

Chairman's address to the 2022 Annual General Meeting

3 November 2022

Welcome to Melbourne Connect, the home of 4DMedical's global headquarters.

Less than a year ago, the bold but considered decision was made to locate our Company here with other innovative 'scale-ups', and in proximity to the University of Melbourne. In the relatively short time since then, 4DMedical has become deeply involved in the thriving research and innovation-oriented environment being created by the University.

We have a Memorandum of Understanding in place with the University of Melbourne covering research collaboration, academic cooperation and access to students on placements and internships. In addition, 4DMedical occupies office space alongside the Deanery for Engineering and Information Technology, enabling continued collaboration on research projects and exchange of ideas and experiences.

FY22 Overview

4DMedical made material progress sustained against an ambitious strategy throughout this reporting year.

Clinical trials are a fundamental pillar of 4DMedical's commercialisation strategy. COVID-19 continues to significantly impact this strategy and operations as global businesses transition into post-pandemic recovery.

Despite restrictions limiting access to hospitals for much of the year, our clinical trials program progressed to initial results. The Company was very pleased to complete imaging in the Johns Hopkins COPD trial, presenting resulting data at the American Thoracic Society's annual global forum. The Company was also very pleased with results from the Vanderbilt study and looks towards further communication of those exciting results. We anticipate outcomes from several other clinical trials which are due to be reported early in the current financial year.

In terms of commercial progress, this has been the Company's most significant operating year to date.

The rollout of our core XV LVAS product by I-MED Radiology Network: Australia's largest provider of commercial imaging, represented a significant milestone in our commercialisation strategy. Following a pilot study, commercial scanning operations commenced in south-eastern metropolitan Melbourne, rapidly expanding to three more locations across three states.

Success in this initial rollout led to 4DMedical signing a nationwide contract with I-MED, broadening the potential reach of four-dimensional lung scanning into imaging clinics nationwide. This agreement represents a significant opportunity to generate revenue and allows for rapid commercialisation of new products. As of today's AGM, we have installed our XV Technology at nine sites with the pace of rollout to accelerate in the coming months.

In addition, 4DMedical commenced commercial scans in a pilot with Providence St Joseph Health at its Orange County hospital in California, representing an important milestone in our U.S. commercialisation effort.

More recently, the Company announced that the American Medical Association accepted its application for the addition of a new Category III CPT code to identify the use of our XV LVAS technology distinctly. The creation of a distinct code for the Company's XVLAS technology is a critical step towards commercialisation.



And only last week, 4DMedical announced the release of its breakthrough image processing software, CT LVAS, which provides an almost identical report to the Company's proven XV LVAS product but utilises widely available CT imaging infrastructure.

Our workforce is returning to their offices, combining effective work from home practices – essential for our geographically dispersed sales and customer onboarding teams – whilst maintaining a vibrant and collaborative culture in our contemporary physical company environments.

The Company's balance sheet remains healthy with revenue generation and a cash runway enabling performance to be further enhanced as 4DMedical continues to expand, commensurate with its maturity as a listed entity and technology innovator.

FY22 Financial Performance

In respect of the financial performance of the company, I would like to report that 4DMedical had a net cash position of \$51.11 million, with no debt, as at 30 June 2022.

The total income reported was \$13.37 million, up 132%, comprising operating revenue of \$1.05 million and other income of \$12.32 million. The Company reported a net loss after tax of \$24.59 million, up 15% from the previous year.

Finally operating expenditure of \$37.03 million was reported, up 51% on previous year driven by continued investment in go-to-market capability and headcount. After adjusting for expenditures directly funded by the MRFF grant, underlying operating expenditure was up 19% from the previous year.

[\[Slide – FY22 financial summary dashboard\]](#)

Corporate Governance

Throughout FY22, 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.

Also, I would like to particularly thank departed Non-Executive Director Lusia Guthrie for her long-time contribution to the Company's governance, a function she continues as Chair of 4DMedical subsidiary, the Australian Lung Health Initiative (ALHI).

I welcome the appointment of Evonne Collier as an independent non-executive director, noting her already significant contribution utilising multinational experience across industries including MedTech, Pharmaceutical/Health and eCommerce/Digital.

Bruce Rathie
Chairman, 4DMedical Limited



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Authorised by the Bruce Rathie, Chairman of the Board.

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About 4DMedical

4DMedical Limited (ASX:4DX) is a global medical technology company that has created a step change in the capacity to accurately and quickly understand the lung function of patients with respiratory diseases.

Through its flagship patented XV Technology®, 4DMedical enables physicians to understand regional airflow in the lungs and identify respiratory deficiencies earlier and with greater sensitivity as they breathe. This technology powers 4DMedical's FDA-cleared XV Lung Ventilation Analysis Software (XV LVAS®), the first modality to dynamically quantify ventilation throughout the lungs.

XV LVAS® and CT LVAS™ reports are prepared using 4DMedical's Software as a Service delivery model using existing hospital imaging equipment or the Company's revolutionary XV Scanner.

To learn more, please visit www.4dmedical.com.