

Results for Announcement to the Market

Year ended: 30 June 2024

(previous corresponding period: Year ended 30 June 2023)

		%		\$'000
Revenue from ordinary activities	Up	423	to	3,754
Other income	Down	(17)	to	10,974
Loss from ordinary activities after tax attributable to members	Up	14	to	(35,979)
Net loss for the period attributable to members	Up	14	to	(36,182)

Commentary on results for the period

During the financial year, the Group reported a comprehensive loss of (\$36.2m) (FY23: comprehensive loss of (\$31.6m)).

AUD \$m	FY2024	FY2023	\$ var	% var
4DMedical Products	1.1	0.7	0.4	53.1%
Imbio Products	2.7	-	2.7	
Operating Revenue	3.8	0.7	3.0	422.5%
Gross Margin	3.5	0.7	2.8	413.9%
Other Income	11.0	13.2	(2.2)	(16.7%)
Operating Expenses – 4DMedical	(41.3)	(42.7)	1.4	3.4%
Net Underlying Operating Expenses	(30.3)	(29.6)	(0.7)	(2.5%)
Operating Expenses – Imbio	(3.7)	-	(3.7)	
EBITDA[^]	(30.5)	(28.9)	(1.6)	(5.7%)

[^] EBITDA adjusted for one-off Imbio transaction expenses of \$2.3m.

FY2024 operating revenue was \$3.8m, up 422% on pcp (FY2023: \$0.7m). This revenue was principally related to Software-as-a-Service (\$3.0m), with the remainder related to lease and maintenance revenue. 4DMedical product revenue was \$1.1m, up 53% on pcp (FY2023: \$0.7m), while Imbio product revenue was \$2.7m for the post-acquisition period.

FY2024 other income totalled \$11.0m, reflecting MRFF and other grants, as well as R&D tax incentive payments. FY2024 total reported income was \$14.8m.

4DMedical operating expenses were down 3.4% on pcp, reflecting a reduction in R&D and clinical trial expenditure offset by increased investment in commercialisation. Imbio operating costs for the 6 ½ months post-acquisition were \$3.7m. With ongoing revenue growth and further cost synergies underway, Imbio is on track to be cashflow positive in CY2024.

Net underlying operating expenditure for FY2024 was \$30.3 million. The Group net cash balance was \$30.6 million as at 30 June 2024.

Control gained or lost over entities

The Group gained 100% control over the equity interests in Imbio Inc. (**Imbio**) on 15 December 2023. The contribution of Imbio's profit from ordinary activities to 4DMedical Limited during the period was (\$1,297,760). Information regarding the transaction can be found in Note 4 Business Combinations. There were no other entities over which control was gained or lost during the period.

Investments in associates and joint ventures

Not applicable.

Net tangible assets/(liabilities) per ordinary security

	30 June 2024	30 June 2023
	\$	\$
Net tangible assets/(liabilities) per ordinary security	(0.01)	0.18

Dividend distribution & reinvestment plans

No dividends have been paid or declared since the end of the previous financial year, nor do the directors recommend the declaration of a dividend.

Audit status

This report is based on the Consolidated Financial Statements for the year ended 30 June 2024 which are in the process of being audited.

Please refer to the attached unaudited condensed financial statements for the year ended 30 June 2024:

- Consolidated statement of profit or loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cashflows
- Abbreviated notes to the consolidated financial statements

The information set out above and in the attached condensed financial statements has been provided to the ASX in accordance with a resolution of the Board of Directors.



Dr. Andreas Fouras

Managing Director and Chief Executive Officer

30 August 2024

Carlton, VIC

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue	1.1	3,754,256	718,581
Cost of sales		(236,717)	(34,146)
Gross income		3,517,539	684,435
Other income	1.3	10,973,797	13,151,946
Employee benefits expense	1.4	(27,832,229)	(23,738,623)
Foreign currency (losses)/gains		345,865	(32,229)
Other operating expenses	1.5	(19,843,763)	(18,950,373)
Earnings before interest, taxes, depreciation & amortisation		(32,838,791)	(28,884,844)
Depreciation and amortisation expense	1.6	(4,064,790)	(2,565,338)
Net interest income	1.7	973,320	313,606
Loss before income tax		(35,930,261)	(31,136,576)
Income tax expense		(48,411)	(323,222)
Loss for the year		(35,978,672)	(31,459,798)
Other comprehensive loss			
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(203,324)	(158,786)
Total comprehensive loss for the year		(36,181,996)	(31,618,584)
Earnings per share (EPS):			
Basic loss for the year attributable to ordinary equity holders		(0.11)	(0.10)
Diluted loss for the year attributable to ordinary equity holders		(0.11)	(0.10)

