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Quarterly Activity Report and Appendix 4C for Q2 FY2025

29 January 2025

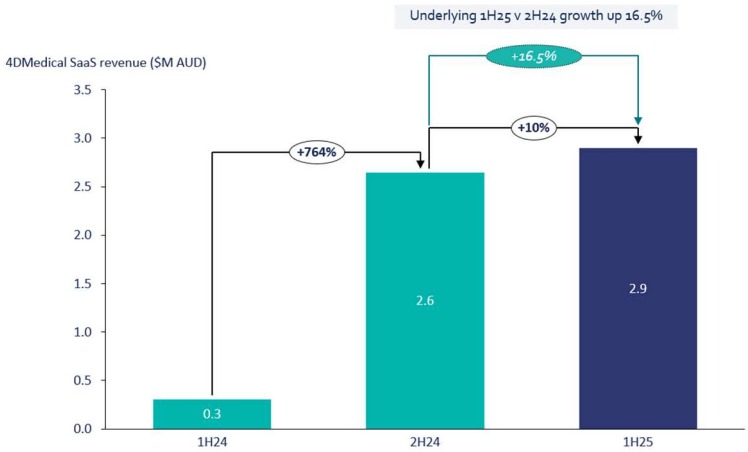
Highlights

- Q2 FY2025 operating revenue of $1.5m, up 202% on prior corresponding period (pcp)
- 4DMedical now operating at 301 sites, up 24% from 2H FY2024 and 41% on pcp
- Delivered over 8,000 scans in 1H FY2025, up 37% from 2H FY2024 and 77% on pcp
- Core 4DMedical SaaS products growing at 106% in Q2 FY2025 on pcp
- Strong momentum in commercialisation strategy with signing of key reference sites in the U.S. and Australia with UChicago Medicine, UCSD Health, Perth Radiology Clinics (PRC) and Qscan
- Major progress for blockbuster product CT:VQ™ ahead of FDA clearance: successful clinical trial data presented at RSNA, contract win to supply CT:VQ™ scans to US DoD, and $1.9 million CRC-P grant to fund health economics and clinical evidence generation
- Momentum continues to build with the implementation of the Philips reseller agreement as both Philips and 4DMedical prepare for full commercial activity to commence in the coming weeks
- FDA clearance of IQ-UIP™ marks eighth commercial product to be granted clearance in the US market, cementing 4DMedical as the clear leader in lung imaging analysis
- $7.7m of grant funding, including the R&D tax incentive and final instalment of the MRFF grant

Melbourne, Australia, **29 January 2025**: 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 December 2024.

Financial Performance

Operating revenue for Q2 FY2025 was $1.5m, up 202% on the prior corresponding period (pcp). SaaS revenue for 1H FY2025 was $2.9m, up 16.5% from 2H FY2024 after accounting for true-up payments from Olympus.



4DMedical SaaS revenue growth over 18 months to December 2024

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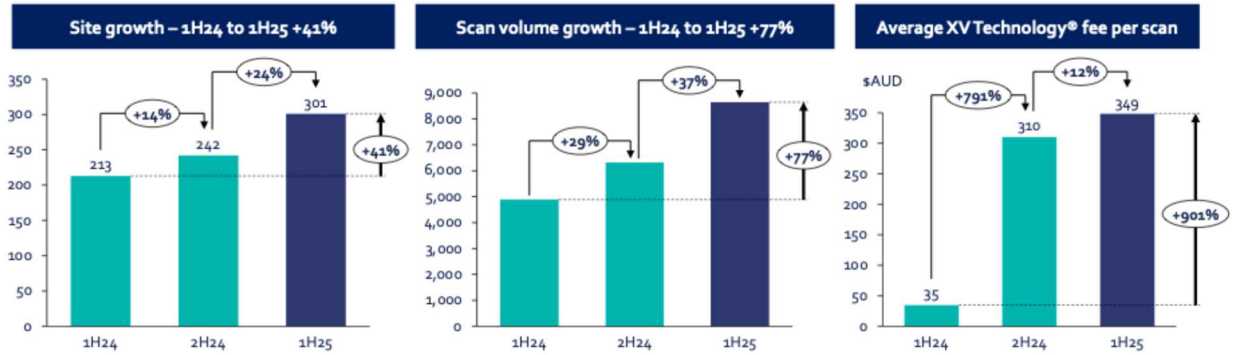
4DMedical is now delivering SaaS products at 301 sites globally, up from 242 sites in 2H FY2024 (24% growth), and up 41% on pcp. The Company delivered over 8,000 scans in 1H FY2025, up 37% from 2H FY2024 and 77% on pcp.

