Appendix 4D
4DMedical Limited
ABN 31 161 684 831

Results for Announcement to the Market

Half-year ended: 31 December 2024
(previous corresponding period: Half-year ended 31 December 2023)

		%		$'000
Revenue from ordinary activities	up	265%	to	2,895
Other income	down	(32%)	to	4,851
Loss from ordinary activities after tax attributable to members of 4DMedical Limited	up	23%	to	(19,168)
Net loss for the period attributable to members of 4DMedical Limited	down	(15%)	to	(12,575)

	Half-year ended 31 December 2024 $	Half-year ended 31 December 2023 $
Net tangible assets per ordinary security	(0.04)	0.04

Control gained or lost over entities

Not applicable.

Investments in associates and joint ventures

Not applicable.

Dividend distribution & reinvestment plans

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

Other matters

Additional disclosure requirements in accordance with ASX Listing Rule 4.2A are contained in this report.

This report should be read in conjunction with the annual report for the year ended 30 June 2024, investor presentation for the half-year ended 31 December 2024 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

The Half-Year Financial Statements have been subject to a review by our auditors and the review report is included in this Half-Year Report.

The information set out above and in the attached Half-Year Report 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

28 February 2025
Carlton, VIC

Appendix 4D

Half-year Report

For the six months ended 31 December 2024

4DMedical Limited **(ASX:4DX)** | ABN 31 161 684 831

Contents

Directors' report

Your directors submit their report on the consolidated entity consisting of 4DMedical Limited (the **Company** or **4DMedical**) and its controlled entities (referred to hereafter as the **Group**) for the half-year ended 31 December 2024.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period, unless otherwise stated.

Lilian Bianchi	Non-Executive Director & Chair
Dr. Andreas Fouras	Managing Director
John Livingston	Non-Executive Director (Executive Director until 31 December 2024)
Julian Sutton	Non-Executive Director
Dr. Robert A. Figlin	Non-Executive Director
Dr. Geraldine McGinty	Non-Executive Director

Operating and financial review

4DMedical is a global medical technology company transforming the ability to accurately and quickly understand the lung function and structure of patients with respiratory diseases. Through its patented XV Technology® core product, 4DMedical is enabling physicians and researchers to gain unprecedented insight into regional airflow and blood flow in the lungs, identifying respiratory deficiencies earlier and with greater sensitivity as patients breathe.

In December 2023, 4DMedical expanded its leadership in medical imaging with the acquisition of Imbio, a pioneer in artificial intelligence solutions for chronic lung and cardiothoracic diseases. Imbio's AI-driven platforms enhance physician productivity, improve diagnostic precision, and support personalised care, aligning seamlessly with 4DMedical's mission to redefine respiratory healthcare.

Review of operations

- ***Philips Reseller Agreement***

In September 2024, 4DMedical announced the signing of its reseller agreement with Philips North America, LLC (Philips), which represents a critical milestone in 4DMedical's commercialisation journey. Under the agreement, 4DMedical's combined portfolio will be added to Philips' product catalogue and will be offered as a third-party solution to its U.S. customer base. The 5-year agreement will give Philips exclusive distribution rights to the 4DMedical suite of products with its U.S. government customers (including the Department of Veterans Affairs (VA) and the Department of Defense (DoD) and non-exclusive rights with all other U.S. commercial customers.

This agreement established a transformative commercial pathway for 4DMedical's full suite of SaaS offerings in the U.S., leveraging Philips' long-established and significant existing commercial partnerships. These existing relationships are particularly strong within the VA and DoD, where Philips has been providing innovative imaging solutions for over 45 years, with 50% of VA clinics currently using Philips imaging products.

In December 2024, Philips' commitment to the partnership was highlighted at the Radiological Society of North America (RSNA) conference, where a joint presentation by Andreas Fouras, and Philips CEO for North America, Jeff DiLullo, emphasised the synergies between 4DMedical's advanced technologies and Philips' extensive healthcare presence. Together, the companies illustrated how their collaboration enhances diagnostic precision, streamlines clinical workflows, and broadens access to advanced respiratory care solutions.

In February 2025, the Philips sales team first gained access to 4DMedical's SaaS catalogue, opening the door to full commercial activity to commence.

Directors' report (continued)

- ***U.S. Government engagement***

The U.S. Government sector presents a significant opportunity for 4DMedical, particularly with the VA and the DoD. Distinct from the VA, the DoD oversees one of the world's largest healthcare systems, serving over 9.5 million active-duty service members, their families, and retirees through the Military Health System (MHS). With more than 200 military hospitals and clinics worldwide, the MHS is committed to delivering integrated, high-quality healthcare that ensures the readiness and resilience of U.S. Armed Forces.