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



Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		30,606,144	69,576,373
Trade and other receivables		1,259,855	815,017
Inventories		992,249	665,010
Research and development tax incentive receivable		4,628,057	6,146,500
Other assets		1,564,413	1,336,550
Total current assets		39,050,718	78,539,450
Non-current assets			
Other receivables		44,800	44,800
Property, plant and equipment		4,881,729	5,515,964
Right-of-use assets		3,863,657	3,740,647
Intangible assets	2	72,174,534	5,082,656
Total non-current assets		80,964,720	14,384,067
Total assets		120,015,438	92,923,517
Liabilities			
Current liabilities			
Trade and other payables		5,097,389	6,261,959
Contract liabilities		1,007,399	746,319
Government grant	3	5,197,485	6,570,640
Lease liabilities		944,592	933,076
Employee benefit liabilities		1,772,880	1,302,010
Income tax payable		318,595	351,239
Deferred consideration	4	7,548,500	–
Total current liabilities		21,886,840	16,165,243
Non-current liabilities			
Lease liabilities		4,176,016	4,205,655
Contract liabilities		718,410	906,449
Employee benefit liabilities		143,471	185,793
Deferred tax liabilities	4	7,067,052	–
Deferred consideration	4	15,097,000	–
Total non-current liabilities		27,201,949	5,297,897
Total liabilities		49,088,789	21,463,140
Net assets		70,926,649	71,460,377
Equity			
Issued capital	5	218,430,126	184,359,111
Share based payment reserve	5.3	4,889,898	3,312,646
Foreign currency translation reserve	5.4	(356,128)	(152,804)
Accumulated losses		(152,037,247)	(116,058,576)
Total equity		70,926,649	71,460,377
Total liabilities and equity		120,015,438	92,923,517

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued capital (Note 5.2) \$	Share-based payment reserve (Note 5.3) \$	Foreign currency translation reserve (Note 5.4) \$	Accumulated losses \$	Total equity \$
At 1 July 2023	184,359,111	3,312,646	(152,804)	(116,058,576)	71,460,377
Loss for the period	–	–	–	(35,978,672)	(35,978,672)
Other comprehensive loss	–	–	(203,324)	–	(203,324)
Total comprehensive loss for the period	–	–	(203,324)	(35,978,672)	(36,181,996)
Issue of share capital	35,000,000	–	–	–	35,000,000
Capital raising costs	(2,052,066)	–	–	–	(2,052,066)
Transfer of STIP cash provision to share-based payment reserve	–	521,869	–	–	521,869
Share-based payments expense during the year	–	2,362,878	–	–	2,362,878
Share-based payments expense during the year – options lapsed	–	(184,414)	–	–	(184,414)
Settlement of options – issued capital	454,196	(454,196)	–	–	–
Settlement of rights – issued capital	668,885	(668,885)	–	–	–
At 30 June 2024	218,430,126	4,889,898	(356,128)	(152,037,247)	70,926,649

	Issued capital (Note 5.2) \$	Share-based payment reserve (Note 5.3) \$	Foreign currency translation reserve (Note 5.4) \$	Accumulated losses \$	Total equity \$
At 1 July 2022	141,718,799	2,384,989	5,982	(84,598,778)	59,510,992
Loss for the year	–	–	–	(31,459,798)	(31,459,798)
Other comprehensive loss	–	–	(158,786)	–	(158,786)
Total comprehensive loss for the year	–	–	(158,786)	(31,459,798)	(31,618,584)
Issue of share capital	44,959,245	–	–	–	44,959,245
Capital raising costs	(2,534,820)	–	–	–	(2,534,820)
Share-based payments expense during the year	–	1,097,796	–	–	1,097,796
Share-based payments expense during the year – options lapsed	–	(86,265)	–	–	(86,265)
Settlement of options – issued capital	132,013	–	–	–	132,013
Settlement of rights – issued capital	83,874	(83,874)	–	–	–
At 30 June 2023	184,359,111	3,312,646	(152,804)	(116,058,576)	71,460,377

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



Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	2024 \$	2023 \$
Operating activities		
Receipts from customers	2,888,038	2,205,684
Payments to suppliers and employees	(30,835,295)	(20,383,519)
Research costs	(16,123,531)	(18,950,585)
Interest received	1,237,280	607,566
Interest and other costs of finance paid	(263,961)	(293,960)
Government grants and tax incentives	12,682,969	15,077,975
Net GST paid	(452,382)	(915,855)
Net cash flows used in operating activities	(30,866,882)	(22,652,694)
Investing activities		
Payments to acquire entities	(39,654,487)	–
Cash received from business combination	788,290	–
Purchase of property, plant and equipment	(156,109)	(421,333)
Purchase of intangibles	(146,764)	(309,980)
Capitalisation of development costs to intangible assets	(871,370)	(882,418)
Net cash flows used in investing activities	(40,040,440)	(1,613,731)
Financing activities		
Proceeds from issues of equity securities (excluding convertible debt securities)	35,000,000	44,960,499
Proceeds from exercise of options	–	132,000
Transaction costs related to issues of equity securities or convertible debt securities	(2,052,065)	(2,534,820)
Receipts of lease incentives	–	1,343,932
Payment of principal portion of lease liabilities	(1,010,842)	(1,173,350)
Net cash flows from financing activities	31,937,093	42,728,261
Net (decrease)/increase in cash and cash equivalents	(38,970,229)	18,461,836
Cash and cash equivalents at the beginning of the period	69,576,373	51,114,537
Cash and cash equivalents at the end of the period	30,606,144	69,576,373

