtual meeting (ie online only) on Monday, 22 January 2024 commencing at 10:00am (AEDT).

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in any doubt as how to vote, they should seek advice from their own independent financial, taxation or legal adviser without delay.



Chair's letter

Dear Shareholder

Attached to this letter is the Notice of Meeting (**Notice**) and Explanatory Statement for an Extraordinary General Meeting (**Meeting**) of the shareholders of the Company (**Shareholders**).

The Meeting will be held as a fully virtual meeting, using the Company's online platform for the general meeting, which can be accessed by taking the following steps:

- enter <https://meetings.linkgroup.com/4DXEGM> to a web browser on your computer or other online device (such as a smartphone or tablet);
- provide your details, in order to be verified as a Shareholder or proxyholder:
 - Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and their postcode or country details where relevant; and
 - proxyholders will need their proxy code which Link Market Services Limited will provide, the day prior to the Meeting; and
- wait for the Meeting to commence.

Further information on how to attend and participate in the Meeting online (including how to vote and ask questions online during the Meeting) is set out in this Notice and the Virtual Meeting Online Guide, which accompanies, and forms part of, this Notice (and which is also available at <https://4dmedical.com/investor/investor-services/>). It is recommended that you test access to the Company's online platform for the Meeting on your computer or other online device (such as a smartphone or tablet) prior to the scheduled commencement of the Meeting; and that you log in to the Company's online platform for the Meeting at least 15 minutes prior to the scheduled start time for the Meeting.

The business of the Meeting will be to:

1. ratify the issue of Shares under the Placement;
2. approve the proposed issue of New Options under the Placement;
3. approve the proposed issue of the Earn Out Shares;
4. approve the proposed issue of Options to a Director in lieu of base directors' fees – Dr Geraldine McGinty;
5. approve the proposed issue of Options to a Director in lieu of base directors' fees – Ms Lil Bianchi; and



6. renew approval of the 4DMedical Limited Long Term Incentive Plan and approve the proposed issue of securities under the plan.

You are urged to consider carefully the Notice and Explanatory Statement before determining how you wish to vote on the resolutions.

If you cannot attend the Meeting, please vote online or ensure your paper proxy form is received by the Company's share registry as soon as possible and in any event by no later than 10:00am on Saturday, 20 January 2024.

Faithfully,

Lil Bianchi

Non-Executive Director and Chair



Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of the Shareholders of the Company will be held on Monday, 22 January 2024 commencing at 10:00am (Melbourne time) as a fully virtual meeting using virtual meeting technology only (ie online only) and, for the avoidance of doubt, the Meeting will not be held at any physical venue.

Details on how to attend and participate in the Meeting online are included in the Virtual Meeting Online Guide which accompanies, and forms part of, this notice (**Notice**) (and which is also available at <https://4dmedical.com/investor/investor-services/>).

Resolutions

Resolution 1. Ratification of issue of Shares under the Placement

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of Shares under the Placement on the terms and conditions set out in the Explanatory Statement.”

Resolution 2. Approval for the proposed issue of New Options under the Placement

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the proposed issue of New Options under the Placement on the terms and conditions set out in the Explanatory Statement.”

Resolution 3. Approval for the proposed issue of Earn Out Shares

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the proposed issue of the Earn Out Shares on the terms and conditions set out in the Explanatory Statement.”

Resolution 4. Approval for the proposed issue of Options to Director in lieu of base directors’ fees – Dr Geraldine McGinty

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the proposed issue of 40,000 Options to Dr Geraldine McGinty (or her nominee) on the terms and conditions set out in the Explanatory Statement.”



Resolution 5. Approval for the proposed issue of Options to Director in lieu of base directors' fees – Ms Lil Bianchi

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the proposed issue of 40,000 Options to Ms Lil Bianchi (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

Resolution 6. Approval for the renewal of the 4DMedical Limited Long Term Incentive Plan and the proposed issue of securities under the plan

To consider, and if thought fit, to pass, the following as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)), sections 257B(1) and 259B(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the 4DMedical Limited Long Term Incentive Plan and for the Company to issue up to 19,544,190 Securities under the 4DMedical Limited Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

Voting exclusions

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolutions set out below by or on behalf of the following persons:

Resolution 1. Ratification of issue of Shares under the Placement

- a person who participated in the issue; or
- an Associate of those persons.

Resolution 2. Approval for the proposed issue of New Options under the Placement

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- an Associate of those persons.

Resolution 3. Approval for the proposed issue of Earn Out Shares

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- an Associate of those persons.

Resolution 4. Approval for the proposed issue of Options to Director in lieu of base directors' fees – Dr Geraldine McGinty

- Dr Geraldine McGinty, and a person referred to in Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme; or
- an Associate of those persons.



Resolution 5. Approval for the proposed issue of Options to Director in lieu of base directors' fees – Ms Lil Bianchi

- Ms Lil Bianchi, and a person referred to in Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme; or
- an Associate of those persons.

Resolution 6. Approval for the renewal of the 4DMedical Limited Long Term Incentive Plan and the proposed issue of securities under the plan

- a person who is eligible to participate in the employee incentive scheme; or
- an Associate of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 4, 5 or 6 if:

- the proxy is either:
 - a member of the Company's Key Management Personnel; or
 - a Closely Related Party of a member of the Company's Key Management Personnel; and
- the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair of the Meeting; and



- the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

Dated 20 December 2023

By order of the Board

Naomi Lawrie
Company Secretary



Instructions

Voting	<p>The resolutions to be considered at the Meeting will be decided on a poll (and not on a show of hands). Shareholders may vote on the resolution to be considered at the Meeting by either:</p> <ul style="list-style-type: none">• voting online, by using the Company's online platform for the Meeting; or• appointing a proxy, who may (on their behalf) attend and participate in the Meeting online, using the Company's online platform for the Meeting. <p>Online voting will be open between the commencement of the General Meeting at 10.00am (Melbourne time) on Monday, 22 January 2024 and the time at which the chair of the Meeting announces voting closure.</p> <p>More information about online attendance and participation in the Meeting is available in the Virtual Online Meeting Guide.</p> <p>In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 10:00am (Melbourne time) on Saturday, 20 January 2024 will be entitled to attend and vote on the resolution to be considered at the Meeting.</p>
Proxies	<p>A Shareholder who is entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote at the General Meeting on their behalf. A proxy need not be a Shareholder and can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:</p> <ul style="list-style-type: none">• appoints an individual as its corporate representative to exercise any of the powers the body corporate may exercise at general meetings of the Company, in accordance with section 250D of the Corporations Act; and• provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the General Meeting. <p>If satisfactory evidence of appointment as a corporate representative is not received by the Company before the Meeting, then, the body corporate (through its corporate representative) will not be permitted to act as your proxy.</p> <p>If a Shareholder is entitled to cast two or more votes at the Meeting, it may appoint two proxies and may specify the proportion or number of</p>



votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes.

The proxy form (and, if the appointment is signed by the appointer's attorney, the authority under which it was signed or a certified copy of the authority) must be received by the Company's share registry, Link Market Services Limited by 10:00am (Melbourne time) on Saturday, 20 January 2024.

