

4DMedical reports continued rapid growth in receipts

26 April 2023

Highlights

- Receipts from customers of \$1.2m during Q3, up 67% on previous quarter
- 6-month receipts from customers of \$2.0m, up 792% from prior corresponding period
- Cash balance of \$36.8m as at 31 March 2023, with cash runway of over four quarters
- U.S. commercial contract signed with University of Miami for provision of XV LVAS®
- Former U.S. Secretary for Veterans Affairs Dr. David Shulkin joins 4DMedical
- Successful visit to Capitol Hill, as delegation continues discussions with U.S. lawmakers regarding the capability of XV Technology® to deliver PACT Act obligations
- Prominent participation in Military Toxin Exposure Conference hosted by U.S. Veterans Affairs, and at TSANZSRS – the largest conference for thoracic health professions in Australasia

Melbourne, Australia, 26 April 2023: Respiratory imaging technology company 4DMedical Limited (ASX:4DX, “4DMedical”, or the “Company”) today announces its Quarterly Activity Report and Appendix 4C Cash Flow Report for the quarter ended 31 March 2023.

Financial Performance

4DMedical’s cash balance as at 31 March 2023 was \$36.8 million. Cash received from operations for the quarter includes customer receipts of \$1.2 million (up 67% on the previous quarter) from SaaS products and revenue from support and maintenance services. In addition, there was also \$0.1 million from existing government grants.

Operating cash outflows were \$9.8 million, mainly relating to payments for clinical trials, staff costs, research and development, administration, and general operational costs.

Through a combination of higher revenue and cost controls, the Company has a cash runway of over four quarters. This is based on the Company’s net cash outlay expectations, the existing cash balance of \$36.8 million, and allowing for an additional \$6.3 million in Medical Research Future Fund (MRFF) funds yet to be received.

Commercial contract signed with University of Miami

4DMedical announced the signing of a five-year contract with the University of Miami to provide XV LVAS® scans. The agreement with the University of Miami sets out a framework for further expansion of 4DMedical’s XV Technology® into the US market. Under the terms of the contract, 4DMedical will deploy XV Technology® at the University of Miami, enabling patient data to be processed on demand.

Importantly, this agreement includes minimum annual fees and represents a significant milestone in the commercialisation strategy of the Company in the US, validating the efficacy and utility of XV Technology®.

Melbourne

Level 7 Melbourne Connect
700 Swanston Street
Carlton VIC 3053
Tel: +61 (3) 9545 5940

Los Angeles

21255 Burbank Boulevard
Suite 102
Woodland Hills CA 91367
Tel: +1 (818) 403-8490

4DMedical Limited
ABN: 31 161 684 831
Email: info@4DMedical.com
www.4DMedical.com



This builds upon an existing mutually valued relationship between 4DMedical and the University of Miami, with two clinical trials already significantly progressed at the Leonard M. Miller School of Medicine.

Former U.S. Secretary for Veterans Affairs joins 4DMedical

Dr David Shulkin, MD, has assumed an advisory role with the Company, bringing expertise and experience as a health care system leader, physician, academic, and entrepreneur. The 9th U.S. Secretary for Veterans Affairs, and previously Under Secretary of Health in the Obama administration, Dr Shulkin brings a comprehensive understanding of integrated health care to 4DMedical. In particular, Dr Shulkin possesses detailed knowledge of the Veterans Health Administration.

A graduate of Yale School of Medicine and the University of Pittsburgh, Dr Shulkin rose to become President and Chief Executive Officer of Beth Israel Medical Center in New York City, also holding executive management roles at Morristown Medical Center and Atlantic Health System Accountable Care Organization.

As a clinician, he was the first Chief Medical Officer of the University of Pennsylvania Hospital, and fulfilled similar physician leadership roles at the University of Pennsylvania Health System, Temple University Hospital and the Medical College of Pennsylvania Hospital. In addition, his academic and research appointments include Chairman of Medicine and Vice Dean at Drexel University College of Medicine, and Professor of Medicine at Albert Einstein College of Medicine. Dr Shulkin was Editor of the peer-reviewed *Journal of Clinical Outcomes Management and Hospital Physician* and was a member of the editorial board of the highly prestigious *Journal of the American Medical Association*.

Named by industry publication Modern Healthcare as one of the “50 Most Influential Physician Executives in the Country” and as among the “One Hundred Most Influential People in American Healthcare”, the appointment of Dr Shulkin brings an unparalleled understanding of U.S. health care to 4DMedical.

U.S. Veterans Affairs advocacy and influence

4DMedical continues connecting with lawmakers on Capitol Hill, and on 23 March sent a delegation to speak with advisors of Senator Sherrod Brown (D-OH) and Congressman Raul Ruiz (D-CA25), and to key staff of members of both the Senate and House Veterans Affairs Committees. Veterans’ advocates Rosie Lopez Torres, Le Roy Torres, Kevin Hemsley and Tim Hauser led 4DMedical’s delegation, urged the adoption of XV Technology® through allocation of PACT Act funding, and discussed their recent experiences of receiving 4DMedical scans.

