

Chairman's address to the 2021 Annual General Meeting

28 October 2021

FY21 has been a transformative year for 4DMedical Limited ("4DMedical" or the "Company"), and our first as an ASX-listed company. We have grown and expanded, while striving in our mission to improve lung health through unique and non-invasive imaging technologies.

It has been a year of transition and expansion:

- Transition to a listed operating environment, including the maturation of our governance structures;
- Expansion of our skills, capabilities and reach, with growth in staffing across Australia and the U.S.;
- Expansion of key functions, especially in the areas of sales and marketing, regulatory affairs and quality assurance, medical and clinical affairs, imaging systems as well as information technology; and
- Expansion of facilities including the 4DMedical Advanced Manufacturing Facility in Port Melbourne, Victoria, which will realise our XVD Scanner™.

Additionally, we have placed significant focus on:

- the wellbeing and safety of our people during the pandemic; and
- ensuring a healthy organisational culture as our team rapidly grows.

I'd now like to cover some of these items in more detail, before asking our Managing Director and CEO, Dr Andreas Fouras, to review our key operations, and provide an update on the year ahead, to the extent that is possible.

Following Andreas's presentation, I will then address the formal items of business for this AGM.

FY21 Overview

The last 18 months has been an extraordinary time for the world, and while 4DMedical was not immune to the challenges of the pandemic, we were able to advance:

- 1) clinical trials – which are intended to generate peer-reviewed publications to drive adoption of our technology based on scientific evidence, and
- 2) commercial pilots – which allow clinicians to use XV LVAS™ in their everyday practice.

These two key pillars are the basis of our commercialisation strategy.

COVID-19 has undoubtedly had a significant impact on the global business landscape during the year. For 4DMedical, restrictions temporarily limited access to key decision makers in U.S. hospitals while their focus shifted to the pandemic, however, this barrier significantly eased in the second half of the year due to the re-opening of non-essential hospital workflows. Business continuity was largely maintained throughout the year.

Six months ahead of schedule in September 2020, 4DMedical was able to commence commercial activities in Australia, after receiving TGA Class 1 approval for XV LVAS to be included in the



Australian Register of Therapeutic Goods. The Company is currently progressing a nationwide pilot in Australia, with numerous doctors, which Andreas will cover in more detail in his presentation.

Our workforce grew over this period, and so too has our geographic footprint with expansion of our sales force, now covering much of the U.S. as well as Australia and New Zealand, in line with our strategic plans. We welcomed an additional 54 full-time equivalent employees over the financial year, more than doubling our total staff numbers to 95 by 30 June 2021. As the world continued to embrace virtual meetings in FY21, our expanding sales force implemented new workflows with relative ease. With the experiences gained from implementing remote working practices across two continents, 4DMedical was able to embrace the challenge without significant strategic detriment.

Resultantly, our clinical trials program had major wins despite the ongoing COVID-19 challenge – with investigations into a range of use cases growing the body of scientific evidence to help drive market uptake. Cleveland Clinic, Duke University Hospital and Johns Hopkins were among the growing list of top U.S. hospital research collaborators who progressed work under our clinical trials program.

[Slide – FY21 financial summary dashboard]

FY21 Financial Performance

4DMedical’s ambitious strategy saw admission to the official list of the Australian Securities Exchange on 7 August 2020. A year on, we can reflect on the positive impact the IPO and ASX-listing has had on the Company and our commercialisation strategy. \$50.0 million of new capital was raised through our IPO. The Board was extremely pleased with the strong support from both new and existing institutional and retail investors, and the proceeds were quickly deployed to enhance the Company’s sales and marketing capability in the U.S. and Australia, establish numerous clinical trials to drive market penetration, and continue research and development investment into our product portfolio.

The Board was again delighted with strong investor support for the Company’s \$46.0 million institutional Placement and Share Purchase Plan earlier this year, which directly followed the award of \$28.9 million in funding over five years from the Australian Federal Government’s Medical Research Future Fund (“MRFF”) to 4DMedical’s wholly owned subsidiary, Australian Lung Health Initiative Pty Ltd (“ALHI”). Due to the outstanding investor response to the Share Purchase Plan, the Board exercised its discretion to double the Share Purchase Plan offer to \$6.0 million.