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

Abbreviated Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. Revenue and expenses

1.1 Revenue from contracts with customers

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

	2024 \$	2023 \$
Type of goods or service		
Software-as-a-Service (SaaS)	3,027,545	166,457
Lease income	704,598	436,400
Ongoing support and maintenance	22,113	40,662
Services	–	75,062
Total revenue from contracts with customers	3,754,256	718,581
Timing of revenue recognition		
Services transferred over time	2,949,656	6,559
Goods or services transferred at a point in time	804,600	712,022
Total revenue from contracts with customers	3,754,256	718,581
Geographical markets		
United States of America	2,929,556	175,871
Australia	824,700	542,710
Total revenue from contracts with customers	3,754,256	718,581

The Group has considered its internal reporting framework, management and operating structure and the directors' conclusion is that the Group has one operating segment.

1.2 Performance obligations

Software-as-a-Service (SaaS)

The Group provides software licences and subscriptions for a fixed period or as a one-off transaction. The commencement of the satisfaction period of the performance obligation is considered to be when the related services are delivered. Subscription payments are received in advance, and the revenue is recognised monthly over the satisfaction period. For one-off transactions, the revenue is recognised immediately upon the execution of a scan and delivery of a report.

Ongoing support and maintenance

Ongoing support and maintenance services are provided for a defined time period in which the customer has the ability to use the Group's support team in relation to goods purchased by the customer. The entitlement to this service is either considered over time or linked to output targets. Payment is received in advance, and the revenue is recognised over the satisfaction period and commences from the date the related goods are delivered.

Lease Income

The Group provides hardware to customers under an operating lease model. The lease payments from operating leases are recognised as income on a straight-line basis over the lease term.



Abbreviated Notes to the Consolidated Financial Statements (cont.)

Contract Liabilities

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are, as follows:

	2024 \$	2023 \$
Within one year	1,007,399	746,319
More than one year	718,410	906,449
Total contract liabilities	1,725,809	1,652,768

The remaining performance obligations expected to be recognised in more than one year relate to the provision of software licences that is to be satisfied within four years. All the other remaining performance obligations are expected to be recognised within one year.

1.3 Other Income

	2024 \$	2023 \$
Government grants (Note 3)	6,508,558	7,684,770
Research and development (R&D) tax incentive	4,465,239	5,467,115
Misc income	–	61
Total other income	10,973,797	13,151,946

1.4 Employee benefits expense

	2024 \$	2023 \$
Wages and salaries	19,383,330	16,161,571
Other employee and directors' benefits expenses	6,270,434	6,565,521
Equity-settled share-based payments (Note 6)	2,178,465	1,011,531
Total employee benefits expense	27,832,229	23,738,623

1.5 Other expenses

	2024 \$	2023 \$
Legal, professional and consultant expenses	5,511,200	4,133,735
Acquisition expenses	2,318,185	–
Computer expenses	3,538,515	2,830,413
Clinical trial expenses	1,885,264	2,899,376
Travel expenses	1,827,630	1,601,153
Sales and marketing expenses	1,414,932	1,199,555
General expenses	1,375,219	1,408,826
Insurance expenses	358,337	317,180
Occupancy and utilities expenses	919,983	756,638
Research and development expenses	694,498	3,803,497
Total other expenses	19,843,763	18,950,373

Abbreviated Notes to the Consolidated Financial Statements (cont.)

1.6 Depreciation and amortisation expense

	2024 \$	2023 \$
Capitalised development cost	1,071,808	896,273
Right-of-use assets	920,307	931,576
Software acquired through business combination	914,717	–
Leasehold improvements	465,425	380,282
R&D hardware equipment	288,706	9,380
Computer equipment	252,999	260,129
Trademarks, patents and other intangible assets	75,413	25,611
Furniture and fixtures	35,585	29,646
Workshop equipment	19,419	17,549
Conference assets	18,411	12,892
Motor vehicles	2,000	2,000
Total depreciation and amortisation expense	4,064,790	2,565,338

1.7 Net interest income

	2024 \$	2023 \$
Interest expense on lease liabilities (Note 12)	255,251	287,458
Interest expense on insurance premium funding	8,709	6,502
Total finance costs	263,960	293,960
Interest income	1,237,280	607,566
Total finance income	1,237,280	607,566
Net interest income	973,320	313,606



Abbreviated Notes to the Consolidated Financial Statements (cont.)

