

Chairman's Address to the 2020 Annual General Meeting

20 November 2020

I'd like to take this opportunity to cover four topics:

- 1) COVID-19 and its impact on 4DMedical;
- 2) FY20 financial performance;
- 3) Our successful initial public offering;
- 4) Board structure post IPO.

I will then ask Andreas to provide more detail on our post ASX listing operations, including an update on the year ahead, to the extent that is possible.

Following Andreas's presentation, we will then move back to the formal items of business for this AGM.

COVID-19

First, to the COVID-19 pandemic.

Like many other organisations across the globe, 4DMedical has been working through these extraordinary circumstances with immediate focus on:

- the wellbeing and safety of our employees globally; and
- business continuity.

Our workforce, primarily based in our Melbourne and Los Angeles locations, has predominantly been telecommuting since March this year.

COVID-19 has temporarily impacted our ability to interact with potential customers face-to-face, both directly and through conferences, trade shows and hospital centres.

Despite this impact, our team has modified channels of communication with stakeholders so as to mitigate the effect on company operations. Despite this, we are pleased with the progress we have been making in the U.S. and since TGA approval, in Australia in rolling out our XV Technology.

Furthermore, the U.S. is forecast to be one of the major consumers of lung assessment tests in the future, having recorded approximately 25% of the total number of confirmed cases worldwide. Our XV Technology can be used to monitor and assess all conditions of the lung, including conditions associated with COVID-19. We continue to have confidence in the potential for our XV Technology to assist the global effort against COVID-19 and will keep you informed in this area.

FY20 financial performance

And what of our progress last financial year and since?

Despite the pandemic, and how it has affected us all in some way, the past 18 months has been the most exciting period in 4DMedical's history. After extensive preparation, we submitted our 510(k) application to the U.S. Food and Drug Administration for our XV ventilation product in November 2019, and it was cleared

in May 2020 for wide indication use in adult patients, enabling the sale of our XV ventilation product to hospitals and clinics in the U.S.

Andreas will provide further detail on the commercialisation status of our XV ventilation product in his address.

4DMedical completed a successful pre-IPO convertible note issuance in December 2019, raising \$17.41 million, the proceeds of which helped fund go-to-market activities, provide short-term liquidity and expansion of our teams in Melbourne and Los Angeles. We welcomed 16 new employees over the financial year, bringing our total staff to 41 at 30 June 2020. The additions included new appointments to our executive team, a Vice President of Medical and Clinical Affairs, Dr Jason Kirkness, and a Director of Quality and Regulatory Affairs, Terence Walsh.

Of course, the formal financial results reported on in the 2020 Annual Report relate to the Company pre-IPO with the Company being materially different financially subsequent to the \$50 million raised for company operations at IPO. Nevertheless, for the 2020 Financial Year, the Company reported a net loss after tax for the Group of \$21.98 million.

This result is in line with 4DMedical's continued investment in developing our XV Technology platform and pipeline of Software-as-a-Service products. The net loss after tax includes a non-cash interest expense of \$7.74 million relating to the convertible notes.

Total revenue and other income for the Group increased by \$1.82 million to \$3.37 million with \$1.23 million in reported sales of preclinical hardware and Software-as-a-Service revenue during the year. Other income reported for the full year of \$2.14 million comprises R&D Tax Incentive credits of \$0.82 million and grant income of \$1.32 million, which includes \$0.96 million received by 4DMedical's subsidiary, Australian Lung Health Initiative Pty Ltd, under the Federal Government's Stage One MRFF Frontiers initiative.

Operating expenditure reported for the full year was \$16.07 million compared to \$7.08 million the prior year, driven by increased headcount and employment expenses, increased efforts in clinical development and conducting validation trials, increased capital raising activities and in obtaining FDA clearance. Operating expenditure includes employee related expenses and share based payments totalling \$7.66 million, clinical development advisory and related trial costs of \$0.99 million, capital raising expenses and fees of \$0.71 million, regulatory consultancy and fees of \$0.37 million, go-to-market expenses of \$1.18 million and operating costs of Australian Lung Health Initiative Pty Ltd of \$0.83 million.

The Group's net cash balance as at the end of the period was \$8.43 million, which excludes the subsequent IPO raise.

Complete financial and other information for the year is included in the 2020 Annual Report.

Initial public offering and ASX listing

Post 30 June 2020, we of course completed a successful initial public offering, raising \$50 million of new capital to fund sales and marketing, operations, research and development and other business activities. Following our listing on ASX on 7 August, we now have in excess of 6,800 shareholders, a substantial increase from the 350 shareholders reported at last year's AGM, indicating tremendous support from the market over the past three and a half months. More than 15% of our issued capital is now represented by institutional investors reflecting how well the 4DMedical story has resonated with professional investors.

Looking back on this significant milestone and achievement, and on behalf of 4DMedical's Board and Management, we thank the tireless efforts of our service providers – including Gadens, Ernst & Young, Colour Andre, PKF Melbourne, PricewaterhouseCoopers, Link Market Services, Bell Potter, Evans & Partners, EL&C Baillieu, and Lockton. We also very much appreciate all those shareholders who participated in the offering and look forward to reporting to you as the Company progresses.

4DMedical is committed to our mission to improve global health by providing unique and non-invasive imaging technologies that enable unprecedented insight into pulmonary function, critical in the analysis and Management of respiratory diseases, and to help address public health demands, including those arising from the COVID-19 pandemic.

Board structure

The fourth topic, board structure.

This time last year, Andreas addressed you as Chairman and CEO of 4Dx Limited. In seeking to ensure that the Board had the right mixture of expertise and skills to properly meet the Company’s objectives including to prepare for it to become a listed entity, director recruitment was undertaken. Subsequently, Lil Bianchi and I were appointed 11 December last year. After a transition period, and in line with ASX corporate governance guidelines and recommendations, Andreas stepped down as chairman to concentrate on his chief executive duties, and I was appointed Chairman of the Board 15 March 2020. I am very humbled and thank our Board for the opportunity to take the Company through its IPO as chairman, and beyond.

In September 2019, we welcomed back Charlene Stahr as Company Secretary following her parental leave and thank Melanie Leydin for her secretarial services to 4DMedical in the interim period.

Additionally, in the last year the Board restructured its committees, in line with corporate governance best practices and ASX requirements.

I’d like to mention again that Heath Lee, our company Chief Financial Officer is leaving the Board at the end of this meeting to focus on his executive role in the Company. Once again, Heath, well done and thank you.

I would like to take this opportunity to thank my Board colleagues for their commitment over a challenging and remarkable past year. I would also like to thank Managing Director and CEO Andreas, his executive team and all our employees globally at 4DMedical for their extensive contributions this past year. Their energy, effort, commitment, passion, and skill were fundamental in achieving our recent milestones.

And to our shareholders, I’d like to reiterate that we have a strong foundation to continue into the next year and beyond. We are very 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

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Authorised by Bruce Rathie, Chairman.

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