Sales of core 4DMedical XV Technology® products grew strongly at 106% in Q2 FY2025 on pcp, in addition to strong growth in price per scan earned for core XV Technology® products. In 1H FY2025 the average price earned for an XV Technology® scan was $349, up 12% compared to 2H FY2024.



4DMedical growth in sites, scan volume and fee per scan over 18 months to December 2024

Net cash operating outflows for the quarter, including non-recurring operating costs associated with the integration of Imbio, were $5.1m (Q1 FY2025: $9.7m). Operating outflows were balanced by $7.7m of grant funding, including the R&D tax incentive and final instalment of the MRFF grant. In addition, $0.8m was received in the quarter through the exercise of options that were issued pre-IPO.

4DMedical's cash balance as at 31 December 2024 was $16.0 million.

Momentum builds behind Philips' reseller agreement

Momentum continues to build with the implementation of the Philips reseller agreement as both Philips and 4DMedical prepare for full commercial activity to commence in the coming weeks. Following an October planning session (as per the Q1 FY2025 Quarterly Activity Report), RSNA saw a significant step up in the engagement.

Philips' commitment to the partnership was highlighted at the 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. Beyond the joint presentation, Philips and 4DMedical teams conducted collaborative booth presentations for leading healthcare providers and clinicians. Dozens of productive working sessions were conducted to continue the implementation of the partnership and delivery of critical milestones.

Since then, both Philips and 4DMedical have demonstrated consistent engagement and combined sales presentations, ensuring that the funnel of sales opportunities to deliver on our targets is growing rapidly. In the coming weeks, the Philips sales team will gain access to the 4DMedical catalogue and associated quoting tools, opening the door to first sales.

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Expansion in the US and AU with key opinion leading reference sites

Establishing strong reference sites is a critical foundation for driving the successful adoption of 4DMedical's technology. These sites influence other healthcare providers and institutions to integrate the technology into their practices. Recently, 4DMedical announced several additional key partnerships, reflecting the readiness of leading healthcare providers to adopt, and pay for, its innovative solutions.

A notable example is 4DMedical's new partnership with nationally recognised University of Chicago Medicine (UChicago Medicine). This agreement facilitates UChicago Medicine clinicians to utilise 4DMedical's comprehensive portfolio of structural and functional lung imaging products, including CT:LVAS™. UChicago 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. By integrating 4DMedical's revolutionary imaging technology, UChicago Medicine is poised to deliver unprecedented precision in diagnosing and managing lung conditions, reinforcing its position as a leader in pulmonary care innovation.

UCSD Health also signed with 4DMedical during the quarter, and subsequently expanded its agreement to include SeleCT, a screening service that analyses chest CTs to identify patients suitable for treatment with endobronchial valves. As disclosed at the time of the announcement, the institution's leading clinician, Dr Jonathan Chung, an expert in interstitial lung disease, occupational lung disease, nontuberculous mycobacterial pneumonia, and large and small airway diseases, articulated the clinical utility of 4DMedical's technology, expressing that it would not only "improve population healthcare at a medical centre, but also can help with the bottom line for the hospital as patients are directed into the correct sub-specialised clinics for appropriate therapy and procedures".

Beyond AMCs, 4DMedical secured additional agreements with leading radiology network providers in both the U.S. and Australia. In November 2024, the company signed a commercial contract with Imaging Partners of Orange County (IPOC) in the U.S. 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™, signalling significant progress in the technology's commercialisation.

In Australia, 4DMedical recently signed a commercial contract with Perth Radiological Clinics (PRC) to deliver 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. On 24 January, 4DMedical announced the signing of a commercial contract with 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™.

Continuation of successful engagement with U.S. Government

The U.S. Government sector presents a significant opportunity for 4DMedical, particularly with the Department of Veterans Affairs (VA) and the Department of Defense (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.

Recently, 4DMedical secured a contract with the DoD to pilot its CT:VQ™ technology, designed to assess

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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. The new contract highlights the DoD's recognition of 4DMedical's technology as a critical tool for delivering advanced health insights for military personnel.

In addition to the opportunity with the DoD, the Company's portfolio of functional and structural imaging products is well-suited to provide actionable insights for VA physicians across the Veteran population. This is particularly critical as Veterans experience chronic lung diseases, such as COPD, at three times the rate of the general population.

4DMedical and Philips are 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).

FDA clearance for IQ-UIP™ broadens 4DMedical's product portfolio

In January 2025, 4DMedical announced it had 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).

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.

Imbio Earn Out

Notwithstanding the strong underlying performance of the business, the hurdle set for the first Imbio earn out for CY2024 revenues has not been fully satisfied, and as a result, 4DMedical will not be required pay the seller the US$10.0 million in shares.