In January 2025, 4DMedical secured a contract with the DoD to pilot its CT:VQ™ technology, pre-FDA submission, designed to assess lung health in a fixed cohort of active-duty personnel. This builds on a prior agreement with the DoD for deploying CT LVAS™ in a pilot program. This significant milestone highlights the DoD's recognition of 4DMedical's technology as a critical tool for delivering advanced health insights for military personnel.

4DMedical and Philips jointly collaborating across the VA, including the support of scalable, non-invasive lung screening aligned with the PACT Act. 4DMedical's XV LVAS® and LDAf technologies are widely recognised as the two leading non-invasive solutions for evaluating Deployment-Related Respiratory Disease (DRRD) in veterans.

- ***U.S. commercialisation***

During H1 FY25, 4DMedical continued to make strong commercialisation progress in the U.S., signing B2B SaaS contracts directly with hospital and radiology clinics, as well as via our distribution partners Olympus, Nuance, and Aidoc. The notable contracts are detailed below.

In November 2024, the Group signed a commercial contract with Imaging Partners of Orange County (IPOC) to provide CT LVAS™ and LDAf (Lung Density Analysis™) scans. This marks 4DMedical's first commercial contract with an independent radiology provider since the Centers for Medicare & Medicaid Services (CMS) approved reimbursement for CT LVAS™. Additionally, University of California – San Diego (UCSD) Health signed a three-year commercial contract with 4DMedical, and subsequently expanded its agreement to include SeleCT, a screening service that analyses chest CTs to identify patients suitable for treatment with endobronchial valves.

In December 2024, 4DMedical entered a commercial contract with University of Chicago Medicine. This agreement facilitates University of Chicago Medicine clinicians to utilise 4DMedical's comprehensive portfolio of structural and functional lung imaging products, including CT:LVAS™. University of Chicago Medicine, an academic medical center (AMC) with an internationally renowned Pulmonary and Critical Care Medicine Department, is at the forefront of advancing treatments for complex lung diseases.

- ***Australian commercialisation***

In 1H25, the Group signed several commercial contracts with Australian radiology clinics:

1. Perth Radiological Clinic (PRC): Delivering XV Technology®-enabled ventilation reports across 16 initial clinics in Perth. PRC, a leading provider of diagnostic imaging services in Western Australia, serves a significant portion of the region's population through its network of clinics.
2. Qscan Radiology Clinics: A leading provider of diagnostic imaging services in Queensland. This agreement follows a successful pilot of 4DMedical's products with Qscan and represents the first Australian contract to incorporate products from both the Pulmonary Function and Pulmonary Structure suites, including CT LVAS™.
3. Jones Radiology: A leading radiology network based in Adelaide, with sites across regional South Australia and the Northern Territory. Following on from the initial launch to three sites, a further expansion to 15 sites was completed in 1Q25.

4DMedical is uniquely positioned to support a nationwide rollout of the National Lung Cancer Screening program, due for commencement in July 2025, with the addition of Imbio portfolio of lung diagnostic tools including the licensed FDA approved lung nodule detection software. This places the Group in an exclusive position to support radiologists and referrers in the screening of these patients and provide insight into management of incidental findings.

Directors' report (continued)

- ***FDA approval of IQ-UIP™***

As announced on 7 January 2025, the Group received FDA clearance for its IQ-UIP™ product, an advanced AI-driven lung diagnostic tool designed to revolutionise the diagnosis of Usual Interstitial Pneumonia (UIP), the hallmark radiological pattern for diagnosing Interstitial Pulmonary Fibrosis (IPF). This marks the eighth commercial product to be granted clearance in the U.S. market, cementing 4DMedical as the clear leader in lung imaging analysis.

Usual Interstitial Pneumonia (UIP), often linked to Idiopathic Pulmonary Fibrosis (IPF), is a severe condition characterised by chronic inflammation and progressive lung fibrosis. The median survival post-diagnosis ranges from 1 to 2 years, and the condition affects approximately 140,000 individuals in the U.S. alone, with over 50,000 new cases diagnosed each year. The global IPF treatment market was US $4.01 billion in 2024 and is expected to grow to US $7.81 billion over the next 10 years.