Instructions for completing the proxy form are outlined on the proxy form. The completed proxy form may be returned by:

- posting it in the reply-paid envelope provided;
- posting it to 4D Medical Limited c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- faxing it to Link Market Services Limited on +61 2 9287 0309;
- hand delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW 2000 during business hours of 9.00am – 5.00pm (Sydney time) subject to public health orders and restrictions;
- lodging it online at www.linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your HIN or SRN to lodge your proxy form online.

If a Shareholder appointing a proxy directs the proxy how to vote on the resolution to be considered at the Meeting, the proxy may only vote on the resolution in accordance with that direction. If a Shareholder appointing a proxy does not direct the proxy how to vote on the resolution to be considered at the Meeting, the proxy may vote on the resolution how he/she thinks fit.

The Company's constitution provides that where the appointment of a proxy has not named the proxy or proxies in whose favour it is given, the instrument is treated as given in favour of the Chair of the meeting.

If a Shareholder appoints the Chair of the Meeting as the Shareholder's proxy and does not specify how the Chair of the Meeting is to vote on the resolution to be considered at the Meeting, the Chair of the Meeting will vote, as a proxy for that Shareholder, in favour of the resolution.

Link Market Services Limited will contact proxyholders via email on the day prior to the Meeting to provide them with the proxy code that they



	will need to attend and participate in the Meeting online, using the Company's online platform for the Meeting.
Body corporate representative	<p>A Shareholder of the Company who is a body corporate and who is entitled to attend and vote at the Meeting, or a validly appointed proxy who is a body corporate and who is appointed by a Shareholder of the Company entitled to attend and vote at the Meeting, may appoint a person to act as its representative at the Meeting by providing that person with:</p> <ul style="list-style-type: none">a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; orb) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.
How to vote prior to the Meeting	Shareholders may appoint a proxy online at www.linkmarketservices.com.au .
How to vote at the Meeting	Shareholders will have an opportunity to participate at the Meeting. You will be able to vote in real time and ask questions between the commencement of the Meeting (10:00am (AEDT) on Monday, 22 January 2024) and the closure of voting as announced by the Chair of the Meeting.
How to submit questions prior to the Meeting	<p>Shareholders are encouraged to submit questions regarding the items of business ahead of the Meeting to the Company, as there may not be sufficient time to respond to all questions raised during the Meeting.</p> <p>Questions may be submitted online at www.linkmarketservices.com.au by logging into your holding, selecting vote and then 'ask a question'.</p>



Explanatory Statement

1. Background

1.1 Introduction

The Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of the Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions set out in the accompanying Notice. It explains the resolutions and identifies the Board's reasons for putting them to Shareholders.

1.2 Action to be taken by Shareholders

Shareholders should read this Explanatory Statement carefully before deciding how to vote on the resolutions set out in the Notice.

All Shareholders are invited and encouraged to attend the Meeting. If Shareholders are unable to participate in the meeting, a proxy form should be completed either as a hard copy or online through the Link Market Services voting portal. Lodgement of an electronic proxy form will not preclude a Shareholder from attending the Meeting and voting at the Meeting, but the person appointed as the proxy must not exercise the rights conferred by the electronic proxy form.

2. Imbio Acquisition and Placement

As announced to the market on 11 December 2023, the Company has entered into an agreement with Imbio Inc. (**Imbio**), a Delaware corporation headquartered in Minnesota, United States of America (**Imbio Agreement**) pursuant to which the Company will acquire Imbio (**Imbio Acquisition**).

Imbio's main undertaking is operating as a medical imaging artificial intelligence provider for chronic lung and cardiac diseases. The Company believes that the Imbio Acquisition brings together the parties' complementary products, markets and history to create a larger, global medical technology business with opportunities for growth, cost and product synergies across the combined business. The strategic rationale for the Imbio Acquisition was the desire to combine the Company's focus on functional performance derived from lung imaging using a variety of modalities with Imbio's focus on structural analysis CT scans to achieve a complementary position and create synergies between the solutions offered by both Company and Imbio across the broader area of radiology and respiratory medicine in lung analysis.

The consideration payable by the Company under the Imbio Agreement comprises:

- (a) upfront consideration of US\$25,000,000, payable in cash at completion of the Imbio Acquisition (**Upfront Consideration**); and



- (b) contingent consideration of up to US\$20,000,000 subject to meeting performance milestones (**Contingent Consideration**).

Subject to obtaining shareholder approval pursuant to Resolution 3 at this Meeting, the Company intends to satisfy the payment of Contingent Consideration (if any) in the form of new Shares.

As also announced to the market on 11 December 2023, the Company has undertaken a private placement to sophisticated and professional investors by the offer of Shares at \$0.79 per Share, for which the Company has received firm commitments of \$35 million (before costs and excluding any additional capital that may be raised upon the exercise of the New Options) (**Placement**). The Company issued 44,303,797 Shares under the Placement on 15 December 2023.

Subject to obtaining Shareholder approval pursuant to Resolution 2 at this Meeting, participants in the Placement (**Placement Participants**) are also entitled to subscribe for free attaching New Options on the basis of 1 New Option for every 2 new Shares issued under the Placement. Each New Option will be issued for nil consideration and will be exercisable at \$1.365, expiring on 31 December 2025 and subject to satisfying relevant requirements for quotation under the Listing Rules, will be issued on a quoted basis. Each New Option gives the holder the right to subscribe for 1 Share upon exercise and payment of the exercise price.

Further information regarding the offer of the New Options is contained in the prospectus issued by the Company on 11 December 2023 to ensure the on-sale of the New Options can be undertaken without additional disclosure pursuant to section 707 of the Corporations Act.

3. Resolutions

3.1 Resolution 1 – Ratification of issue of Shares under the Placement

As noted above, the Company has successfully undertaken the Placement to raise \$35 million and issued 44,303,797 Shares under the Placement on 15 December 2023 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (**Placement Shares**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Shares under the Placement (**Relevant Share Issue**) does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the Relevant Share Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to



have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks shareholder approval for the Relevant Share Issue under Listing Rule 7.4.

If Resolution 1 is passed, the Relevant Share Issue will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of the Relevant Share Issue.

If Resolution 1 is not passed, the Relevant Share Issue will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of the Relevant Share Issue.

Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the approval to ratify the issue of Placement Shares under Resolution 1.

Listing Rule	Required Disclosure
7.5.1	<p>The Company issued the Placement Shares to sophisticated and professional investors in Australia, New Zealand, Hong Kong, Singapore, the United States, the United Kingdom and the Cayman Islands, pursuant to the Placement.</p> <p>The Company confirms that none of the recipients of the Placement Shares are related parties of the Company or a material investor for the purposes of section 7.4 of ASX Guidance Note 21.</p>
7.5.2	<p>The Company issued a total of 44,303,797 Placement Shares under the Placement.</p>
7.5.3	<p>The Placement Shares are fully paid ordinary shares in the Company.</p>
7.5.4	<p>The Placement Shares were issued on 15 December 2023.</p>
7.5.5	<p>The Placement Shares were issued at an issue price of \$0.79 per Share, raising a total of \$35 million (before costs).</p>
7.5.6	<p>The purpose of the issue of Placement Shares was to raise funds to satisfy the Upfront Consideration payable by the Company under the Imbio Acquisition.</p>
7.5.7	<p>The Placement Shares were not issued under an agreement.</p>



7.5.8	Please refer to the voting exclusion statements for Resolution 1 set out in the Notice.
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Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3.2 Resolution 2 – Approval for the proposed issue of New Options under the Placement

As noted in the Explanatory Statement for Resolution 1, subject to receiving Shareholder approval, the Company intends to issue 22,151,898 New Options to participants under the Placement.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of the New Options under the Placement (**Relevant Options Issue**) does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1 following the issue of Shares under the Placement. It therefore will require the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 2 seeks shareholder approval for the Relevant Options Issue under Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the Relevant Options Issue and the issue of the New Options under the Placement will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the Relevant Options Issue.