As disclosed on in the Company's announcement on 7 January 2025, the FDA clearance of IQ-UIP™ is one of three products that can trigger the obligation to pay earnout consideration of U5$5 million in 4DMedical shares to the sellers of Imbio Inc, the issue of such shares having been approved at the Company's EGM held on 22 January 2024. Once the issue of shares is finalised, shareholders will be updated.

Major progress for CT:VQ™

One of 4DMedical's most exciting advancements is the unveiling of its CT:VQ™ technology.

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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.

Related Party Transactions (Listing Rule 4.7C)

Payments to related parties of $0.6 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 December 2024. As announced on December 20, 2024, John Livingston reverted to a non-executive director, with his terms of appointment on the same basis as other non-executive directors.

4DMedical MD/CEO and Founder Andreas Fouras said:

We are experiencing strong growth in the number of sites, the number of scans per site and the revenue earned per scan. These three layers of growth are now becoming clearly visible on our top line.

The foundations for this growth rest on our comprehensive portfolio of products that combine to meet the needs of doctors and patients. While we have built this portfolio, our sales team has been hard at work to refine our commercialisation strategy. In combination these factors have allowed our sales team of 10 to drive SaaS revenues from nothing to a run rate greater than $ 6m in 2 short years. I am excited by the imminent prospect of the full might and scale of the Philips sales team augmenting these efforts.

Later in the year, as CT:VQ™ comes online, we gain yet another dramatic catalyst for growth. CT:VQ™ is set to disrupt a billion dollar segment of respiratory diagnostics by displacing Nuclear VQ imaging with a technology that is faster, safer, cheaper, more convenient and more accessible. We have been working for some time, leveraging hard fought experience with existing products, to build an aggressive market adoption strategy, and this contract win with the DoD, prior to FDA clearance, is testament to that work and the clear competitive advantages of our product.

We have rapid organic growth unfolding right now, ready to be turbocharged by the addition of Philips. Add a blockbuster product to this mix, and we have the ingredients for an incredible year ahead.

–ENDS–

Authorised by the 4DMedical Board of Directors.

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About 4DMedical

4DMedical Limited (ASX:4DX) is a cutting-edge global medical technology company revolutionizing respiratory care. By harnessing advanced imaging and AI-powered solutions, 4DMedical delivers unprecedented insights into lung function, enabling earlier and more precise diagnoses of respiratory diseases.

At the heart of 4DMedical's innovation is its patented XV Technology®, a groundbreaking platform that dynamically quantifies ventilation throughout the lungs as patients breathe. This technology underpins the company's FDA-cleared XV Lung Ventilation Analysis Software (XV LVAS®) and its CT LVAS™, empowering physicians to detect and monitor regional airflow abnormalities with unparalleled sensitivity.

4DMedical's solutions integrate seamlessly into existing hospital infrastructure via its Software as a Service (SaaS) model, transforming routine imaging into powerful diagnostic tools.

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.

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

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Appendix 4C

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

Name of entity

4DMedical Limited

ABN	**Quarter ended ("current quarter")**
31 161 684 831	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows used in operating activities**		
1.1	Receipts from customers	1,270	2,564
1.2	Payments for		
	(a) research and development	(3,631)	(7,261)
	(b) product manufacturing and operating costs	-	(35)
	(c) advertising and marketing	(678)	(1,341)
	(d) leased assets	(261)	(558)
	(e) staff costs	(5,374)	(9,369)
	(f) administration and corporate costs	(3,955)	(6,594)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	41	350
1.5	Interest and other costs of finance paid	(67)	(133)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives (GST inclusive)	7,552	7,552
1.8	Other (provide details if material)	-	-
1.9	**Net used in operating activities**	**(5,103)**	**(14,825)**

2.	**Cash flows used in investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(18)	(37)
	(d) investments	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(e) intellectual property	-	-
	(f) other non-current assets	(29)	(132)
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**	**(47)**	**(169)**

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	800	800
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	(233)	(460)
	(b) net cash paid for settlement of options	-	-
3.10	**Net cash from financing activities**	**567**	**340**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	20,535	30,606
4.2	Net used in operating activities (item 1.9 above)	(5,103)	(14,825)
4.3	Net cash used in investing activities (item 2.8 above)	(47)	(169)
4.4	Net cash from financing activities (item 3.10 above)	567	340
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**15,952**	**15,952**

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	15,952	20,535
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)**	**15,952**	**20,535**

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	608
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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7.	**Financing facilities** *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.*	**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.		
	N/A		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash used in operating activities (item 1.9)	(5,103)
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,952
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	15,952
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**3**
	Answer: N/A	
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?	
	Answer: N/A	
	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?	
	Answer: N/A	
	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?	
	Answer: N/A	
	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.	

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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: 29 January 2025

Authorised by: Board of Directors
(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.