



Built by physicians for physicians

# Capital Raising

October 2020

# Executive Summary

## Business Update

- Solid 3Q FY20 result with YTD revenue of \$6.7m up 21% on pcp<sup>1</sup>, annualised recurring revenue (ARR) of \$9.0m up 11%<sup>2</sup>
- Significant progress made in new markets and good traction for *Aquila in the Cloud*

## Growth Strategy

- Significant organic growth opportunity as IMEXHS expands into new markets
- Invest in R&D to further enhance existing platforms, extend into medical verticals

## Capital Raising

- IMEXHS is raising up to \$8.3m through a placement to fund its international expansion and investment in sales and marketing and R&D

- 1) YTD revenue was up 34% on a constant currency basis. Constant currency basis assumes FY20 results are converted at the average foreign exchange rate for FY19. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.
- 2) Annualised Recurring Revenue was up 30% on a constant currency basis. ARR represents the value of monthly recurring contract revenue multiplied by twelve. It provides a 12-month forward view on revenue; assuming all contracts expiring within the next twelve months will renew at the same rate and at constant exchange rates

# Agenda

1. About IMEXHS
2. Business Update
3. Capital Raising

# About IMEXHS

# Leading innovator in medical imaging

- **Next Generation multi-modality cloud-based** medical imaging software with over 250 sites globally
- **Subscription model** with >90% of revenue recurring from multi-year contracts
- **Multiple distribution channels** across 15 countries including Australia, USA & Brazil
- **Scalable, modular HIRUKO™ platform** provides solutions for all complexity levels
- **Aquila in the Cloud** standardised radiology solution democratising access to world-class imaging software
- **Developing AI tools** from our large proprietary image database (>700m stored images)

# Expanding global footprint



**15 countries**

**>250 sites**

**>2,000 radiologists**

**23 distributors**

**1/3 of team in software development**

# Significant global opportunity



## RIS/PACS

2018 **US\$2.7bn**

2027 **US\$5.0bn**

**7.4% CAGR**

- Global market is valued at US\$2.7bn
- Estimated to grow at 7.4% CAGR
- Projected global RIS/PACS market of \$5.0bn in 2027
- This only captures Radiology Imaging Systems
- Further upside from other medical specialities

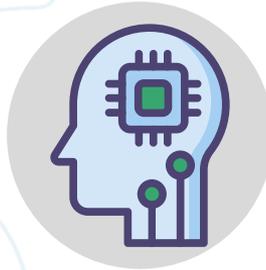
Source: "PACS and RIS Market to 2027 - Global Analysis and Forecasts By Product, Component, Deployment, End User, and Geography" by ResearchAndMarkets.com

# Our competitive advantage



## ACCESSIBILITY

- Fully web & cloud-based
- Teleradiology accessed from any device or browser
- Rapid deployment



## CAPABILITY

- Single platform and archiving system
- Multi-tenant architecture
- Medical imaging portfolio
- Innovative AI tools