Information required under Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of New Options under the Placement under Resolution 2.

Listing Rule	Required Disclosure
7.3.1	The Company is proposing to issue the New Options to sophisticated and professional investors in Australia, New Zealand, Hong Kong, Singapore, the United States, the United Kingdom and the Cayman Islands, pursuant to the Relevant Options Issue.



Listing Rule	Required Disclosure
	The Company confirms that none of the proposed recipients of the New Options are related parties of the Company or a material investor for the purposes of section 7.2 of ASX Guidance Note 21.
7.3.2	The Company is proposing to issue a total of 22,151,898 New Options under the Relevant Options Issue.
7.3.3	A summary of the key terms of the New Options is set out in Schedule 1.
7.3.4	The New Options are proposed to be issued as soon as possible following the date of the Meeting. Assuming Shareholders pass Resolution 2, the Board intends to issue the New Options on 23 January 2024, and in any event, within 3 months of the date of the Meeting.
7.3.5	All New Options will be issued for nil consideration.
7.3.6	The New Options are being issued by the Company as part of the capital raising announced to market on 11 December 2023, whereby the funds raised by the issue of Shares under the capital raise are intended to be used to satisfy the Upfront Consideration payable by the Company under the Imbio Acquisition. 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.
7.3.7	The New Options are not being issued under an agreement.
7.3.8	The New Options are not being issued under, or to fund, a reverse takeover.
7.3.9	Please refer to the voting exclusion statements for Resolution 2 set out in the Notice.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

3.3 Resolution 3 – Approval for the proposed issue of Earn Out Shares

As noted above in section 2, the consideration payable under the Imbio Acquisition is comprised of a Contingent Consideration component that is subject to the satisfaction of certain performance milestones relating to the financial performance of Imbio and obtaining key regulatory approvals.



Up to US\$20 million is payable as Contingent Consideration as follows:

Tranche	Performance milestone	Calculation of Contingent Consideration	Maximum Contingent Consideration payable	Payment date
1	Imbio achieving revenue growth on Imbio products during CY2024 (but excluding government grants) (CY2024 Revenue).	4 times the difference between CY2024 Revenue and US\$3.5 million for CY2023	US\$10 million	Within 120 days after the end of CY2024
2	Imbio generating revenue (but excluding government grants) during CY2025 (CY2025 Revenue) in excess of US\$4 million.	0.812 times the amount by which CY2025 Revenue exceeds US\$4 million	US\$5 million	Within 120 days after the end of CY2025
3	Imbio obtaining FDA clearance for one or more of the following Imbio products by 31 December 2025: <ul style="list-style-type: none"> • 'IQ-UIP product; • Aortic Aneurysm product; or • next generation PE/PAH product. 	US\$5 million	US\$5 million	Within 70 days after the performance milestone is satisfied
Total			US\$20 million	

Under the terms of the Imbio Agreement, the Company is permitted to satisfy any amount of Contingent Consideration payable by the issue of new Shares in the Company (**Earn Out Shares**). The number of Shares to be issued as Earn Out Shares is calculated by reference to:

- (a) the 30-day VWAP (based on trading days) of Shares for the period ending on the date of expiry of the period for testing the satisfaction of the relevant performance milestone (ie the 30-day VWAP ending on 31 December 2024, 31 December 2025 and 31 December 2025 respectively) (**Earn Out Date**); and
- (b) the foreign exchange rate of Australian dollars to United States of America dollars published by the Reserve Bank of Australia on the relevant Earn Out Date.



Subject to obtaining Shareholder approval pursuant to Resolution 3 at this Meeting, the Company intends to satisfy the payment of Contingent Consideration (if any) in the form of new Shares. However, it is not possible to calculate the precise number of Earn Out Shares that may be issued as this will be dependent on the extent to which the relevant performance milestone is satisfied, the prevailing AUD/USD exchange rate and the 30-day VWAP of Shares, in each case at the relevant Earn Out Date.

By way of an example only, the table below illustrates the number of Earn Out Shares that may be issued on the following assumptions:

- (a) the relevant performance milestone is satisfied such that the Maximum Contingent Consideration is payable;
- (b) the 30-day VWAP of Shares as at the relevant Earn Out Date is A\$0.8093 (based on the closing price of Shares at 14 December 2023);
- (c) the AUD/USD exchange rate as at the relevant Earn Out Date is 0.6712 (based on the AUD/USD exchange rate at 14 December 2023); and
- (d) no additional Shares are issued apart from the Earn Out Shares.

Tranche	Amount of Contingent Consideration (US\$ million)	Amount of Contingent Consideration (A\$)	Number of Earn Out Shares (\$0.8093)	% of fully diluted Shares
1	US\$10 million	A\$14,898,688.92	18,409,352	4.50%
2	US\$5 million	A\$7,449,344.46	9,204,676	2.25%
3	US\$5 million	A\$7,449,344.46	9,204,676	2.25%
Total	US\$20 million	A\$29,797,377.84	36,818,704	9.00%

The following table illustrates the number of Earn Out Shares for which shareholder approval is being sought under this Resolution 3. The number of Earn Out Shares is calculated based on the same assumptions as above apart from the 30-day VWAP of Shares. To allow for any fluctuation in the trading price of Shares (which may be the result of factors beyond the Company's control), the calculations are based on a 30-day VWAP of \$0.37 (being the closing price of Shares on 14 December 2023 of \$0.74 and allowing for a decline of up to 50%).

Shareholders should note that while the Company is seeking Shareholder approval for the issue of up to 80,533,453 Shares, this is merely a theoretical amount that the Company could issue if the assumptions are realised (ie trading price of Shares is \$0.37 and an AUD/USD exchange rate of 0.6712). Shareholders should also note that under the terms



of the Imbio Agreement, the Company maintains the discretion to pay out any Contingent Consideration in cash and not issue any Earn Out Shares.

Tranche	Amount of Contingent Consideration (US\$ million)	Amount of Contingent Consideration (A\$)	Number of Earn Out Shares (\$0.37)	% of fully diluted Shares
1	US\$10 million	A\$14,898,688.92	40,266,726	9.84%
2	US\$5 million	A\$7,449,344.46	20,133,363	4.92%
3	US\$5 million	A\$7,449,344.46	20,133,363	4.92%
Total	US\$20 million	A\$29,797,377.84	80,533,453	19.68%

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of the Earn Out Shares (**Earn Out Share Issue**) does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1 following the issue of Shares under the Placement. It therefore will require the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 3 seeks shareholder approval for the Earn Out Share Issue under Listing Rule 7.1, but capped at an amount of 80,533,453 Earn Out Shares.