Diagnosing UIP poses a significant clinical challenge due to symptoms often mimicking more prevalent respiratory conditions like COPD, bronchitis, or asthma. In fact, more than 50% of UIP cases are initially misdiagnosed, hampering timely interventions that could extend life expectancy, highlighting the urgent need for innovative solutions such as IQ-UIP™. In addition to its diagnostic applications, IQ-UIP™ has the potential to shorten clinical trial timelines and reduce costs for pharmaceutical companies by providing a reliable imaging biomarker and patient selection tool. Clinical trials in this sector cost over US $115 million per trial on average, while the total cost to develop new drugs and take them to market can be as high as US $4.5 billion. IQ-UIP™ has the potential to dramatically reduce the costs and time taken for clinical trials, which will benefit pharmaceutical companies, while also delivering better health outcomes to patients in a faster time frame.

- ***CT:VQ™ unveiling at RSNA ahead of FDA submission***

At RSNA 2024, 4DMedical presented clinical trial data for its groundbreaking CT:VQ™ technology, an advanced imaging solution offering a compelling alternative to traditional Nuclear VQ scans. This innovative approach delivers comparable diagnostic insights without the need for radioactive isotopes or expensive infrastructure. During the session, 4DMedical demonstrated how CT:VQ™ improves access to care, delivers faster results and enhances patient safety. The presentation, attended by industry professionals, showcased CT:VQ™'s potential to revolutionise lung ventilation and perfusion imaging, driving significant progress in respiratory diagnostics.

The U.S. market for Nuclear VQ scans exceeds US $1 billion annually, with approximately one million scans performed each year at an average cost of over US $1,000 per scan. 4DMedical's CT:VQ™ technology offers the opportunity to replace this outdated and inefficient diagnostic tool while enhancing patient experience and extending its use to a broader audience.

Adding to this momentum, 4DMedical recently received $1.9 million in CRC-P funding for its project, "CT:VQ™ – A Better Pulmonary Perfusion Test." This funding will accelerate the generation of clinical evidence to validate CT:VQ™'s efficacy and advance commercialisation. Additionally, the CRC-P grant will further accelerate efforts to provide the clinical evidence necessary for physicians to adopt CT:VQ™ as an immediate replacement for Nuclear VQ scans.

The Group are expecting to have FDA approval in CY2025 as key clients such as Philips and the DoD are eagerly awaiting implementation and use of this world-first game-changing technology.

- ***XV Scanner installed in VUMC***

In July 2024, 4DMedical installed the XV scanner at Vanderbilt Medical Center as part of the Military Exposures Research Program (MERP). The MERP is an initiative of the U.S. Department of Veterans Affairs (VA) as part of its commitment to address evidence needs related to toxic exposures and health, often in partnership with education and research institutions. MERP grant funding by the VA enabled the installation of an XV Scanner at Vanderbilt University Institute for Imaging Sciences (VUISS) in Nashville, Tennessee, a hub for Veterans' health research.

Directors' report (continued)

The XV Scanner is used to improve understanding of toxic effects of burn pits under military conditions and overcome challenges of exposure assessment as part of the Post-Deployment Respiratory Illness in Veterans of Iraq and Afghanistan (PRIVIA) Study. Researchers intend for this study to positively impact Veterans by advancing their understanding of factors which cause deployment related respiratory disease (DRRD) and improving their ability to diagnose DRRD non-invasively. It is anticipated that future studies may also inform their understanding of disease progression and create new surrogate endpoints for future clinical trials.

Other corporate updates

Effective 1 January 2025, John Livingston reverted to a Non-Executive Director position, previously serving in an Executive Director from May 2022. John's terms of appointment as a Non-Executive Director will be on the same basis as other Non-Executive Directors.

Financial position and performance

Revenue from ordinary activities of the Group increased by 265% to $2.9 million, largely driven by the timing of the Imbio acquisition (only contained 16 days of Imbio revenue in the corresponding comparative half-year). Revenue during the half-year was derived from software licences and subscriptions and on-going preclinical hardware support and maintenance contracts. Revenue on an underlying basis (this excludes the one-off revenue and includes Imbio's pre-acquisition revenue in the corresponding comparative half-year) increased by 28%, driven by the General Radiology business (both via distributor and direct B2C), coupled with a growing Clinical SaaS business with the inclusion of new clients.

The net loss from ordinary activities after tax for the Group was $19.2 million, up 23% compared to the corresponding comparative half-year. Operating expenditure (exclusive of finance costs) reported for the half-year was $23.6 million, compared to $22.8 million in the prior corresponding period. The increase is attributable to costs relating to Imbio as well as 4DMedical's continued commercialisation efforts, product development activities and growth in headcount.

