

4DMEDICAL-LED CONSORTIUM AWARDED \$28.9M MRFF GRANT TO DELIVER THE WORLD'S FIRST DEDICATED LUNG FUNCTION SCANNER

- Australian Lung Health Initiative Pty Ltd (ALHI), a consortium incorporated and led by 4DMedical, has been awarded \$28.9 million in funding over the next five years as part of the Federal Government's Medical Research Future Fund (MRFF) Frontier Health and Medical Research initiative (Stage Two)
- The funding will be used by ALHI to develop two generations of dedicated, low dose lung function scanners (XVD Scanners[™]) that provide safe, easy and rapid lung analysis of adults and children
- 4DMedical has been granted the exclusive right to commercialise XVD Scanners and will be responsible for the global sale and marketing of XVD Scanners in the field of lung health
- XVD Scanners will be integrated with 4DMedical's proprietary XV Technology[™], significantly increasing the addressable revenue opportunity and driving the adoption of the Company's Software-as-a-Service (SaaS) offering at medical institutions
- ALHI was previously awarded \$1.1 million in Stage One funding that was used to successfully develop and deliver a Generation One XVD Scanner concept
- Stage Two of the project aims to bring Generation One and Generation Two scanners to commercialisation, with first units expected to be deployed in Australian hospitals for clinical trials within the next 12 months

2 March 2021: 4DMedical Limited (ASX:4DX, "4DMedical" or the "Company"), a medical technology company focused on commercialising its patented respiratory imaging platform, is pleased to announce that Australian Lung Health Initiative Pty Ltd (ALHI) has been awarded funding of \$28.9 million over the next five years from the Australian Federal Government's Medical Research Future Fund (MRFF) for Stage Two of the Frontier Health and Medical Research initiative.

The \$28.9 million of funding will be provided in tranches throughout the project duration and will see ALHI progress the development of the world's first dedicated lung function scanner (XVD Scanner[™]) that will provide low dose, contrast free and rapid lung analysis for adults and children. Existing modalities suffer significant limitations, especially in paediatrics where children have a higher risk compared with adults, of developing cancer after being exposed to ionising radiation. XVD Scanners will aim to address these limitations by filling the need for safe, accurate and sensitive lung health assessment tools for children as well as adults.

ALHI was established to bring together world-leading scientists, engineers and researchers to develop accurate and sensitive lung assessment tools for patients of any age. The project, entitled '4D Functional Analysis: A New Frontier in Lung Health for Children', was chosen through a highly competitive process for the MRFF Frontier Health and Medical Research initiative, a program to support researchers to push the boundaries to develop bold health and medical breakthroughs with the potential to impact on a global scale. The project is a joint venture between 4DMedical, the University of Adelaide and the South Australian Health and Medical Research Institute, and is led by 4DMedical CEO, Andreas Fouras, as Chief Investigator.

Importantly, XVD Scanners will be integrated with 4DMedical's proprietary XV Technology™ to produce detailed quantitative data on respiratory function via an automated scanning process that is faster, lower cost and at a greatly reduced radiation dose compared to existing modalities. XV LVAS™ will continue to be the focus of 4DMedical's commercialisation strategy, with XVD Scanners assisting to drive the adoption of XV LVAS and provide flexibility in pricing and custom bundle solutions for medical institutions.

Under an agreement with ALHI, 4DMedical has been granted the right to commercialise any new intellectual property (IP) arising from the project's activities. Specifically, this includes exclusive rights to commercialise (on a worldwide basis) any IP developed by ALHI or any venture partner relating to 4DMedical's family of medical imaging systems (namely, two generations of dedicated lung function scanners) in the field of lung health.

4DMedical has also been granted full commercialisation rights for XVD Scanners and will be responsible for the global sale and marketing of XVD Scanners in the field of lung health. As commercialisation partner, the Company will receive 100% of the revenue generated from XVD Scanner sales and associated service revenue, as well as any SaaS sales generated from the use of XV Technology to complete lung scans.

Under Stage One of the MRFF Frontier Health initiative, ALHI successfully delivered a Generation One concept scanner – a walk-through device that is intended to showcase XVD Scanner's suitability for adults and children as young as three. Commercialisation of the Generation One scanner is expected to commence in 2023. ALHI's proposed Generation Two scanner will offer an unprecedented low radiation dose and be accessible for patient cohorts such as patients with disabilities. Commercialisation of the Generation Two scanner is expected to commence in 2025.

More than seven million Australians and one billion people globally are impacted by lung disease, creating a global market opportunity for lung diagnostics of more than AU\$40 billion per annum. Respiratory diseases account for more than 10% of all active and productive life lost, placing it second only to cardiovascular disease as the leading cause of disability-adjusted life-years (DALYs). With the prevalence of COVID-19 on a global scale and the associated lung health complications, the importance of quality diagnosis and assessment tools is much greater.

4DMedical expects the formal grant agreement will be finalised and executed with the Commonwealth as soon as practicable.

4DMedical Founder and CEO, and the project's Chief Investigator, Andreas Fouras said:

"The MRFF Frontiers Stage Two initiative provides another major opportunity for 4DMedical, leveraging our validated XV Technology to produce dedicated lung function devices that will have a substantial global health and economic impact while placing us at the forefront of lung science. The successful development and commercialisation of the XVD Scanners will be a huge breakthrough in pulmonary healthcare.

"Dedicated XV scanners will provide greater access for vulnerable patients to receive respiratory diagnostics, and substantially increase the market for our SaaS offering. Our XV Technology and its commercialisation remains the linchpin of the 4DMedical business, and the development of devices that integrate this technology will significantly accelerate our path to growing market share and revenues.

"We're thrilled with the huge vote of confidence afforded by the competitive assessment process, as we aim to deliver safe and accurate lung health technology to those who need it. I thank our partners on this project for their outstanding support as we look forward to bringing this Australian innovation to fruition."

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Authorised by the 4DMedical Board of Directors.

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About 4DMedical:

Based in Melbourne, Australia and Los Angeles, USA, 4DMedical (formerly 4Dx) was founded in 2012 and is listed on the Australian Securities Exchange (ASX: 4DX).

4DMedical is a medical technology company aiming to deliver the global gold standard in respiratory diagnostics for all lung disorders including: coronavirus, asthma, chronic obstructive pulmonary disease (COPD), cystic fibrosis and cancer.

The unique 4DMedical technology accurately and quickly scans lung function as the patient breathes, to assist in providing sensitive, early diagnosis, and to monitor changes over time. Our Software-as-a-Service (SaaS) scans deliver much more complete results, showing even subtle variations in lung function down to the finest details, using lower levels of radiation than traditional methods.

Respiratory diagnosis is a US\$31 billion per annum global industry. Through its technology 4DMedical provides clinicians with greater insights into diseases of the lung. 4DMedical is focused on providing better information to doctors and patients about lung function. Better information means better decisions, and better outcomes.