If Resolution 3 is passed, subject to the relevant performance milestones being met, the Company will be able to proceed with the Earn Out Share Issue and the issue of up to 80,533,453 Earn Out Shares will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the Earn Out Share Issue and the Company will need to satisfy the payment of any Contingent Consideration payable by alternative funding arrangements (e.g. via cash).

Information required under Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Earn Out Shares under Resolution 3.

Listing Rule	Required Disclosure
7.3.1	The Company is proposing to issue the Earn Out Shares to the vendors of Imbio securities pursuant to the Imbio Agreement, which include:



Listing Rule	Required Disclosure
	<ul style="list-style-type: none"> • Invenshure, LLC; • Invenshure Fund I, LP; • Invenshure Fund II, LP; and • other minority holders of securities in Imbio. <p>The Company confirms that as at the date of this Notice, none of the recipients of the Earn Out Shares are related parties of the Company or material investors for the purposes of section 7.2 of ASX Guidance Note 21.</p>
7.3.2	<p>As noted above, it is not possible to calculate the precise number of Earn Out Shares that may be issued as this will be dependent on the extent to which the relevant performance milestone is satisfied, the prevailing AUD/USD exchange rate and the 30-day VWAP (based on trading days) of Shares, in each case at the relevant Earn Out Date.</p> <p>For the purposes of this Resolution, approval is being sought for the issue of up to 80,533,453 Shares, which has been calculated based on the following assumptions:</p> <ul style="list-style-type: none"> • a 30-day VWAP of \$0.37 (being the closing price of Shares on 14 December 2023 of \$0.74 and allowing for a decline in the trading price of up to 50%); and • a AUD/USD exchange rate of 0.6712 (being the AUD/USD exchange rate on 14 December 2023). <p>Please refer to the table above in the explanatory statement for this Resolution, for a breakdown of the calculation of each tranche of Earn Out Shares.</p> <p>Shareholders should note that while the Company is seeking Shareholder approval for the issue of up to 80,533,453 Shares, this is merely a theoretical amount that the Company could issue if the assumptions are realised (ie trading price of Shares is \$0.37 and an AUD/USD exchange rate of 0.6712). Shareholders should also note that under the terms of the Imbio Agreement, the Company maintains the discretion to pay out any Contingent Consideration in cash and not issue any Earn Out Shares.</p>
7.3.3	<p>The Earn Out Shares will be issued as fully paid ordinary shares in the Company.</p>
7.3.4	<p>As noted above, the Earn Out Shares will be issued as follows:</p> <ul style="list-style-type: none"> • in respect of Tranche 1 – within 120 days after the end of CY2024, being 30 April 2025;



Listing Rule	Required Disclosure
	<ul style="list-style-type: none"> • in respect of Tranche 2 – within 120 days after the end of CY2025, being 30 April 2026; and • in respect of Tranche 3 – within 70 days after the end of CY2025, being 11 March 2026. <p>On 20 December 2023, the Company received a waiver of ASX Listing Rule 7.3.4, such that up to 80,533,453 Earn Out Shares do not need to be issued within 3-months of Shareholders approving this Resolution on the following conditions:</p> <p>1.1 The performance milestones attaching to the Earn Out Shares must not be varied and no Earn Out Shares may be issued later than 11 March 2026;</p> <p>1.2 The relevant terms and conditions of the Earn Out Shares are clearly set out in the Company’s Notice of EGM to ASX’s satisfaction;</p> <p>1.3 The terms of this waiver are clearly disclosed in the Company’s Notice of EGM to ASX’s satisfaction;</p> <p>1.4 Adequate details regarding the dilutionary effect of the Earn Out Shares on the Company’s capital structure is included in the Notice to ASX’s satisfaction;</p> <p>1.5 For any annual reporting period during which the Earn Out Shares are issued or any of them that remain to be issued, the Company’s annual report sets out in detail the number of Earn Out Shares issued during the reporting period, the number that remain to be issued and the basis on which they may be issued.</p>
7.3.5	<p>The Earn Out Shares are proposed to be issued to satisfy any amounts of Contingent Consideration payable by the Company pursuant to the terms of the Imbio Agreement. As noted above, the Earn Out Shares will be issued at a deemed issue price calculated by reference to the 30-day VWAP (based on trading days) of Shares and AUD/USD exchange rate as at the date of expiry of the period for testing the satisfaction of the relevant performance milestone.</p>
7.3.6	<p>The Earn Out Shares are proposed to be issued to satisfy any amounts of Contingent Consideration payable by the Company pursuant to the terms of the Imbio Agreement.</p>
7.3.7	<p>The Earn Out Shares are being issued as part of the consideration payable for the Imbio Transaction under the terms of the Imbio Agreement. Please refer to Schedule 2 for summary of the key terms of the Imbio Agreement.</p>
7.3.8	<p>The Earn Out Shares are not being issued under, or to fund, a reverse takeover.</p>



Listing Rule	Required Disclosure
7.3.9	Please refer to the voting exclusion statements for Resolution 3 set out in the Notice.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

3.4 Resolution 4 – Approval for the issue of Options to Director in lieu of base directors’ fees – Dr Geraldine McGinty

Subject to obtaining Shareholder approval pursuant to this Resolution 4, the Company proposes to issue up to 40,000 Options to Dr Geraldine McGinty (or her nominee) in lieu of the base directors’ fees payable to her for the period from November 2023 to April 2024, pursuant to the 4DMedical Limited Long Term Incentive Plan, on the terms set out below (**McGinty Options**).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship within the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

As Dr McGinty is a current Director, the proposed issue of McGinty Options falls within Listing Rule 10.14.1 above, and therefore requires the approval of the Company’s shareholders under Listing Rule 10.14. To this end, Resolution 4 seeks Shareholder approval of the issue of the McGinty Options under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the proposed grant of McGinty Options to satisfy the base directors’ fees that would otherwise be payable to Dr McGinty. Further, the issue of the McGinty Options will not count towards the Company’s capacity to issue equity securities under Listing Rule 7.1 (pursuant to Listing Rule 7.2, exception 14).

If Resolution 4 is not passed, the Company will not be able to proceed with the proposed issue of the McGinty Options. In that circumstance, the Company would need to satisfy the base directors’ fees ordinarily payable to Dr McGinty from its existing cash reserves.

The Company has determined that the proposed issue of McGinty Options constitutes the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act and in particular section 211(1) of the Corporations Act given that the proposed issue is



being made in lieu of the base directors' fees ordinarily payable to Dr McGinty, and the number of Options has been calculated by reference to the price at which Shares were issued under the Placement.

Information required under Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the approval of the proposed issue of the McGinty Options under Resolution 4.