We now have in excess of 8,250 shareholders, up from 6,800 reported last AGM. Approximately 19% of our issued capital is currently represented by institutional investors, up from 15% reported last AGM, reflecting how well the 4DMedical story continues to resonate with professional investors.

We very much appreciate all investors who participated in these offerings and look forward to reporting to you with our continued progress.

I’d like to reiterate that the proceeds received from the MRFF grant, and the majority of funds from the associated capital raising, will be used to develop and commercialise our XVD Scanner™ – the world’s first dedicated lung scanner integrated with XV Technology™. A portion of the capital raised will also provide additional balance sheet flexibility, enabling the Company to pursue potential future growth opportunities.

As such, 4DMedical reported a net cash balance of \$80.9 million at 30 June 2021, up 860%, with no debt. Total income was recorded as \$5.8 million, up 71%, which comprised operating revenue of \$0.2 million and other income of \$5.6 million. Other income predominately consisted of R&D tax



credits of \$4.07 million and other grant income of \$1.26 million. The Company reported a net loss after tax of \$21.4 million, down 3% from the previous year. Due to increased headcount and R&D expenditure, operating expenditure was \$24.5 million, up 52%. This result is in line with 4DMedical's expectations and continued priority investment in developing our XV Technology platform and pipeline of Software-as-a-Service products.

With the momentum gained by the clinical trials and commercial pilots, combined with the Company's strong cash position, 4DMedical is well placed to build future performance.

Andreas will provide further detail on the commercialisation status of XV LVAS and VQ in his address.

Complete financial and other information for the year is included in the 2021 Annual Report.

Corporate Governance

During the course of the year, 4DMedical continued to mature as a listed entity, actively developing existing, and implementing new governance structures to foster a culture of integrity, strong alignment with the interests of shareholders, employees and other stakeholders, and promote accountability and transparency for sustainable value creation, while continuously ensuring that the structures are suitable for 4DMedical and in line with 4DMedical's objectives.

Both our Audit & Risk and Remuneration & Nomination committees have been working to ensure our external audit processes were conducted smoothly and efficiently, assessing 4DMedical's risk management framework, implementing sound executive remuneration structures, and addressing corporate culture proactively.

I'd like to mention again that director, Ms Lusia Guthrie, is retiring from our Board at the end of this meeting to focus on her role as Non-Executive Director and Chair of our subsidiary, ALHI. Her retirement also provides better clarity to the governance structure of ALHI, and the Board and management look forward to continuing to work with Lusia. Once again, Lusia, well done and thank you.

Conclusion

I would like to take this opportunity to thank my fellow directors for their commitment over yet another remarkable year, as well as our Managing Director and CEO, Andreas Fouras, his executive team and all our employees globally at 4DMedical for their resolute effort and dedication this past year. The momentum gained in FY21 could not have been achieved without their enthusiasm, passion, energy, and skill.

And to our shareholders, I'd like to reiterate that we have gained significant momentum built upon a solid foundation to continue our trajectory into the next year and beyond. We remain focused and excited about the years ahead. Thank you for your continued support and keen interest in 4DMedical. I wish you and your families good health.

Bruce Rathie
Chairman, 4DMedical Limited

–ENDS–

Authorised by Bruce Rathie, Chairman of the Board.



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About 4DMedical

Based in Melbourne, Australia and Los Angeles, U.S., 4DMedical Limited was founded in 2012 and is listed on the Australian Securities Exchange (ASX:4DX).

4DMedical is a medical technology company aiming to deliver the global gold standard in respiratory diagnostics for all lung disorders including: coronavirus, asthma, chronic obstructive pulmonary disease (COPD), cystic fibrosis and cancer. The unique 4DMedical technology accurately and quickly scans lung function as the patient breathes, to assist in providing sensitive, early diagnosis, and to monitor changes over time. Our Software-as-a-Service (SaaS) scans deliver much more complete results, showing even subtle variations in lung function down to the finest details, using lower levels of radiation than traditional methods.

Respiratory diagnostics is a US\$31 billion per annum global industry. Through its technology, 4DMedical provides clinicians with greater insights into diseases of the lung. 4DMedical is focused on providing better information to doctors and patients about lung function. Better information means better decisions, and better outcomes.