## FLEXIBILITY

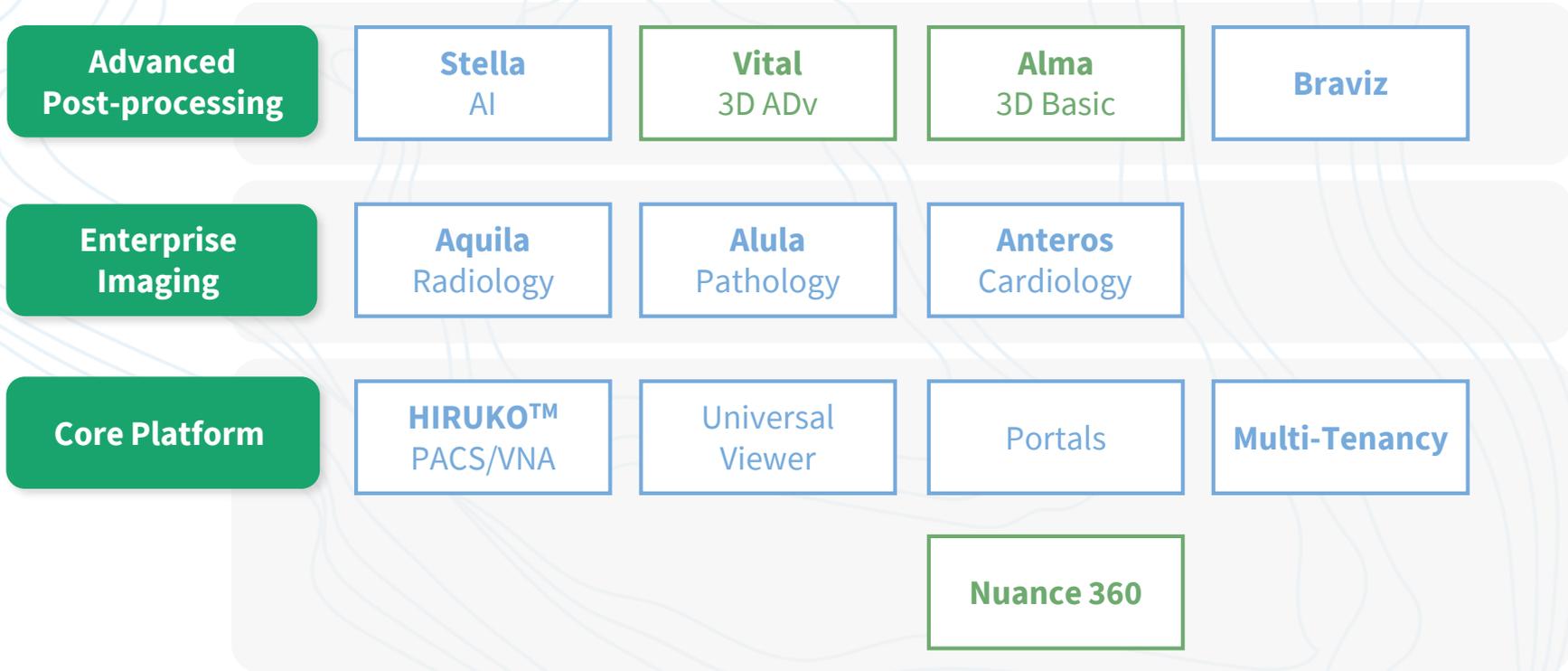
- Multi-modality
- Scalable modular solutions for all complexity levels
- Multiple distribution channels