Listing Rule	Required Disclosure
10.15.1	The name of the person is Dr Geraldine McGinty (or her nominee).
10.15.2	Dr McGinty falls within Listing Rule 10.14.1, as she is a Director of the Company. If the McGinty Options are issued to a nominee of Dr McGinty, then Listing Rule 10.14.2 will apply.
10.15.3	The Company proposes to issue 40,000 Options, each option being exercisable on or prior to 23 January 2025 for nil consideration, for the issue of 1 Share.
10.15.4	Dr McGinty is currently entitled to receive remuneration of \$73,200 per annum (consisting of \$63,200 in fees for being a non-executive director of the Company and \$10,000 for being a member of a committee to the Board of the Company).
10.15.5	Dr McGinty has not previously been issued any securities under the 4DMedical Limited Long Term Incentive Plan.
10.15.6	<p>A summary of the terms of the Options proposed to be issued is contained at Schedule 4.</p> <p>The Company agreed to issue the McGinty Options to Dr McGinty (or her nominee) in lieu of the base directors' fees of A\$31,600 that would otherwise be payable to her for the period between November 2023 and April 2024. The number of Options to be issued to her has been calculated at the conversion price of \$0.79, being the issue price of Shares under the Placement.</p>
10.15.7	The McGinty Options are intended to be issued on 23 January 2024 and in any event no later than 3 months after the date of this Meeting.
10.15.8	The McGinty Options will be issued at a deemed issue price of \$0.79, being the issue price of Shares under the Placement.
10.15.9	A summary of the key terms of the 4DMedical Limited Long Term Incentive Plan is set out in Schedule 3.
10.15.10	No loan is being made to Dr McGinty in connection with the issue of the McGinty Options.



Listing Rule	Required Disclosure
10.15.11	<p>Details of any securities issued under the 4DMedical Limited Long Term Incentive Plan will be published in the Annual Report of the Company relating to a period in which the securities were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the 4DMedical Limited Long Term Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.</p>
10.15.12	<p>Please refer to the voting exclusion statements for Resolution 4 set out in the Notice.</p>

Recommendation

The Board (apart from Dr Geraldine McGinty) recommends that Shareholders vote in favour of Resolution 4.

3.5 Resolution 5 – Approval for the issue of Options to Director in lieu of base directors’ fees – Ms Lil Bianchi

Subject to obtaining Shareholder approval pursuant to this Resolution 5, the Company proposes to issue up to 40,000 Options to Lil Bianchi (or her nominee) in lieu of the base directors’ fees payable for the period from November 2023 to April 2024, pursuant to the 4DMedical Limited Long Term Incentive Plan, on the terms set out below (**Bianchi Options**).

As Lil Bianchi is a current Director, the proposed issue of Bianchi Options falls within Listing Rule 10.14.1, and therefore requires the approval of the Company’s shareholders under Listing Rule 10.14. To this end, Resolution 5 seeks Shareholder approval of the issue of the Bianchi Options under and for the purposes of Listing Rule 10.14. A summary of Listing Rule 10.14 is provided in the Explanatory Statement for Resolution 4.

If Resolution 5 is passed, the Company will be able to proceed with the proposed grant of Bianchi Options to satisfy the base directors’ fees that would otherwise be payable to Lil Bianchi. Further, the issue of the Bianchi Options will not count towards the Company’s capacity to issue equity securities under Listing Rule 7.1 (pursuant to Listing Rule 7.2, exception 14).

If Resolution 5 is not passed, the Company will not be able to proceed with the proposed issue of the Bianchi Options. In that circumstance, the Company would need to satisfy the base directors’ fees ordinarily payable to Lil Bianchi from its existing cash reserves.

The Company has determined that the proposed issue of Bianchi Options constitutes the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act and in particular section 211(1) of the Corporations Act given that the proposed issue is



being made in lieu of the base directors' fees ordinarily payable to Lil Bianchi, and the number of Options has been calculated by reference to the price at which Shares were issued under the Placement.

Information required under Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the approval of the proposed issue of the Bianchi Options under Resolution 5.

Listing Rule	Required Disclosure
10.15.1	The name of the person is Lil Bianchi (or her nominee).
10.15.2	Lil Bianchi falls within Listing Rule 10.14.1, as she is a Director of the Company. If the Bianchi Options are issued to a nominee of Lil Bianchi, then Listing Rule 10.14.2 will apply.
10.15.3	The Company proposes to issue 40,000 Options, each option being exercisable on or prior to 23 January 2025 for nil consideration, for the issue of 1 Share.
10.15.4	Lil Bianchi is currently entitled to receive remuneration of \$120,000 per annum (consisting of \$63,200 in fees for being a non-executive director of the Company and \$56,800 for being Chair of the Board and Chair of a committee to the Board of the Company).
10.15.5	Lil Bianchi has not previously been issued any securities under the 4DMedical Limited Long Term Incentive Plan.
10.15.6	A summary of the terms of the Options proposed to be issued is contained at Schedule 4. The Company agreed to issue the Bianchi Options to Lil Bianchi (or her nominee) in lieu of the base directors' fees of A\$31,600 that would otherwise be payable to her for the period between November 2023 and April 2024. The number of Options to be issued to her has been calculated at the conversion price of \$0.79, being the issue price of Shares under the Placement.
10.15.7	The Bianchi Options are intended to be issued on 23 January 2024 and in any event no later than 3 months after the date of this Meeting.
10.15.8	The Bianchi Options will be issued at a deemed issue price of \$0.79, being the issue price of Shares under the Placement.
10.15.9	A summary of the key terms of the 4DMedical Limited Long Term Incentive Plan is set out in Schedule 3.
10.15.10	No loan is being made to Lil Bianchi in connection with the issue of the Bianchi Options.



Listing Rule	Required Disclosure
10.15.11	<p>Details of any securities issued under the 4DMedical Limited Long Term Incentive Plan will be published in the Annual Report of the Company relating to a period in which the securities were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the 4DMedical Limited Long Term Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.</p>
10.15.12	<p>Please refer to the voting exclusion statements for Resolution 5 set out in the Notice.</p>

Recommendation

The Board (apart from Lil Bianchi) recommends that Shareholders vote in favour of Resolution 5.

3.6 Resolution 6 – Approval of the renewal of the 4DMedical Limited Long Term Incentive Plan and the proposed issue of securities under the plan

The 4DMedical Limited Long Term Incentive Plan, including the sub-plan of such plan implemented in respect of US resident participants (**LTIP**) was previously approved by Shareholders at the Company’s annual general meeting held on 20 November 2020. The Company now seeks Shareholder approval to renew the previously granted approval for the LTIP for the purposes set out in this Explanatory Statement.

The purpose of the LTIP is to provide eligible participants with an opportunity to share ownership of the Company and to promote the long-term success of the Company as a goal shared by all eligible participants. In addition, it is intended that the LTIP will assist in the Company to attract and retain skilled and experienced employees and directors and provide them with the motivation to make the Company more successful.

On 1 October 2022, a new employee share scheme regime under *Division 1A of Part 7.12 of the Corporations Act (New ESS Provisions)* took effect to replace and expand the previous relief provided by ASIC CO 14/1000.

The purpose of the New ESS Provisions is to make it easier for companies to access ‘regulatory relief’ from the Corporations Act requirements in respect of licensing, advertising and hawking, and the design and distribution obligations with a streamlined set of disclosure requirements applying to employee share schemes.