The Group reported a cash balance of $16.0 million at 31 December 2024.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial half-year that are not otherwise disclosed in this report.

Proceedings

No person has applied for leave of Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings in the financial half-year.

Matters subsequent to the end of the financial half-year

In February 2025, 4DMedical completed a share placement (Placement) and launched a share purchase plan (SPP). The key details are as follows:

- The Placement raised approx. $5.5m (before costs), issuing 12,941,176 new, fully paid ordinary 4DMedical shares, representing approx. 3.1% of existing ordinary shares on issue, utilising the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.
- The SPP is underwritten to $7.0m, issuing 16,470,589 new, fully paid ordinary 4DMedical shares, with the Company reserving the ability to accept oversubscriptions.

Directors' report (continued)

- Subject to receiving shareholder approval, each participant in both the Placement and SPP will also receive one unlisted attaching option, exercisable at $0.55 with an expiry date of the earlier of 28 February 2026, and the date being 30 days from the date on the Company announcing receipt of the U.S. Food and Drug Administration clearance for its ventilation and perfusion technology, CT:VQ™ (if at all).
- Subject to receiving shareholder approval, Upon exercise of the attaching option, the holder will receive one fully paid ordinary 4DMedical share and one piggyback option exercisable at $0.75 with an expiry date of the earlier of 28 February 2028, and the date being 2 years from the date on the Company announcing receipt of the U.S. Food and Drug Administration clearance for its ventilation and perfusion technology, CT:VQ™ (if at all).
- The Company also intends to issue 5,000,000 attaching options to the sub-underwriting that have supported the SPP.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on the following page.

Signed in accordance with a resolution of the Directors:

Dr. Andreas Fouras
Managing Director and Chief Executive Officer

28 February 2025
Carlton, VIC

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF 4DMEDICAL LIMITED

In relation to our review of the financial report of 4DMedical Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of 4DMedical Limited and the entities it controlled during the financial period.

PKF

Melbourne, 28 February 2025

Kaitlynn Brady

Partner

Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2024

	Notes	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Revenue	4.1	2,895,250	792,505
Cost of sales		(188,342)	(50,470)
Gross income		**2,706,908**	**742,035**
Other income	4.3	4,851,272	7,124,470
Employee benefits expense	5.1	(15,212,950)	(12,036,395)
Other operating expenditure	5.2	(8,433,573)	(10,744,205)
Foreign currency (losses)/gains		(613,417)	(33,222)
Earnings before interest, taxes, depreciation & amortisation		**(16,701,760)**	**(14,947,317)**
Depreciation and amortisation expense		(2,562,593)	(1,518,609)
Interest expense	5.3	(132,757)	(126,770)
Interest income		236,766	1,032,137
Loss before income tax		**(19,160,344)**	**(15,560,559)**
Income tax expense		(7,300)	(45,895)
Loss for the period		**(19,167,644)**	**(15,606,454)**
Other comprehensive loss			
Exchange differences on translation of foreign operations	8.4	(1,290,741)	814,806
Gain on remeasurement of contingent consideration liability	7	7,883,000	-
Total comprehensive loss for the period		**(12,575,385)**	**(14,791,648)**
Earnings per share (EPS):			
Basic loss for the period attributable to ordinary equity holders		**(0.031)**	(0.042)
Diluted loss for the period attributable to ordinary equity holders		**(0.025)**	(0.037)

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 31 December 2024

	Notes	31 December 2024 $	30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents		15,951,610	30,606,144
Trade and other receivables		1,074,020	1,259,855
Research and development tax incentive receivable		2,471,753	4,628,057
Inventories		1,027,260	992,249
Other assets		2,170,756	1,564,413
Total current assets		**22,695,399**	**39,050,718**
Non-current assets			
Intangible assets	6	71,346,116	72,174,534
Property, plant and equipment		4,507,385	4,881,729
Right-of-use assets		3,420,203	3,863,657
Other receivables		44,800	44,800
Total non-current assets		**79,318,504**	**80,964,720**
Total assets		**102,013,903**	**120,015,438**
Liabilities and equity			
Current liabilities			
Trade and other payables		5,488,887	5,097,389
Government grant deferred income		4,979,900	5,197,485
Employee benefit liabilities		1,683,722	1,772,880
Lease liabilities		1,036,207	944,592
Contract liabilities		832,733	1,007,399
Income tax payable		-	318,595
Deferred consideration	7	8,042,500	7,548,500
Total current liabilities		**22,063,949**	**21,886,840**
Non-current liabilities			
Deferred consideration	7	8,042,500	15,097,000
Deferred tax liabilities		7,529,545	7,067,052
Lease liabilities		3,784,414	4,176,016
Contract liabilities		595,728	718,410
Employee benefit liabilities		134,546	143,471
Total non-current liabilities		**20,086,733**	**27,201,949**
Total liabilities		**42,150,682**	**49,088,789**
Net assets		**59,863,221**	**70,926,649**
Equity			
Issued capital	8.2	219,818,755	218,430,126
Share based payment reserve	8.3	5,013,226	4,889,898
Foreign currency translation reserve	8.4	(1,646,869)	(356,128)
Accumulated losses		(163,321,891)	(152,037,247)
Total equity		**59,863,221**	**70,926,649**
Total liabilities and equity		**102,013,903**	**120,015,438**