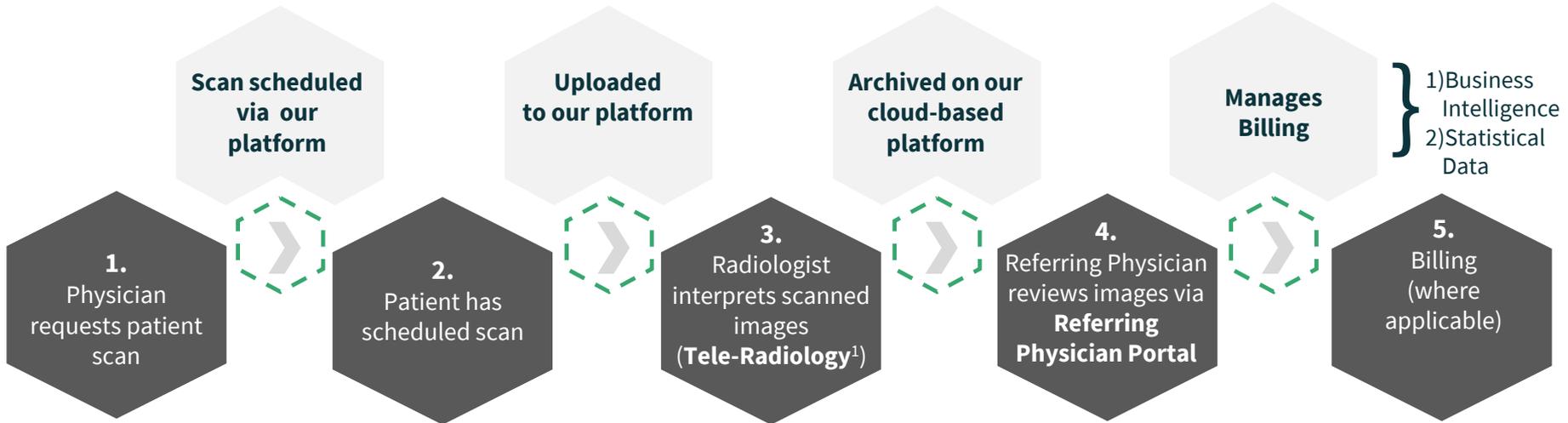
## AFFORDABILITY

- Lower cost base than competitors
- Attractive price point

# HIRUKO™ medical imaging platform

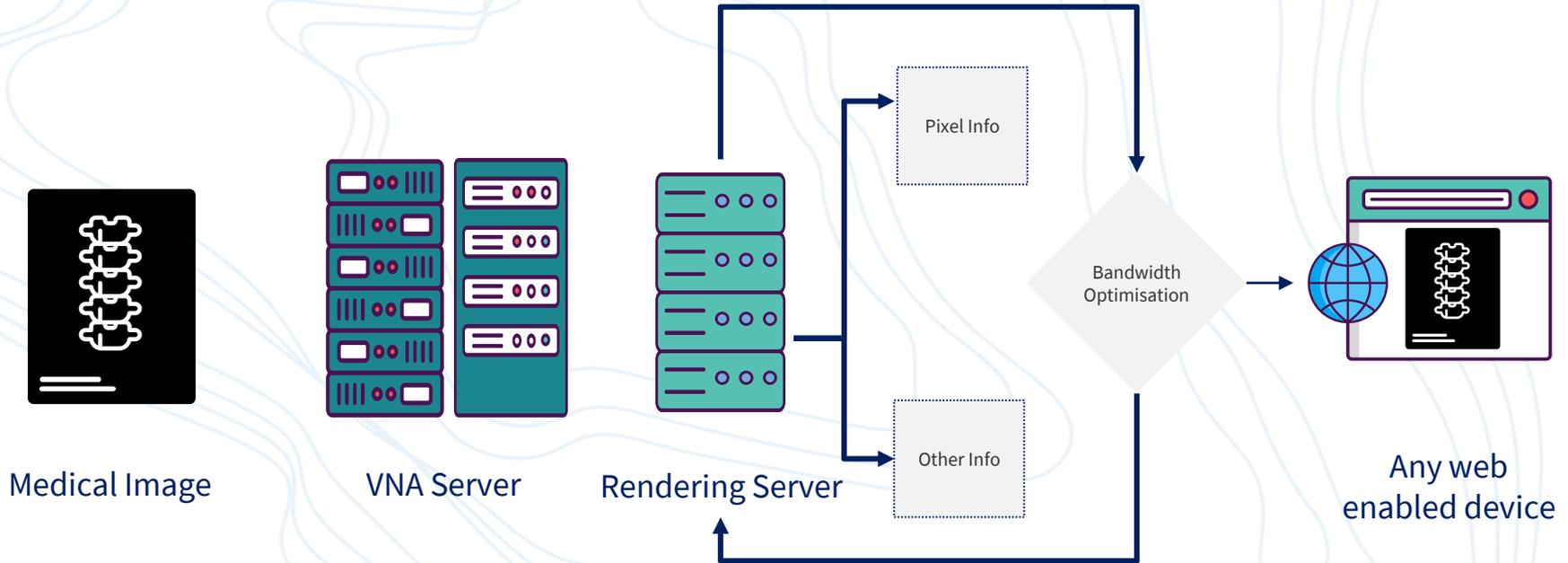


# End-to-end modular imaging solution



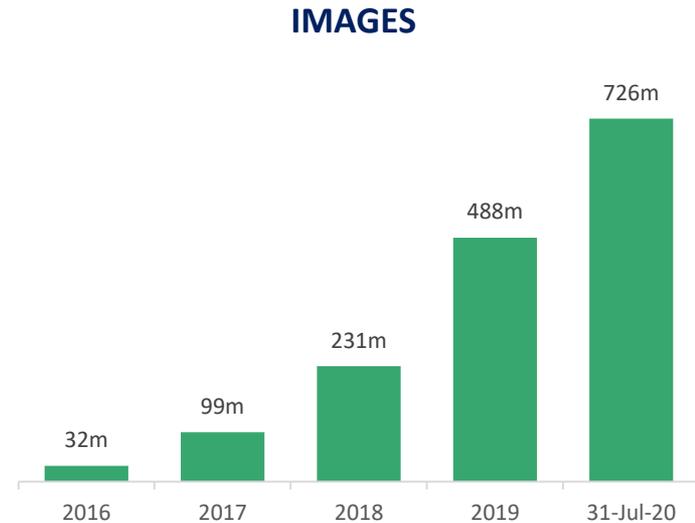
<sup>1</sup> Teleradiology - radiology concerned with the transmission of digitised medical images (as X-rays, CT scans, and sonograms) over electronic networks and with the interpretation of the transmitted images for diagnostic purposes

# Advanced streaming technology



# Developing AI capabilities

- Access to over 700m images for AI development
- Provide interpretation services to enhance AI image library
- Create test bed for the development and training of AI tools
- Developed Stella AI which identifies normal and pathological radiological patterns in chest x-rays
- Released non-imaging AI tools in natural language processing



## INDUSTRY TRENDS: Healthcare IT sector

Large, rapidly growing but highly fragmented global medical imaging sector

Increasing use of radiological techniques in wider clinical applications, demand for central storage of images