2. Intangible assets

	Goodwill \$	Software \$	Development costs \$	Trademarks and Patents \$	Other intangible assets \$	Total \$
Cost						
At 1 July 2022	–	–	4,078,636	1,055,598	27,188	5,161,422
Additions	–	–	882,418	309,980	–	1,192,398
Assets written off	–	–	–	(252,369)	–	(252,369)
At 30 June 2023	–	–	4,961,054	1,113,209	27,188	6,101,451
Cost						
At 1 July 2023	–	–	4,961,054	1,113,209	27,188	6,101,451
Additions	–	–	871,370	170,598	–	1,041,968
Assets acquired from business combination (Note 4)	42,712,533	24,903,975	–	636,539	687,284	68,940,331
Assets written off	–	(66,590)	–	(98,847)	–	(165,437)
Exchange differences	–	66,590	–	8,952	(56,921)	18,621
At 30 June 2024	42,712,533	24,903,975	5,832,424	1,830,451	657,551	75,936,934
Accumulated amortisation						
At 1 July 2022	–	–	–	88,699	8,584	97,283
Amortisation for the period	–	–	896,273	25,110	500	921,883
Assets written off	–	–	–	(371)	–	(371)
At 30 June 2023	–	–	896,273	113,438	9,084	1,018,795
Accumulated amortisation						
At 1 July 2023	–	–	896,273	113,438	9,084	1,018,795
Amortisation for the period	–	914,717	1,071,808	51,868	23,545	2,061,938
Assets acquired from business combination (Note 4)	–	–	–	349,839	381,098	730,937
Assets written off	–	(62,995)	–	–	–	(62,995)
Exchange differences	–	60,237	–	5,001	(51,512)	13,726
At 30 June 2024	–	911,959	1,968,081	520,146	362,215	3,762,400
Net book value At 30 June 2023	–	–	4,064,781	999,771	18,104	5,082,656
Net book value At 30 June 2024	42,712,533	23,992,016	3,864,343	1,310,305	295,336	72,174,534

Abbreviated Notes to the Consolidated Financial Statements (cont.)

3. Government grants

	2024 \$	2023 \$
At 1 July	6,570,640	4,314,835
Funding received during the year	5,135,403	9,590,575
Funding for milestone achieved, yet to be received	–	350,000
Released to the consolidated statement of profit or loss and other comprehensive income	(6,508,558)	(7,684,770)
At 30 June	5,197,485	6,570,640

Australian Lung Health Initiative Pty Ltd (ALHI), a wholly owned subsidiary of 4DMedical was awarded a \$28.9 million grant under the Australian Federal Government's Medical Research Future Fund (MRFF) Frontier Stage 2 initiative (the MRFF Grant). The MRFF Grant is funding the development of the XV Scanner, the world's first dedicated, low radiation dose lung function scanners integrated with 4DMedical's proprietary XV Technology, over a period of five years. During the financial year, ALHI received a milestone payment of \$4.64 million under the MRFF Grant.

4DMedical was awarded a \$1.1 million grant under the Australian Federal Government's Clinical Translation and Commercialisation Medtech (CTCM) Program. The CTCM grant enables expansion of the XV Scanner capability beyond ventilation into perfusion. During the financial year, 4DMedical received two milestone payments totalling \$0.49 million under the CTCM Grant.

The grants received from the Government are subject to satisfactory delivery of agreed project outcomes and compliance by the Group with its obligations under the grant agreement.

As grants are subject to milestone achievements, funding received is initially reflected on the consolidated statement of financial position, and will be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant is intended to compensate.

4. Business combinations

On 15 December 2023 (settlement date), 4DMedical USA Inc, a wholly owned subsidiary of 4DMedical Limited, acquired 100% of the equity interests in Imbio Inc. (Imbio), for the total consideration of AU\$60,241,096. Imbio is a recognised leader in lung and heart artificial intelligence-driven technology, with a focus on providing structural analysis that delivers visual qualitative and quantitative assessment of lung and heart anatomy. The acquisition aligns with 4DMedical's growth strategy by incorporating Imbio's highly complementary suite of diagnostic products combining structure and function in assessing lung disease, effectively 'owning the lung'.