In order to rely on the relief provided under the New ESS Provisions, the Company has made some amendments to the LTIP for consistency with the New ESS Provisions as well as other minor changes. 4DMedical notes that any listed company that seeks to rely on the New ESS Provisions, would need to make equivalent amendments to the plan rules of



their respective employee share schemes insofar as there were any inconsistencies with the requirements of the New ESS Provisions.

Given these changes, the Board is seeking to refresh approval of the LTIP, including the issue of securities under the LTIP, for the purposes of Listing Rule 7.2, Exception 13(b) and for all other purposes.

Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. If this Resolution 5 is approved by Shareholders for all purposes under the Corporations Act and the Listing Rules, including Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the securities issued by the Company under the LTIP to be excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period under Listing Rule 7.1 (15% capacity) during the next three year period.

Equity securities will only be treated as having been issued under exception 13(b) in Listing Rule 7.2 (and therefore not reducing the Company's 15% capacity) if:

- (a) the number of equity securities issued under the LTIP does not exceed the maximum number of securities proposed to be issued as set out below; and
- (b) there is no material change to the terms of the LTIP.

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to Resolution 6:

- (a) a summary of the key terms and conditions of the LTIP is set out in Schedule 3;
- (b) the Company has issued 12,078,988 securities under the LTIP since it was last approved by Shareholders on 20 November 2020 (excluding 3,858,733 options issued to the Managing Director & CEO with shareholder approval);
- (c) the maximum number of securities proposed to be issued under the LTIP in reliance on Listing Rule 7.2 (Exception 13(b)) is 19,544,190 securities (being 5% of the Shares on issue as at the date of this Notice), which does not include any future grants of securities or incentives to directors under Listing Rule 10.14, including pursuant to Resolutions 4 and 5. However, this is not intended to be a prediction of the actual number of Securities to be issued under the LTIP, but is specified for the purposes of setting a ceiling on the number of equity securities approved to be issued under and the for the purposes of exception 13(b) in Listing Rule 7.2; and
- (d) a voting exclusion statement is set out in the Notice of Meeting for this Resolution.

Permit the Company to take security over its own Shares

Section 259B(1) of the Corporations Act prohibits a company from taking security over shares in itself or in a company that controls it, unless one of the exceptions in subsections



259B(2) or 259(3) applies. Section 259(2) of the Corporations Act permits the taking of security by a company over its own shares, if the security is taken over shares issued under an employee share scheme approved at a meeting of shareholders via an ordinary resolution.

An 'employee share scheme' is defined widely by the Corporations Act and includes the LTIP. Accordingly, Shareholder approval is being sought under this Resolution 5 to approve the LTIP in order for the Company to take security over its own Shares issued under the LTIP if required to do so.

Employee share scheme buy-back

Section 257B(1) of the Corporations Act sets out the procedure for various forms of share buy-backs, including an "employee share scheme buy-back". In order for the Company to undertake a buy-back of Shares under the LTIP using the employee share scheme buy-back procedure under the Corporations Act, the LTIP must be approved by Shareholders of the Company. Accordingly, Shareholder approval is being sought under this Resolution to approve the LTIP in order for the Company to undertake a buy-back of Shares under the LTIP in the future using the employee share scheme buy-back procedure under the Corporations Act.

Copy of the LTIP

A copy of the full terms and conditions of the LTIP is available for review by Shareholders at the registered address of the Company until the date of the Meeting or at <https://4dmedical.com/investor/corporate-governance>. A copy of the LTIP can also be sent to Shareholders upon a written request being made with the Company. Shareholders are invited to contact the Company if they have any queries or concerns.

Directors Recommendation

The Board of Directors do not make any recommendations in respect of this Resolution 6 given their eligibility to participate in the LTIP. The Chairman intends to vote all undirected proxies in favour this Resolution 6.



GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

\$, A\$ or AUD means Australian Dollars;

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

Associate has the meaning given to that term in the Corporations Act for the purposes of subdivision C of Chapter 6.5 of the Corporations Act;

AEDT means Australian Eastern Daylight Savings Time;

Board means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

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

Chair means the person appointed to chair the Meeting of the Company convened by the Notice;

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act;

Company means 4Dmedical Limited ACN 161 684 831;

Constitution means the constitution of the Company as at the date of the Meeting;

Contingent Consideration has the meaning given to that term in section 2 of the Explanatory Statement;

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

CY2023 means the 2023 calendar year;

CY2024 means the 2024 calendar year;

CY2025 means the 2025 calendar year;

Director means a Director of the Company;

Explanatory Statement means the explanatory statement which forms part of the Notice;

Imbio has the meaning given to that term in section 2 of the Explanatory Statement;

Imbio Acquisition has the meaning given to that term in section 2 of the Explanatory Statement;

Imbio Agreement has the meaning given to that term in section 2 of the Explanatory Statement, the key terms of which are summarised in Schedule 2;

Key Management Personnel means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report contained in the Company's annual financial report;

Listing Rules means the Listing Rules of the ASX;

LTIP means the 4Dmedical Limited Long Term Incentive Plan, including the sub-plan of such plan implemented in respect of US resident participants, the key terms of which are summarised in Schedule 3;



Meeting has the meaning given in the introductory paragraph of the Notice;

New Options means the Options proposed to be issued to the Placement Participants under the Placement, the key terms of which are summarised in Schedule 1;

Notice means the Notice of Meeting accompanying this Explanatory Statement;

Option means an option to acquire a Share;

Placement has the meaning given to that term in section 2 of the Explanatory Statement;

Placement Participants has the meaning given to that term in section 2 of the Explanatory Statement;

Placement Shares has the meaning given to that term in section 3.1 of the Explanatory Statement;

Proxy Form means the proxy form attached to the Notice;

Securities has the meaning given to that term in the Listing Rules;

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

Shareholder means a holder of Shares;

Upfront Consideration has the meaning given to that term in section 2 of the Explanatory Statement;

USD means United States of America dollars; and

VWAP has the meaning given to that term in the Listing Rules.



Schedule 1 – New Options terms

The key terms and conditions of the proposed New Options are summarised as follows:

Key Term	Description
Issuer	The issuer of the New Options is 4DMedical Limited ACN 161 684 831 (Company).
Issue price	No amount is payable on the issue of a New Option.
Entitlement	Each New Option entitles the New Option holder (Holder) to subscribe for, and be allotted, 1 fully paid ordinary share in the capital of the Company (Share).
Exercise price	\$1.365 per New Option.
Expiry date	<p>31 December 2025.</p> <p>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.</p> <p>In the event of liquidation of the Company, all unexercised New Options will lapse.</p>
Exercise of New Option	<p>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 delivered 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.</p> <p>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.</p> <p>Remittances must be made payable to '4DMedical Limited'.</p>
Issue of Shares	<p>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.</p> <p>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.</p>



Key Term	Description
	<p>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.</p>
Constitution	<p>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.</p>
Quotation	<p>If the Shares of the Company are quoted on the ASX:</p> <ul style="list-style-type: none"> • 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; • 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. <p>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.</p>
Dividends and voting	<p>The New Options do not provide the Holder any entitlement to dividends or other distributions.</p> <p>The New Options do not entitle the Holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.</p>
Participation in securities issue	<p>Subject to section titled 'participation in a reorganisation of capital' below, the Holder is not entitled to participate in new issues of securities without exercising the New Options.</p>
Participation in a reorganisation of capital	<p>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.</p> <p>In any reorganisation referred to above, New Options will be treated in the following manner:</p> <ul style="list-style-type: none"> • 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



Key Term	Description
	<p>ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;</p> <ul style="list-style-type: none"> • 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; • 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; • 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; • 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 • 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.
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.
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.
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.



