

TARGET MARKET DETERMINATION

MADE BY:	4DMedical Limited ACN 161 684 831 of 'Melbourne Connect', Level 7, 700 Swanston Street, Carlton, VIC 3053 (4DX or the Company)
PRODUCT:	Free attaching options (New Options) to acquire fully paid ordinary shares in the capital of the Company (Shares) that are to be issued (subject to shareholder approval, if required) on the basis of 1 New Option for every 2 Shares (New Shares) issued under the 4DX securities purchase plan (SPP Offer) under a prospectus dated 10 May 2023 (Prospectus).
EFFECTIVE DATE:	10 May 2023

This target market determination (**TMD**) has been prepared by the Company in relation to the offer of New Options made by the Company under the Prospectus (**Offer**). The Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 10 May 2023 and was released to ASX on that date. An electronic copy of the Prospectus can be accessed in the ASX announcements for the Company on ASX's website available at:

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.4dx>.

As noted above, the New Options are to be issued under the Offer (subject to shareholder approval, if required) as free securities attaching to New Shares issued under the SPP Offer on the basis of 1 New Option for every 2 New Shares issued under the SPP Offer. For the avoidance of doubt, New Options will not be issued other than as free securities attaching to the New Shares.

The Offer will only be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional advisers if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wishes to acquire New Options under the Offer will need to complete the application form that will be in, or will accompany, the Prospectus. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth) and therefore has not been lodged, and does not require lodgement, with ASIC.

This TMD is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. Investors should refer to the Prospectus for the terms and conditions of the product and when making a decision in respect of the product.

Target market

The SPP Offer and therefore the Offer is proposed to be made at first instance to eligible shareholders, with the Company having discretion to place any shortfall from the SPP Offer as set out in the Prospectus. Eligible shareholders are those shareholders of the Company with an address in Australia or New Zealand as at the Record Date (being 7.00pm on 5 May 2023).

The information below summarises the overall class of investors that fall within the target market for the New Options, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet. The New Options have been designed for investors whose likely objectives, financial situation and needs are aligned with the product.

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New Options are to be issued as free securities attaching to the New Shares. The Company expects an investment in the New Shares and New Options will be suitable to investors who take a medium term outlook on their investment and are accustomed to making speculative investments in the medical technology sector.

Investors with a medium term outlook will benefit from the ability to exercise the Options prior to their expiry date, being 31 December 2024 (**Expiry Date**), and increase their shareholding and exposure to potential upside on the Shares of the Company into the future.

An exercise price of \$1.365 is required to be paid to acquire Shares on exercise of the New Options. Therefore, the capacity to realise the underlying value of the New Options requires that the New Options be exercised on or before the Expiry Date. Investors in the target market will need be in a financial position to have sufficient available funds so as to facilitate an exercise of the New Options prior to the Expiry Date.

It is also expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment. The New Options (and New Shares in respect of which the New Options will be issued as free attaching securities) offer no income guarantee or capital protection for investors.

The Company considers that an investment in the New Options (including an investment in the New Shares following the exercise of the New Options) is highly speculative, such that an investment in the Company may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment. Investors should also have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company (including the New Options) as an asset class generally and the more specific risks of investing in an ASX listed medical technology entity.

Distribution conditions

As the New Options are being issued as free securities attaching to the New Shares, the Offer of New Options is made under the Prospectus to shareholders of the Company who are eligible to participate in the SPP Offer (being those shareholders with an address in Australia or New Zealand in the register of members of the Company as at 7.00pm 5 May 2023). If there is a shortfall under the SPP Offer, the Company may invite professional, sophisticated and other exempt investors to subscribe for New Shares and free attaching New Options as set out in the Prospectus.

The Prospectus includes jurisdictional conditions on eligibility. The Company will include a copy of this TMD on its website and require investors to confirm they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for New Options.

Review triggers

The New Options are being offered for a limited offer period set out in the Prospectus. The New Options will no longer be available for investment by way of issue following close of the offer period. Accordingly, this TMD applies between the commencement of the Offer and the issue of the New Options (**Offer Period**).

To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the New Options, the following review triggers apply for the Offer Period:

- a new offer of New Options that requires preparation of a disclosure document is made after completion of the Offer Period;
- any event or circumstance occurs that materially changes a factor that was taken into account in making this TMD;
- the existence of a significant dealing of the New Options that is not consistent with this TMD;
- ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Options or this TMD; and



- there are material changes to the regulatory environment that applies to an investment in the New Options.

Review period

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger. The Company will otherwise complete a review of the TMD immediately prior to the issue of the New Options under the Offer.

Information reporting

The reporting requirements of all distributors is set out below:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	<ul style="list-style-type: none">• For such time as the Offer Period remains open, within five business days after the end of each quarter.• Within five business days after the end of the Offer Period.	<ul style="list-style-type: none">• The number of complaints received.• A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than five business days after the significant dealing occurs.	<ul style="list-style-type: none">• Details of the significant dealing.• Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within five business days after the end of the close of the offer of Shares in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

Contact

For further information contact the Company Secretary, Naomi Lawrie, by email at companysecretary@4dmedical.com.