Chronic global radiologist shortage driving demand for teleradiology

Increased proportion of the value chain coming from AI

Shift from client server architecture to fully web-based cloud solutions

## STRATEGIC PRIORITIES: Benefiting from industry tailwinds

'Land & expand' strategy with multiple verticals including cardiology and pathology, VNA capability

Teleradiology solution allows radiologists to access images from any device or location

Geographic expansion across multiple markets, leverage specialist distributors

*Aquila in the Cloud*  
low touch deployment model for small clinics

Large AI image library and radiology services drive development of AI tools

# Business Update

# 3Q20 Financial Highlights



YTD Sales Revenue of

**\$6.7m**

Up 21% on pcp<sup>1</sup>, up 34% on constant currency<sup>2</sup> basis

*Aquila in the Cloud*

**17**

New contracts since May,  
ARR of \$473k

ARR<sup>3</sup> of

**\$9.0m**

Up 11% on pcp, 30% on a constant currency basis

Closing cash of

**\$3.8m**

\$6.3m at 30 June 2020, after loan repayment of \$1.0m

Recurring revenue of

**\$1.9m**

Down 16% on pcp, down 1% on constant currency basis

Recurring revenue

**86%**

Strategic focus on subscription revenue

1) Previous corresponding period.

2) Constant currency basis assumes FY20 results are converted at the average foreign exchange rate for FY19. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

3) ARR represents the value of monthly recurring contract revenue multiplied by twelve. It provides a 12-month forward view on revenue; assuming all contracts expiring within the next twelve months will renew at the same rate and at constant exchange rates

# 1H20 Financial Highlights



Sales Revenue of

**\$4.5m**

Up 68% on pcp<sup>1</sup>, new contract wins & renewals

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Recurring revenue of

**\$4.25m**

Up 71% on pcp<sup>2</sup>, 95% of sales revenue

ARR of

**\$8.8m**

Up 5% on pcp, 20% on a constant currency basis

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Closing cash of

**\$6.3m**

\$7.1m at 31 Dec 2019

EBITDA of

**(\$1.3m)**

Improvement of \$0.5m, \$0.1m on like for like basis<sup>3</sup>

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Underlying EBITDA<sup>4</sup> of

**(\$0.8m)**

Improvement of \$0.9m, \$0.5m on a like for like basis<sup>3</sup>

- 1) Sales revenue up 79% on a constant currency basis
- 2) Recurring revenue up 82% on a constant currency basis
- 3) Adjusting for the impact of software capitalisation policy adopted in FY20

# FY20 Outlook



**USA** – Increase sales presence leveraging the new sales office established in Florida



**Brazil** – Promotion activity to capitalise on ANVISA certification



**Australia** – Commence sales activity following the appointment of GM - Business Development



**LATAM** – Convert strong interest in Aquila in the Cloud



**Trading in second half** in line with company expectations



Some impact from second waves of **COVID-19** in key markets



**FY20 revenue** expected to be \$10.0m - \$12.0m

# Capital Raising

# Details of the Offer



## Offer of New Shares

- The Company seeks to raise up to A\$8.3 million by way of a Placement of approximately 276 million new fully paid ordinary shares in the Company (“New Shares”) at A\$0.03 per share
- The Offer is not underwritten
- The Placement will take place under the Company’s available placement capacity under ASX Listing Rule 7.1 and 7.1A

# Use of Proceeds



## 1. Accelerate International Expansion – Invest in Sales & Marketing

- USA - World's largest RIS & PACS market, Total Addressable Market (TAM) US\$1.2 billion
- Brazil - Latin America's largest market
- Australia
- Digital Sales – Ingram Micro Marketplace, Cloud Blue etc.

## 2. Software Development | Product

- Alula Market Place | Become a Platform - To create the world's first Pathology Marketplace
- Strengthen AQUILA
- AI - Harness the Company's +700m images
- Other Ologies - Develop other verticals i.e. Gastrology

## 3. EBITDA Break-Even

- Reach EBITDA Break-Even by December 2021

# Appendix

# Our board of directors



**Doug Flynn**  
Non-Executive  
Chairman

**Carlos Palacio**  
Non-Executive  
Director

**Dr Doug Lingard**  
Non-Executive  
Director

**Damian Banks**  
Non-Executive  
Director

**Dr German Arango**  
CEO and Managing  
Director

# Our executive team



**Dr German Arango**  
Managing Director &  
CEO



**Dr Jorge Marín**  
Chief Medical Officer



**Alejandro Varettoni**  
Chief Sales Officer



**Alexander Sanz**  
Chief Technology  
Officer



**Reena Minhas**  
Chief Financial Officer  
& Company Secretary

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