Key Term	Description
Corporations Act	The Holder's right to exercise a New Option is subject to compliance with Chapter 6 of the <i>Corporations Act 2001</i> (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.
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.



Schedule 2 – Key terms of the Imbio Agreement

The key terms and conditions of the Imbio Agreement are summarised as follows:

Topic	Summary
Transaction summary	The Company has entered into a binding agreement to acquire Imbio Inc., a Delaware corporation headquartered in Minnesota, United States of America (Imbio) for a mix of upfront cash consideration and contingent consideration. Subject to obtaining shareholder approval, the Company intends to settle the contingent consideration in the form of new scrip.
Seller and acquisition structure	<p>Imbio is to be acquired from Invenshure, LLC, Invenshure Fund I, LP and Invenshure Fund II, LP (collectively, Invenshure) and Imbio’s other equity holders (collectively, the Sellers). As at the date of the Imbio Agreement, Invenshure held approximately 63% of equity interests in Imbio.</p> <p>The acquisition is structured as a merger. Imbio will be merged into a new wholly-owned subsidiary of 4DMedical US Inc. On completion of the Imbio Acquisition, Imbio will thereby become a wholly-owned subsidiary of 4DMedical group of companies.</p>
Upfront consideration	US\$25 million (approximately A\$38.5 million) in cash will be payable upfront on Completion of the acquisition by the Company to the Sellers.
Contingent consideration	<p>Contingent Consideration of up to US\$20 million to be paid on achievement of key milestones (please refer to the Explanatory Statement for Resolution 3 for a summary of the performance milestones applicable to the contingent consideration).</p> <p>The Company is permitted to satisfy its obligation to pay the Contingent Consideration by the issue of new Shares in the Company to the Sellers. While the Company intends to satisfy any Contingent Consideration payable by the issue of shares of the Company, the Company maintains the discretion to pay out any Contingent Consideration in cash.</p>
Conditions precedent	<p>Completion of the Imbio Acquisition is subject to:</p> <ul style="list-style-type: none"> • successful completion of the Company’s equity raising (raising at least US\$19.5 million in cash), which has since been satisfied as announced to the market on 11 December 2023; • the absence of any material adverse changes in the financial conduct, results of operations and assets of Imbio’s business; • requisite approval being obtained from 90% of holders of securities in Imbio (Imbio Securityholders); and



Topic	Summary
	<ul style="list-style-type: none"> various other customary conditions precedent.
Escrow of Earn Out Shares	<p>Insofar as any contingent consideration is satisfied via the issue of new Shares in the Company (Earn Out Shares), each tranche of Earn Out Shares issued to the Sellers will be held in escrow for a period of:</p> <ul style="list-style-type: none"> in respect of 25% of the Earn Out Shares in that tranche – 45 days following the date of issue; in respect of 25% of the Earn Out Shares in that tranche – 90 days following the date of issue; in respect of 25% of the Earn Out Shares in that tranche – 135 days following the date of issue; and in respect of 25% of the Earn Out Shares in that tranche – 180 days following the date of issue, <p>in each case, subject to the ability to undertake cross-trades.</p>
Board observer seat	<p>The Sellers will be entitled to appoint an observer to attend all meetings of the Board receive all information provided to the Board, subject to conventional limitations and 4DMedical’s constituent documents and relevant policies, until the later of:</p> <ul style="list-style-type: none"> 31 March 2026; or the expiration of all escrow periods for the Earn Out Shares (if any).
Transition services	<p>Invenshure, Imbio and 4DMedical have agreed to enter into a Transition Services Agreement for the provision of transition services by Invenshure to Imbio for a 12 month period (subject to extension by mutual agreement).</p>
Break Fee	<p>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:</p> <ul style="list-style-type: none"> 4DMedical USA Inc. terminates the Imbio Agreement following the failure of Imbio's board to recommend the approval and adoption of the Imbio Agreement to the Imbio Securityholders; 4DMedical USA Inc. terminates the Imbio Agreement following Imbio's board retracting its recommendation to its securityholders to approve and adopt the Imbio Agreement; 4DMedical USA Inc. terminates the Imbio Agreement following a recommendation or endorsement of a competing transaction by Imbio's board;



Topic	Summary
	<ul style="list-style-type: none"><li data-bbox="411 302 1431 450">• 4DMedical USA Inc. terminates the Imbio Agreement following any public statement made by Imbio’s board that is inconsistent with their recommendation to the Imbio Securityholders to approve and adopt the Imbio Agreement; and<li data-bbox="411 483 1385 555">• Imbio terminates the Imbio Agreement in connection with accepting a superior proposal. <p data-bbox="411 589 1422 723">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.</p>
Governing law	The Imbio Agreement is governed by and interpreted and enforced in accordance with the Laws of the State of Delaware, United States of America.



Schedule 3 – 4DMedical Limited Long Term Incentive Plan key terms

The key terms and conditions of the 4DMedical Limited Long Term Incentive Plan (**LTIP**) proposed to be adopted by 4DMedical Limited ACN 161 684 831 (**Company**) are summarised as follows:

Key Term	Description
Eligibility	The LTIP will be open to all Directors and employees of the Company or any of its Related Bodies Corporate (as defined in the <i>Corporations Act 2001</i> (Cth)) (Group), and any other person as determined by the Board as being eligible to participate in the LTIP (Participant).
Awards	<p>Awards made under the LTIP will be comprised of either options or performance rights to acquire shares in the Company (Awards)</p> <p>Each option or performance right represents a right to acquire one fully paid ordinary share in the capital of the Company (Share), subject to the satisfaction of any applicable vesting conditions or performance hurdles and payment of any applicable exercise price.</p> <p>Each Share acquired on exercise of the option or performance right will have the same rights as all other Shares on issue (such as voting, dividend rights).</p>
Discretion as to grants	<p>The Board will have the discretion to determine, in any invitation to participate in the LTIP (Invitation):</p> <ul style="list-style-type: none"> • when, and with what frequency, Awards will be granted to Participants; • the terms and conditions applicable to the Awards (such as the grant date, fees, performance hurdles, vesting conditions, exercise conditions and price, forfeiture conditions and disposal restrictions); • whether the Awards will be granted in one or multiple tranches; and • the quantum of Awards that will be offered under the LTIP. • However, the quantum of Awards granted under the LTIP and which remain unexercised under the LTIP must not exceed in aggregate 10% of the total issued capital of the Company without shareholder approval.
Voting and dividend rights	Participants will have no voting or dividend rights until the Awards are exercised and the Participant is issued or transferred the Shares.
Source of Shares	Awards will be satisfied by the allocation of Shares via the 4DMedical Employee Share Trust (Trust). The trustee of the Trust may subscribe for new Shares or acquire Shares on market, or a combination of both, to be held on the Participant's behalf.