Rosie Lopez Torres, who is also the founder and director of the Veteran advocacy organisation Burn Pits 360, was the Distinguished Guest of Honour at the VA Military Toxin Exposure Conference, hosted by the U.S. Department of Veterans Affairs on 27 March. In addition, Dr Robert F. (Bob) Miller, MD, Professor of Clinical Medicine at Vanderbilt University School of Medicine, clinical trial leader and a prominent proponent of XV Technology®, was the keynote speaker.



4DMedical delegation visits U.S. federal legislators in Washington, DC



Australasian advocacy and scientific clinical conference participation

Dr Andreas Fouras briefed the Governor of Victoria, Her Excellency Linda Dessau on the capabilities of XV Technology® at Melbourne Connect on 31 March. 4DMedical was the sole industry participant at this meeting, attended by University of Melbourne Vice Chancellor Professor Duncan Maskell and senior executive management.



Briefing to Governor of Victoria, Her Excellency Linda Dessau

In addition, a 4DMedical delegation led by Dr Andreas Fouras attended the annual scientific meeting of the Thoracic Society of Australia and New Zealand, and the Australia and New Zealand Society of Respiratory Science (TSANZSRS) in Christchurch. The program included two presentations by clinicians using XV Technology® for the assessment of COPD: Dr Collin Chia (specialist in Respiratory and Sleep Medicine at Launceston General Hospital) presented “*Regional ventilation imaging effectively assesses biologic therapies in COPD*”, and Dr Kovi Levin (respiratory physician at Alfred Health in Melbourne) presented “*Regional ventilation defects in advanced COPD seen with X-ray Velocimetry*”.

Related Party Transactions (Listing Rule 4.7C.3)

Payments to related parties of \$0.3 million included in Item 6 of the attached Appendix 4C Cash Flow Report were for salaries and fees paid to executive and non-executive directors during the quarter that ended 31 March 2023.

4DMedical MD/CEO and Founder Andreas Fouras said:

An increase in customer receipts this quarter continues a sustained pattern of rapid acceleration of our commercialisation, in particular, in the Company’s core SaaS offering.

Our Company’s long-term relationship with the University of Miami has expanded from clinical trials validating utility of our XV Technology® to now include a five-year commitment utilising XV LVAS® capability.

More importantly, progress made over this quarter with I-MED, the University of Miami, and the efforts relating to the VA, create the templates for success for the Company over coming weeks, months, and years.

–ENDS–

Authorised by the 4DMedical Audit and Risk Committee.

Contacts

Corporate

CFO

Simon Glover

sglover@4dmedical.com

Administration

Company Secretary

Melanie Leydin

companysecretary@4dmedical.com

Media Enquiries

TCN

Julia Maguire

julia@thecapitalnetwork.com.au



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, and its Computed Tomography-enabled counterpart software, CT LVAS[™].

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.

For personal use only

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

4DMedical Limited

ABN

31 161 684 831

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows used in operating activities		
1.1 Receipts from customers	1,234	1,973
1.2 Payments for		
(a) research and development	(4,251)	(13,928)
(b) product manufacturing and operating costs	-	(35)
(c) advertising and marketing	(610)	(2,120)
(d) leased assets	(203)	(885)
(e) staff costs	(2,820)	(9,215)
(f) administration and corporate costs	(2,018)	(5,140)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	145	276
1.5 Interest and other costs of finance paid	(72)	(226)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (GST inclusive)	124	15,045
1.8 Other (provide details if material)	-	-
1.9 Net used in operating activities	(8,471)	(14,255)
2. Cash flows used in investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(79)	(211)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	(112)	(271)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Research and development tax incentive	-	-
2.6	Capitalisation of development costs to intangible assets	-	-
2.7	Other (provide details if material)	-	-
2.8	Net cash used in investing activities	(191)	(482)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other		
	(a) payment of lease liabilities	(266)	438
	(b) net cash paid for settlement of options	-	-
3.10	Net cash from financing activities	(266)	438

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net (decrease)/increase in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45,744	51,115
4.2	Net used in operating activities (item 1.9 above)	(8,471)	(14,255)
4.3	Net cash used in investing activities (item 2.8 above)	(191)	(482)
4.4	Net cash from financing activities (item 3.10 above)	(266)	438
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	36,816	36,816

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	36,816	45,744
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36,816	45,744

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	335
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> N/A </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash used in operating activities (item 1.9)	(8,471)
8.2 Cash and cash equivalents at quarter end (item 4.6)	36,816
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	36,816
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
<div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2023

Authorised by: Audit and Risk Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.