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2024

	Notes	Issued capital $	Share based payment reserve $	Other reserves $	Accumulated losses $	Total equity $
At 1 July 2024		**218,430,126**	**4,889,898**	**(356,128)**	**(152,037,247)**	**70,926,649**
Loss for the period		-	-	-	(19,167,644)	(19,167,644)
Other comprehensive income		-	-	(1,290,741)	7,883,000	6,592,259
Total comprehensive loss for the period		-	-	(1,290,741)	(11,284,644)	(12,575,385)
Exercise of options – proceeds received	8.2	800,000	-	-	-	800,000
Transfer of STIP cash provision to share-based payment reserve	8.3	-	821,304	-	-	821,304
Share-based payments expense during the year	8.3	-	711,957	-	-	711,957
Share-based payments expense during the year - options lapsed	8.3	-	(821,304)	-	-	(821,304)
Settlement of options - issued capital	8.3	161,384	(161,384)	-	-	-
Settlement of rights - issued capital	8.3	427,245	(427,245)	-	-	-
At 31 December 2024		**219,818,755**	**5,013,226**	**(1,646,869)**	**(163,321,891)**	**59,863,221**
At 1 July 2023		**184,359,111**	**3,312,646**	**(152,804)**	**(116,058,576)**	**71,460,377**
Loss for the period		-	-	-	(15,606,454)	(15,606,454)
Other comprehensive income		-	-	814,806	-	814,806
Total comprehensive loss for the period		-	-	814,806	(15,606,454)	(14,791,648)
Issue of share capital	8.2	35,000,000	-	-	-	35,000,000
Capital raising costs	8.2	(2,052,065)	-	-	-	(2,052,065)
Transfer of STIP cash provision to share-based payment reserve	8.3	-	521,620	-	-	521,620
Share-based payments expense during the year	8.3	-	1,179,189	-	-	1,179,189
Share-based payments expense during the year - options lapsed	8.3	-	(184,414)	-	-	(184,414)
Settlement of options - issued capital	8.3	198,728	(198,728)	-	-	-
Settlement of rights - issued capital	8.3	590,893	(590,893)	-	-	-
At 31 December 2023		**218,096,667**	**4,039,420**	**662,002**	**(131,665,030)**	**91,133,059**

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

Consolidated statement of cash flows

For the half-year ended 31 December 2024

	Notes	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Operating activities			
Receipts from customers		2,564,271	398,516
Payments to suppliers and employees		(17,194,891)	(12,912,488)
Research costs		(7,260,235)	(9,213,154)
Interest received		349,828	1,032,137
Interest and other costs of finance paid	5.3	(132,757)	(126,770)
Government grants and tax incentives		7,552,269	6,028,409
Net GST paid		(27,932)	52,676
Net cash flows used in operating activities		**(14,149,447)**	**(14,740,674)**
Investing activities			
Acquisition of entities	7	-	(39,518,937)
Purchase of property, plant and equipment		(37,425)	(97,505)
Purchase of intangibles		(131,702)	(88,014)
Capitalisation of development costs to intangible assets		(675,972)	(448,523)
Cash acquired from business combination	7	-	791,498
Net cash flows used in investing activities		**(845,099)**	**(39,361,481)**
Financing activities			
Proceeds from issues of equity securities	8.2	-	35,000,000
Proceeds from exercise of options	8.2	800,000	-
Transaction costs related to issues of equity securities	8.2	-	(2,052,065)
Payment of principal portion of lease liabilities		(459,988)	(542,874)
Net cash flows from financing activities		**340,012**	**32,405,061**
Net decrease in cash and cash equivalents		(14,654,534)	(21,697,094)
Cash and cash equivalents at the beginning of the period		30,606,144	69,576,373
Cash and cash equivalents at the end of the period		**15,951,610**	**47,879,279**

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

Notes to the consolidated financial statements

For the half-year ended 31 December 2024

1. Corporate information

These condensed consolidated financial statements (hereinafter referred to as 'financial statements') incorporate the assets and liabilities of all subsidiaries of 4DMedical Limited for the half-year ended 31 December 2024. 4DMedical Limited is a publicly listed company limited by shares, incorporated and domiciled in Australia.