Key Term	Description
Vesting Conditions	<p>The Board will have the discretion to determine whether performance-based hurdles and/or time based requirements (Vesting Conditions) must be met by Participants before their Awards will vest.</p> <p>The Board will also have the discretion to waive a Vesting Condition in respect of an Award.</p> <p>Once the Board determines whether applicable Vesting Conditions have been met, it will notify the Participant of the number of Awards that have vested and/or lapsed.</p> <p>No Awards will vest until a vesting notice has been issued.</p>
Exercise	<p>The Board will have discretion to determine what (if any) exercise conditions must be met before the Awards may be exercised.</p> <p>Options are typically manually exercised by the Participant (under an exercise notice) at which point the exercise price (if any) is paid.</p> <p>Performance Rights are automatically exercised by the Company after a vesting notice is provided to the Participant. There is no exercise price paid in respect of Performance Rights.</p>
Expiry	Awards that are not exercised before their expiry date will lapse.
Lapsing and forfeiture	<p>Generally, when a Participant ceases to be employed or provide services to the Group, they will retain all vested Awards. All vested performance rights will be immediately exercised.</p> <p>Whether a Participant will retain all unvested Awards will depend on whether they are a “good leaver”. If the Participant is a “good leaver”, the Board will have discretion to allow the Participant to retain some or all unvested Awards. If a Participant is not a “good leaver”, their unvested Awards will be forfeited unless determined otherwise by the Board.</p> <p>Other circumstances where a Participant’s Awards will lapse and be forfeited include if the Vesting Conditions are not satisfied by the relevant time, if the Participant acts fraudulently or dishonestly, or wilfully breaches their duties. The Board has overriding discretion to determine whether some or all unvested Awards should not lapse or be forfeited.</p>
Cancellation of unvested Awards	Subject to applicable law, a Participant and the Board may agree in writing that some or all of the unvested Awards held by a Participant be cancelled on a specified date or on the occurrence of a particular event.
Disposal restriction	The terms of Awards may include disposal restrictions to be placed on Shares issued or transferred under the LTIP, for example by way of an Employee Share Trust or an ASX holding lock.
Employee Share Trust	Shares issued or transferred upon the exercise of Awards will be held via the Trust.
Change of control	If a change of control event has occurred or is likely to occur, the Board may in its discretion determine the manner in which any or all of the Awards (vested or



Key Term	Description
	<p>unvested) and resulting Shares will be dealt with, subject to applicable laws, the Listing Rules and any specific terms of the relevant Participant's Invitation.</p> <p>A change of control event includes any of the following:</p> <ul style="list-style-type: none"> • where a person or entity becomes the legal or the beneficial owner of 50% or more of the issued share capital of the Company; • where a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% the issued share capital of the Company; or • where the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of the Awards.
Buy-back	Subject to applicable law, the Company may buy-back Awards or shares issued on the exercise of Awards held by a Participant in certain circumstances.
Participation in new issues	<p>Awards do not confer the right to participate in new issues of Shares without their exercise.</p> <p>However, if Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive, in addition to the Shares in respect of which the Awards are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Awards are exercised.</p> <p>Subject to compliance with all applicable laws and the Listing Rules, the Board may also grant additional Awards, or make any adjustments it considers appropriate to the terms of an Award granted to a Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action by, or capital reconstruction in relation to, the Company.</p>
Variation of terms	The Board may at any time amend the LTIP rules or the terms of any Award. If the amendment materially reduces the rights of Participants in respect of the Awards, the amendment must be primarily for compliance with any law or the Listing Rules, or in other defined circumstances.
Governing law	The LTIP and any Awards granted under it are governed by the laws of Victoria, Australia.
US sub plan	The Board has also adopted a sub-plan for the LTIP in respect of Participants residing in the United States (US Sub-Plan). The purpose of the US Sub-Plan is to facilitate compliance with applicable United States tax and securities laws, but otherwise provides for the granting of Awards, in the form of 'Restricted Stock Units' on substantially the same terms as the LTIP. The US Sub-Plan and



Key Term	Description
	Awards granted under the US Sub-Plan are governed by the laws of the State of Delaware.



Schedule 4 – Options terms

The key terms and conditions of the proposed Options to be issued pursuant to Resolution 4 and 5 are summarised as follows:

Key Term	Description
Issuer	The issuer of the Options is 4DMedical Limited ACN 161 684 831 (Company).
Award date	15 December 2023
Issue date	Subject to receiving shareholder approval, 23 January 2024.
Issue price	The Options will be issued at a deemed issue price of \$0.79 per Option.
Vesting condition	The Option holder remaining in continuous appointment as a director of the Company from the Award Date to the Issue Date (Vesting Condition).
Vesting date	Subject to the satisfaction of the Vesting Condition, the Options will vest automatically on the Issue Date.
Entitlement	Each Option entitles the Option holder (Holder) to subscribe for, and be allotted, 1 fully paid ordinary share in the capital of the Company (Share).
Exercise price	Nil.
Expiry date	23 January 2025. Any 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 Options will lapse.
Exercise of Option	Each Option is only exercisable by the Holder signing and delivering a notice of exercise of Option during the Exercise Period to be delivered to the Company's share registry (Exercise Notice). Unless a Holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000 Options.
Issue of Shares	Upon receipt of a valid Exercise Notice, the Company must issue the number of Shares equal to the number of Options the subject of valid Exercise Notices. No fraction of a Share will be issued on the exercise of any parcel of Options. The new Shares issued upon the exercise of an 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.



Key Term	Description
Constitution	Each Holder who exercises Options consents to becoming a member of the Company, and agrees to be bound by the Constitution of the Company upon the issue of the new Shares.
Quotation	<p>If the Shares of the Company are quoted on the ASX the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue.</p> <p>The Options will not be quoted.</p> <p>The Company gives no assurance that quotation of any Shares issued on the exercise of any Options will be granted.</p>
Dividends and voting	<p>The Options do not provide the Holder any entitlement to dividends or other distributions.</p> <p>The Options do not entitle the Holder to receive notice of, attend or vote at, any meeting of the Company's Shareholders.</p>
Participation in securities issue	Subject to section titled 'participation in a reorganisation of capital' below, the Holder is not entitled to participate in new issues of securities without exercising the Options.
Participation in a reorganisation of capital	<p>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 Options do not result in any benefit being conferred on the Holder which is not conferred on Shareholders of the Company.</p> <p>In any reorganisation referred to above, Options will be treated in the following manner:</p> <ul style="list-style-type: none"> • in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio; • in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio; • in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by



Key Term	Description
	<p>the same amount as the amount returned in relation to each ordinary share;</p> <ul style="list-style-type: none"> in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered; in the event of a pro-rata cancellation of Shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Holder which are not conferred on Shareholders.
Calculations binding	Any calculations or adjustments to these terms and conditions of the 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.
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 Options held by the Holder or the number of Shares to be issued on the exercise of the Option.
Application of Listing Rules	While the Company is admitted to the Official List of ASX, the Options and any Shares issued on exercise of the 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.
Corporations Act	The Holder's right to exercise an Option is subject to compliance with Chapter 6 of the <i>Corporations Act 2001</i> (Cth). If the exercise of an 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 Options.
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.