Details of the acquisition are as follows:

Fair Value of consideration	USD	AUD
Cash paid to the vendor on settlement date – base consideration	25,000,000	37,370,476
Cash paid to the vendor on settlement date – working capital adjustment	1,437,272	2,148,461
Cash paid to the vendor post settlement date – working capital adjustment	90,688	135,660
Post-acquisition non-cash working capital adjustment	(1,167,298)	(1,744,899)
Contingent consideration for future performance	15,000,000	22,331,398
Total	40,360,662	60,241,096



Abbreviated Notes to the Consolidated Financial Statements (cont.)

Recognised amounts of identifiable assets and liabilities	USD	AUD
	15 Dec 2023	15 Dec 2023
Cash	529,494	788,290
Trade and other receivables	610,118	908,319
Prepayments	192,091	285,978
Fixed assets	25,982	38,680
Intangible assets: Patents and Licenses	398,241	592,886
Intangible assets: Software	16,728,000	24,903,975
Deferred tax liability on acquired software assets	(4,681,097)	(6,969,029)
Trade and other payables	(1,350,932)	(2,011,213)
Deferred revenue	(610,107)	(908,302)
Employee benefits	(67,857)	(101,023)
Net Assets Acquired	11,773,933	17,528,561
Provisional Goodwill	28,586,729	42,712,533

Goodwill on acquisition

Subsequent to the settlement date of the Imbio transaction, independent valuation services were provided in relation to the material intangible assets acquired by 4DMedical as part of the acquisition of Imbio. Adopting the Mid-Purchase Price Allocation (PPA) valuation, the resultant identifiable intangible assets and goodwill acquired were as follows:

Recognised amounts of identifiable Software Assets	USD	AUD
	15 Dec 2023	15 Dec 2023
Lung Density Analysis (LDA)	6,491,000	9,663,540
ICCP Platform (Cloud-based imaging platform)	5,103,000	7,597,142
CAC Scoring (Coronary Calcification)	2,115,000	3,148,727
RV/LV (left ventricle/right ventricle) & PHA (Pulmonary Hypertension Analysis)	1,949,000	2,901,593
IQ-UIP (UIP screening algorithm) & UIP-Dx (full quantitative algorithm for UIP)	1,070,000	1,592,973
Total Intangible Assets: Software	16,728,000	24,903,975
Provisional Goodwill	28,586,729	42,712,533

Accounting for the Imbio business combination is provisional at the reporting date. This will be finalised prior to the FY25 half-year financial report.

Abbreviated Notes to the Consolidated Financial Statements (cont.)

Consideration transferred

The agreed cash acquisition purchase price for Imbio was US\$26,437,272 which included upfront consideration of US\$25,000,000 and a net working capital adjustment of US\$1,437,272. On acquisition date this equated to AU\$39,518,937. In May 2024, the final working capital adjustment was calculated in accordance with the merger agreement, resulting in an additional payment of US\$90,688 to the seller, equating to AU\$135,660.

The merger agreement also included an additional consideration of up to US\$20,000,000 on the condition of certain financial and non-financial targets being met. These are outlined below:

- **Earn-out 1 – CY2024 revenue:** Within 120 days after the end of CY2024, 4DMedical will pay the Sellers an amount equal to four times the incremental revenue growth (over US\$3.5 million) of Imbio products in CY2024 from eligible forecasted CY2023 revenue, up to a cap of US\$2.5 million of incremental revenue growth for a maximum earnout payment of US\$10 million.
- **Earn-out 2 – CY2025 revenue:** Within 120 days after the end of CY2025, 4DMedical will pay the Sellers an amount equal to (1) the amount by which CY2025 revenue exceeds US\$4.0 million (up to a cap of US\$6.1 million of revenue in excess of CY2025 US\$4 million revenue), multiplied by (2) 0.812, for a maximum earnout payment of US\$5 million.
- **Earn-out 3 – New Product FDA Clearance by 31 December 2025:** 4DMedical will pay the Sellers an earnout amount equal to US\$5 million if Imbio were to obtain FDA clearance by 31 December 2025 for anyone of Imbio's (1) 'IQ-UIP product, (2) Aortic Aneurysm product, or (3) next generation PE/PAH product (to be paid within 70 days of such performance milestone being satisfied).

Management expects to settle 50% of Earn-out 1, and the maximum of Earn-out 2 and Earn-out 3. This has been reflected on the Balance Sheet accordingly. 4DMedical intends to satisfy any earn-out consideration payable by the issue of shares in 4DMedical, based on the share's 30-day volume weighted average price (VWAP) prior to the date of expiry of the relevant performance milestone period. This expected payout is held at fair value.

Cash used to acquire business:	AUD
Cash paid to the vendor on settlement date – base consideration & working capital adjustment	39,518,937
Cash paid to the vendor post settlement date – working capital adjustment	135,660
Acquisition costs paid	2,318,185
Net cash used	41,972,782

Imbio's contribution to the Group results

Imbio generated revenue of AU\$2,654,015 and incurred a net operating loss of (AU\$1,297,760) from acquisition date (15 December 2023) to reporting date (30 June 2024).