The registered office and principal place of business of 4DMedical Limited is Melbourne Connect, Level 7, 700 Swanston Street, Carlton, Victoria 3053.

The financial statements were authorised for issue on 28 February 2025 by the Directors of the Company.

The principal activities of the 4DMedical during the half-year ended 31 December 2024 were medical research technology and development of a non-invasive respiratory imaging solution using four-dimensional imaging. This four-dimensional lung imaging technology utilises proven, patented mathematical models and algorithms to convert X-ray and CT scans into quantitative data to enhance the capacity of physicians to manage patients with respiratory diseases and diseases of the lung.

2. Basis of preparation

4DMedical Limited is a for-profit entity for the purpose of preparing financial statements.

The financial statements for the half-year ended 31 December 2024:

i. Have been prepared in accordance with Accounting Standard *AASB134 Interim Financial Reporting* and the *Corporations Act 2001*.
ii. Do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.
iii. Adopt accounting policies consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.
iv. Have been prepared on a going concern basis.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of the normal business activities and realisation of assets and discharge of liabilities in the normal course of business. The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after considerations of the following factors:

- The Board approved strategic plan and most up to date cashflow forecasts indicate that positive cash reserves will be maintained for 12 months from the date of signing of this financial report and beyond.
- The commercialisation strategy is on track and progressing well, driven by the implementation of the Philips reseller agreement and the expansion of sites utilising the product portfolio both in the U.S. and Australia. In addition, the Company has received FDA approval for its new product IQ-UIP™, and will submit CT:VQ™ for FDA clearance in 2H FY2025. Finally, average revenue per site is growing due to U.S. Medicare reimbursement rates for CT LVAS™ and VX LVAS® of US$650.50 and US$311 respectively.
- Management continually review its costs, and have implemented cost reductions to align with its commercialisation strategy.

Notes to the consolidated financial statements (continued)

- The Group has access to capital markets, with a proven track record of raising funds for acquisition and expansion purposes, including the recently announced Placement and Share Purchase Plan in February 2025. In addition, the Company has in place an 'At-The-Market' facility with Alpha Investment Partners, which is a mechanism to raise capital at prevailing market prices. The Group remains confident that it has the ability to request additional support from existing shareholders if financial assistance is required.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the 30 June 2024 consolidated financial statements.

4. Revenue

4.1 Revenue from contracts with customers

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

	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Type of goods or service		
Software-as-a-Service (SaaS)	2,874,974	356,107
Service and maintenance income	20,276	-
Lease income	-	436,398
Total revenue from contracts with customers	**2,895,250**	**792,505**
Timing of revenue recognition		
Goods or services transferred at a point in time	2,405,947	334,005
Services transferred over time	489,303	458,500
Total revenue from contracts with customers	**2,895,250**	**792,505**
Geographical markets		
United States of America	2,890,840	304,117
Australia	4,410	488,388
Total revenue from contracts with customers	**2,895,250**	**792,505**

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

Notes to the consolidated financial statements (continued)

4.2 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.

Service and maintenance income

Service and maintenance income is 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. The Group did not have any lease income in H1 FY25.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are as follows:

	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Within one year	832,733	1,151,521
More than one year	595,728	901,093
Total deferred revenue	**1,428,461**	**2,052,614**

The remaining performance obligations expected to be recognised in more than one year relate to the provision of software licences that are to be satisfied within three years of the contract date with this specific client. All the other remaining performance obligations are expected to be recognised within one year. The above table does not include deferred revenue relating to government grants.