Imbio's full year FY24 proforma revenue was AU\$4,927,644 and net operating loss was (AU\$7,051,943).



Abbreviated Notes to the Consolidated Financial Statements (cont.)

5. Issued capital and reserves

	30 June 2024 \$	30 June 2023 \$
Ordinary shares	218,430,126	184,359,111

5.1 Terms and conditions of ordinary shares

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

5.2 Movement in ordinary shares on issue

	No. of shares	\$
As at 1 July 2022	294,675,761	141,718,799
Issued shares	50,022,117	44,959,245
Conversion of options to issued capital	249,600	132,013
Conversion of rights to issued capital	185,094	83,874
Transaction costs relating to shares issued		(2,534,820)
As at 30 June 2023	345,132,572	184,359,111
	No. of shares	\$
As at 1 July 2023	345,132,572	184,359,111
Issued shares	44,303,797	35,000,000
Conversion of options to issued capital	763,325	454,196
Conversion of rights to issued capital	1,194,971	668,885
Transaction costs relating to shares issued		(2,052,066)
Ordinary shares issued via At-The-Market funding facility	19,000,000	–
As at 30 June 2024	410,394,665	218,430,126

In December 2023 the Group successfully raised \$35.0 million before transaction costs, through the issue of 44.3 million new, ordinary fully paid 4DMedical shares. New shares offered under the Placement had one free attaching option for every two new shares issued. These options are listed (ASX:4DXO) with an exercise price of \$1.365 and will expire on 31 December 2025. Transaction costs associated with the capital raised totalled \$2.05 million with net proceeds of the capital raise totalling \$32.95 million.

In June 2024 the Group secured an At-The-Market (ATM) funding facility with Alpha Investment Partners (AIP). ATM funding facilities are a type of equity offering that provide publicly traded companies with a mechanism to raise capital at prevailing market prices. Unlike traditional secondary offerings, which involve issuing a large block of shares all at once, ATM programs enable companies to raise capital incrementally over a company-specified period, at market prices. 4DMedical controls all major aspects of the placement process, having sole discretion as to whether it uses the ATM, the number of shares issued, as well as the minimum issue price of shares. 4DMedical placed 19 million shares from its Listing Rule 7.1 capacity at no consideration to AIP as collateral for the ATM facility. 4DMedical may, at any time, buy back those shares for no consideration subject to shareholder approval. There are no additional attaching options or other more expensive mechanisms common in traditional placements and structured financing solutions.

Abbreviated Notes to the Consolidated Financial Statements (cont.)

5.3 Share Based Payment Reserve

	30 June 2024 \$	30 June 2023 \$
Share-based payment reserve	4,889,898	3,312,646
Movement in the share-based payment reserve		
Balance at the beginning of the year	3,312,646	2,384,989
Transfer of STIP cash provision to share-based payment reserve	521,869	–
Share-based payments expense during the year	2,362,878	1,097,796
Share-based payments expense during the year – options lapsed	(184,414)	(86,265)
Settlement of options – issued capital	(454,196)	–
Settlement of rights – issued capital	(668,885)	(83,874)
Balance at the end of the period	4,889,898	3,312,646

The share-based payment reserve comprises of the value of the employee, non-employee and director share plans that were granted during the current and previous financial years. The balance represents the fair value of options vested but not exercised, and unvested options.

5.4 Foreign Currency Translation Reserve

	30 June 2024 \$	30 June 2023 \$
Foreign currency translation reserve	(356,128)	(152,804)
Movement in foreign currency translation reserve		
Balance at the beginning of the period	(152,804)	5,982
Exchange differences on translation of foreign operations	(203,324)	(158,786)
Balance at the end of the period	(356,128)	(152,804)

The foreign currency translation reserve is used to record exchange differences arising from translation of financial statements of foreign subsidiaries.



Abbreviated Notes to the Consolidated Financial Statements (cont.)

6. Share based payments

During the year ended 30 June 2024, certain employees (including KMP) were granted 7,722,818 options (FY23: 5,901,321) and 1,488,569 rights (FY23: 496,048) under the 4DMedical Long Term Incentive Plan.

478,325 shares from the conversion of options (FY23: 249,600) and 1,479,971 shares from the conversion of rights (FY23: 185,094) were issued during the financial year. There are 6,963,836 options and 348,537 rights that were granted during the financial year but not yet vested under the Long Term Incentive Plan as at 30 June 2024 (FY23: 5,738,674 and 226,626, respectively).

The Group had the following share-based payment arrangements as at 30 June 2024:

Plan Reference	Date of grant	On Issue as at 1 July 2023	Issued during FY24	Lapsed during FY24	Exercised during FY24	Balance as at 30 June 2024	Vested not exercised	Unvested	Vesting conditions
2016 Options Offer (Other)	15/12/2016	3,280,018	–	–	–	3,280,018	3,280,018	–	50% to vest on/after 15 January 2017; and 50% on/after 30 June 2017
2017 Fundraiser's Offer	01/03/2017	6,400,000	–	–	–	6,400,000	6,400,000	–	Vesting is subject to the Fundraising Hurdle
2017 Options USA Offer	25/08/2017	22,157	–	–	–	22,157	22,157	–	50% on 1 July 2018 and 50% on 30 June 2019
2019 USA Options Incentive Offer	08/06/2018	12,826	–	–	–	12,826	12,826	–	50% on 1 July 2019 and 50% on 30 June 2020
2019 Incentive Offer	29/11/2019	2,000,000	–	–	–	2,000,000	2,000,000	–	50% on 1 January 2020 and 50% on 1 January 2021
FY20A Special Options Offer	19/02/2020	1,842,675	–	–	–	1,842,675	1,842,675	–	100% on 1 March 2020
2020 Introdncer Options Offer A	24/02/2020	910,150	–	–	–	910,150	910,150	–	100% on 1 March 2020
2020 Introdncer Options Offer B	29/05/2020	1,028,346	–	–	–	1,028,346	1,028,346	–	100% to vest after a successful IPO
FY21 Long Term Incentive Plan (Other)	24/07/2020	914,000	–	–	–	914,000	914,000	–	Complete 3 years service from grant date
FY21 Long Term Incentive Plan	24/07/2020	1,528,354	–	319,755	–	1,208,599	1,208,599	–	Complete 3 years service from grant date
FY21B Long Term Incentive Plan	24/02/2021	14,367	–	–	–	14,367	14,367	–	Complete 3 years service from grant date
FY21C Long Term Incentive Plan	24/02/2021	35,232	–	–	–	35,232	35,232	–	Complete 3 years service from grant date
FY22 Long Term Incentive Plan	17/06/2021	1,092,214	–	217,524	–	874,690	874,690	–	Complete 3 years service from grant date
FY22B Long Term Incentive Plan (Other)	01/09/2021	701,719	–	–	–	701,719	–	701,719	Must remain an employee for a period from 1 July 2021 until 30 June 2024

Abbreviated Notes to the Consolidated Financial Statements (cont.)

Plan Reference	Date of grant	On Issue as at 1 July 2023	Issued during FY24	Lapsed during FY24	Exercised during FY24	Balance as at 30 June 2024	Vested not exercised	Unvested	Vesting conditions
FY22B Long Term Incentive Plan	13/10/2021	70,059	–	–	–	70,059	70,059	–	Must remain an employee for a continuous period from grant date until 25 June 2024
FY22C Long Term Incentive Plan	20/05/2022	636,576	–	–	–	636,576	–	636,576	Based on the Australian Revenue generated by the Company, with number of options vested at each Revenue Milestone
FY23B Long Term Incentive Plan	26/08/2022	898,398	–	182,650	–	715,748	–	715,748	Complete 3 years service from grant date
FY23C Long Term Incentive Plan	18/11/2022	1,850,914	–	–	–	1,850,914	–	1,850,914	Must remain an employee for a period from 1 July 2022 until 30 June 2025
FY23A Long Term Incentive Plan	23/11/2022	2,989,362	–	–	–	2,989,362	–	2,989,362	Must remain an employee for a continuous period from grant date until 1 July 2025
FY23B U.S. Sales Incentive Rights	01/12/2022	339,939	–	–	339,939	–	–	–	Nil
FY24 AU Sales Incentive Options	28/07/2023	–	24,132	–	–	24,132	24,132	–	Nil
FY23C U.S. Sales Incentive Rights	15/04/2023	–	504,280	–	504,280	–	–	–	Nil
FY23 Long Term Incentive Plan	15/09/2023	–	469,303	–	–	469,303	–	469,303	Must remain an employee for a continuous period from grant date until 01 December 2025 & 03 April 2026 respectively
FY23 U.S. Sales Incentive Rights	19/09/2023	–	350,752	–	350,752	–	–	–	Nil
FY23 Short Term Incentive Plan	19/09/2023	–	563,100	–	388,325	174,775	174,775	–	Nil
FY24 Long Term Incentive Plan	22/09/2023	–	3,347,950	–	–	3,347,950	–	3,347,950	Must remain an employee for a continuous period from grant date until 1 July 2026
FY24 Long Term Incentive Plan – CEO	03/11/2023	–	1,306,100	–	–	1,306,100	–	1,306,100	Must remain an employee for a continuous period from grant date until 30 June 2026



Abbreviated Notes to the Consolidated Financial Statements (cont.)