4.3 Other Income

	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Government grants	2,900,345	4,290,579
Research and development tax incentive	1,950,927	2,833,891
Total other income	**4,851,272**	**7,124,470**

Notes to the consolidated financial statements (continued)

5. Expenditure

5.1 Employee benefits expense

	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Wages and salaries	10,769,910	8,910,753
Other employee and directors' benefits expense	3,731,083	2,130,866
Equity-settled share-based payments	711,957	994,776
Total employee benefits expense	**15,212,950**	**12,036,395**

5.2 Other operating expenditure

	6 months to 31 December 2024 $	6 months to 31 December 2023 $
Legal, professional and consultant expenses	3,066,944	4,316,970
Computer expenses	2,058,498	1,621,993
Travel expenses	844,609	675,081
Sales and marketing expenses	757,553	536,490
General expenses	522,469	612,957
Research and development expenses	347,109	272,220
Occupancy and utilities expenses	428,890	423,039
Clinical trial expenses	226,059	1,794,206
Insurance expenses	181,442	491,249
Total other expenses	**8,433,573**	**10,744,205**

5.3 Finance costs

	6 months to 31 December 2023 $	6 months to 31 December 2023 $
Interest expense on lease liabilities	125,704	122,410
Interest expense on insurance premium funding	7,053	4,360
Total finance costs	**132,757**	**126,770**

Notes to the consolidated financial statements (continued)

6. Intangible assets

Reconciliation of written down values at the beginning and end of the current financial half-year and previous financial year:

	31 December 2024 $	30 June 2024 $
Goodwill		
Opening net amount	42,712,533	-
Assets acquired from business combination	-	42,712,533
Net book value	**42,712,533**	**42,712,533**
Software		
Opening net amount	23,992,016	-
Additions	-	-
Assets acquired from business combination	-	24,903,975
Assets written off	-	(3,595)
Amortisation charge for the period	(896,896)	(914,717)
Exchange differences	(59,686)	6,353
Net book value	**23,035,434**	**23,992,016**
Development costs		
Opening net amount	3,864,343	4,064,781
Additions	675,972	871,370
Amortisation charge for the period	(614,687)	(1,071,808)
Net book value	**3,925,628**	**3,864,343**
Trademark and Patents		
Opening net amount	1,310,305	999,771
Additions	100,272	170,598
Assets acquired from business combination	-	286,700
Assets written off	(7,065)	(98,847)
Amortisation charge for the period	(39,434)	(51,868)
Exchange differences	17,569	3,951
Net book value	**1,381,647**	**1,310,305**
Other intangible assets		
Opening net amount	295,336	18,104
Assets acquired from business combination	-	306,186
Amortisation charge for the period	(22,637)	(23,545)
Exchange differences	18,175	(5,409)
Net book value	**290,874**	**295,336**
Total intangible assets		
Opening net amount	72,174,533	5,082,656
Additions	776,244	1,041,968
Assets acquired from business combination	-	68,209,394
Assets written off	(7,065)	(102,442)
Amortisation charge for the period	(1,573,654)	(2,061,938)
Exchange differences	(23,942)	4,895
Net book value	**71,346,116**	**72,174,533**

'Other intangible assets' includes licenses, branding and computer software.

Notes to the consolidated financial statements (continued)

7. Business combinations

Background

On 15 December 2023, 4DMedical USA Inc, a wholly owned subsidiary of 4DMedical Limited, acquired 100% of the equity interests in Imbio Inc, for the total consideration of AU$60,241,094. The details of the transaction, including the fair value of the consideration, acquired balance sheet and identifiable software assets, and goodwill on acquisition are detailed in disclosure note 17 in the 30 June 2024 Financial Statements. There is no change in the acquisition accounting, including the residual goodwill, as at 31 December 2024.

Update to the status of the Contingent Consideration (Earn-outs)

- **Earn-out 1**
  Condition: 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.

  Status: 4DMedical recognised 50% (US$5.0m) of Earn-out 1 as part of the acquisition accounting. The conditions to trigger payment of Earn-out 1 were not met. The reduction in 4DMedical's contingent consideration was recognised in the P&L as a Gain on remeasurement of Contingent Consideration Liability as Other Comprehensive Income (AU$7.9m)

- **Earn-out 2**
  Condition: 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.

  Status: 4DMedical recognised 100% (US$5.0m) of Earn-out 2 as part of the acquisition accounting. Management expect the conditions to trigger payment of Earn-out 2 to be met, and have recognised this as a non-current liability in the Balance Sheet.

- **Earn-out 3**
  Condition: 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).

  Status: 4DMedical recognised 100% (US$5.0m) of Earn-out 3 as part of the acquisition accounting. The conditions to trigger payment of Earn-out 3 were satisfied in December 2024 and will be settled in H2 FY25, hence this is recognised as a current liability on the Balance Sheet. 4DMedical will be paying the Earn-out consideration in ordinary shares.