Plan Reference	Date of grant	On Issue as at 1 July 2023	Issued during FY24	Lapsed during FY24	Exercised during FY24	Balance as at 30 June 2024	Vested not exercised	Unvested	Vesting conditions
FY24 Director Options	22/01/2024	–	80,000	–	80,000	–	–	–	Nil
FY24 Long Term Incentive Plan	13/03/2024	–	1,840,483	–	–	1,840,483	–	1,840,483	Must remain an employee for a continuous period from grant date until 1 July 2026
FY23 Short Term Incentive Plan	13/03/2024	–	36,750	–	–	36,750	36,750	–	Nil
FY24 Retention RSUs	13/03/2024	–	85,541	–	–	85,541	–	85,541	Must remain an employee for a continuous period from grant date until 15 December 2024
FY24 Options	19/03/2024	–	55,000	–	10,000	45,000	45,000	–	Nil
FY24 U.S. Sales Incentive Rights	19/03/2024	–	547,996	–	285,000	262,996	–	262,996	Nil
Total		26,567,306	9,211,387	719,929	1,958,296	33,100,468	18,893,776	14,206,692	

Movements during the year

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

	30 June 2024 \$	30 June 2023 \$
Recognised in employee and directors' benefits expense (Note 1.4)	2,178,465	1,011,531
Total net expense arising from share-based payment transactions	2,178,465	1,011,531

The following table illustrates the number of, and movements in, options during the year:

	2024 No. of options	2023 No. of options
Outstanding at 1 July	26,227,367	23,198,141
Granted during the year	7,722,818	5,901,321
Forfeited/lapsed during the year	(719,929)	(2,622,495)
Net settled and converted to issued capital during the year	(478,325)	(249,600)
Outstanding at 30 June	32,751,931	26,227,367
Vested and exercisable at 30 June	18,869,644	15,496,172

Abbreviated Notes to the Consolidated Financial Statements (cont.)

The following table illustrates the number of, and movements in, rights during the year:

	2024 No of rights	2023 No of rights
Outstanding at 1 July	339,939	82,850
Granted during the year	1,488,569	496,048
Forfeited/lapsed during the year	–	(53,865)
Net settled and converted to issued capital during the year	(1,479,971)	(185,094)
Outstanding at 30 June	348,537	339,939
Vested and exercisable at 30 June	24,132	113,113

The weighted average remaining contractual life for the options and rights outstanding as at 30 June 2024 was 1.99 years (FY23: 2.64 years).

The weighted average fair value of all options and rights granted during the year was \$0.37 (FY23: \$0.19).

The range of exercise prices for options outstanding at the end of the year was \$0.36 to \$2.60 (FY23: \$0.40 to \$2.60).

The following tables list the inputs to the models used for the plans for the year ended in 30 June 2024 and 30 June 2023 respectively:

	2024	
	Option plans	Right plans
Weighted average fair values at the measurement (\$)	0.37	–
Expected volatility (%)	82	–
Risk-free interest rate (%)	3.65 – 4.34	–
Expected life of share options (years)	3.30 – 4.00	–
Weighted average share price (\$)	0.57	0.64
Model used	Black-Scholes	n/a

	2023	
	Option plans	Right plans
Weighted average fair values at the measurement (\$)	0.19	0.44
Expected volatility (%)	55	–
Risk-free interest rate (%)	0.50 – 3.27	–
Expected life of share options (years)	2.64	–
Weighted average share price (\$)	0.48 – 0.51	0.37 – 0.66
Model used	Black-Scholes	Qualitative assessment

The fair value at grant date of the performance rights issued with non-market performance conditions is the share price at grant date.

The expected life of the options is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

7. Events after the reporting period

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



Consolidated Entity Disclosure Statement

As required by the Treasury Laws Amendment (*Making Multinationals Pay Their Fair Share – Integrity and Transparency*) Act 2024, the following provides information about the subsidiaries included in the consolidated financial statements of 4DMedical Limited as at 30 June 2024.

Name of Entity	Type of Entity	Country of incorporation	Country of tax domicile	Equity interest %
Imbio Inc.	Company	USA	USA	100
4DMedical USA Inc.	Company	USA	USA	100
4DMedical R&D Inc.	Company	USA	USA	100
Australian Lung Health Initiative Pty Ltd	Company	Australia	Australia	100
4DMedical USA Holdco LLC.	Company	USA	USA	100
4DMedical Employee Share Trust	Trust	Australia	Australia	100
4DMedical R&D Pty Ltd	Company	Australia	Australia	100
4Dx Pte Ltd	Company	Singapore	Singapore	100
4DMedical NZ Limited	Company	New Zealand	New Zealand	100

As at 30 June 2024, none of the above entities was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity or a participant in a joint venture within the consolidated entity.