8. Issued capital and reserves

8.1 Terms and conditions of ordinary shares

	31 December 2024 $	30 June 2024 $
Ordinary shares	**219,818,755**	**218,430,126**

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

Notes to the consolidated financial statements (continued)

8.2 Movement in ordinary shares on issue

	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**
Exercise of options - proceeds received	2,000,000	800,000
Settlement of options - issued capital	308,958	161,384
Settlement of rights - issued capital	614,832	427,245
As at 31 December 2024	**413,318,455**	**219,818,755**

8.3 Other capital reserves

	31 December 2024 $	30 June 2024 $
Share-based payment reserve	**5,013,226**	**4,889,898**
Movement in the share-based payment reserve		
Balance at the beginning of the year	4,889,898	3,312,646
Transfer of STIP cash provision to share-based payment reserve	-	521,869
Share-based payments expense during the year	1,533,261	2,362,878
Share-based payments expense during the year - options lapsed	(821,304)	(184,414)
Settlement of options - issued capital	(161,384)	(454,196)
Settlement of rights - issued capital	(427,245)	(668,885)
Balance at the end of the period	**5,013,226**	**4,889,898**

The share-based payment reserve comprised of the value of the employee, non-employee and director share plans that were granted during the half-year.

8.4 Other capital reserves

	31 December 2024 $	30 June 2024 $
Foreign currency translation reserve	**(1,646,869)**	**(356,128)**
Movement in foreign currency translation reserve		
Balance at the beginning of the period	(356,128)	(152,804)
Exchange differences on translation of foreign operations	(1,290,741)	(203,324)
Balance at the end of the period	**(1,646,869)**	**(356,128)**

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

9. Contingent Liabilities & Contingent Assets

The Group had no contingent liabilities or contingent assets as at 31 December 2024 and 31 December 2023.

Notes to the consolidated financial statements (continued)

10. Events after the Reporting Date

In February 2025, 4DMedical completed a share placement (Placement) and launched a share purchase plan (SPP). The key details are as follows:

- The Placement raised approx. $5.5m (before costs), issuing 12,941,176 new, fully paid ordinary 4DMedical shares, representing approx. 3.1% of existing ordinary shares on issue, utilising the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.
- The SPP is underwritten to $7.0m, issuing 16,470,589 new, fully paid ordinary 4DMedical shares, with the Company reserving the ability to accept oversubscriptions.
- Subject to receiving shareholder approval, each participant in both the Placement and SPP will also receive one unlisted attaching option, exercisable at $0.55 with an expiry date of the earlier of: 28 February 2026, and the date being 30 days from the date on the Company announcing receipt of the U.S. Food and Drug Administration clearance for its ventilation and perfusion technology, CT:VQ™ (if at all).
- Subject to receiving shareholder approval, Upon exercise of the attaching option, the holder will receive one fully paid ordinary 4DMedical share and one piggyback option exercisable at $0.75 with an expiry date of the earlier of: 28 February 2028, and the date being 2 years from the date on the Company announcing receipt of the U.S. Food and Drug Administration clearance for its ventilation and perfusion technology, CT:VQ™ (if at all).
- The Company also intends to issue 5,000,000 attaching options to the sub-underwriting that have supported the SPP.

Directors' declaration

1. The Directors of the Company declare that, in the opinion of the Directors:

   a) The consolidated financial statements and notes set out on pages 7 to 18 are in accordance with the *Corporations Act 2001* and:
      i. comply with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, *Corporations Regulations 2001* and other mandatory requirements.
      ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date.
   b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

2. This declaration is made pursuant to the declaration given to the directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2024.

Signed in accordance with a resolution of the directors.

Dr. Andreas Fouras
Managing Director and Chief Executive Officer

28 February 2025
Carlton, VIC

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF 4DMEDICAL LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of 4DMedical Limited (the Company) and its subsidiaries (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of 4DMedical Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's consolidated financial position as at 31 December 2024 and its consolidated financial performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

Kaitlynn Brady

PKF

Melbourne, 28 February 2025

Kaitlynn Brady

Partner

Corporate Directory

Directors

Ms. Lilian Bianchi
Non-Executive Director and Chair
Dr. Andreas Fouras
Managing Director and Chief Executive Officer
Dr. Robert Figlin
Non-Executive Director
Mr. John Livingston
Non-Executive Director
Dr. Geraldine McGinty
Non-Executive Director
Mr. Julian Sutton
Non-Executive Director

Company secretary

Naomi Lawrie
E: CompanySecretary@4DMedical.com

ACN

161 684 831

Stock exchange

4DMedical Limited is a public company listed with the Australian Securities Exchange.
ASX: 4DX

Registered office

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Share register

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