

23 March 2023

ASX ANNOUNCEMENT

IMEXHS Investor Update

IMEXHS Limited (ASX: IME) today releases an Investor Update as part of an investor roadshow this week.

Authorised for release by the Board of IMEXHS Limited.

- ENDS -

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About IMEXHS

IMEXHS Limited (ASX: IME) is an innovative provider of medical imaging software and radiology services in 15 countries including Colombia, the US and Australia. Founded in 2012, IMEXHS develops software as a service (SaaS) imaging solutions that includes a Picture Archiving and Communications System (PACS), a Radiology Information System (RIS), a Cardiology Information System (CIS) and an Anatomical Pathology Laboratory Information System (APLIS). Its solutions are completely cloud-based, vendor neutral and zero footprint, with no need for installed software. The IMEXHS products are designed to increase productivity and save money for end users, with a scalable platform that enhances patient outcomes. For more information, visit www.imexhs.com

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Investor Update

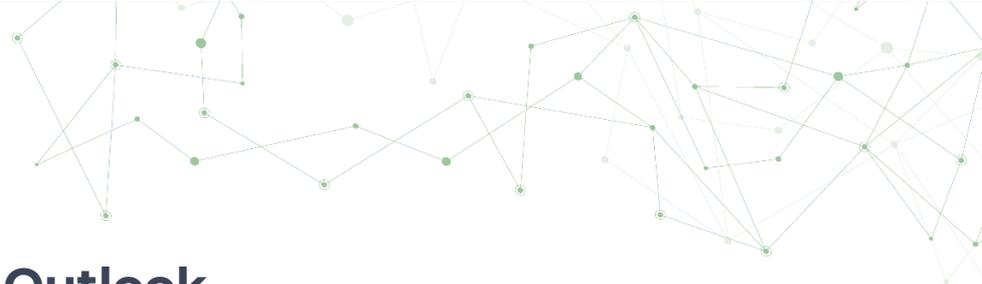
March 2023

Agenda

Investor Update



- 1. IMEXHS Overview**
- 2. FY22 Results Overview**
- 3. Current Trading, Strategy & Outlook**
- 4. Appendices**



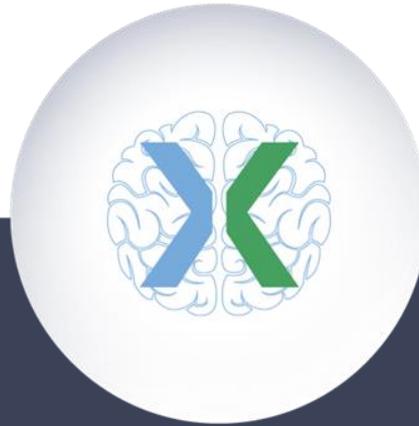
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Overview



One Company with two businesses aimed at democratising access to medical expertise

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Medical Imaging Software

Provider of innovative, cloud-based, medical imaging software solutions

Radiology Services

Outsourcing of imaging facilities and teleradiology to hospitals and medical facilities

Expanding global footprint



Software

18 countries; 449 sites
3,000+ radiologists
35 distributors in 15 countries

Radiology

Colombia, Spain and Mexico
35 radiology centres
150+ in-house radiologists



FY22 Results Overview

Business Highlights



- *The Company has demonstrated the scalability of the business across different geographies with an attractive product and disruptive business model and now is focused in generating positive earnings and cashflow.*
- *Focus is on sales within Latin America and those product development projects that have a path to profitability in the near term.*
- *At least for the time being, pulled back from costly direct sales efforts in the USA.*

FY22 Revenue of \$17.1m, up 28% on pcg and 34% up on constant currency

FY22 Underlying EBITDA loss of (\$0.1m)

Annualised Recurring Revenue of \$19.7m, down 4% on pcg; up 8% on constant currency after choosing to exit a customer with poor payment record

Path to Profit
Cost out project addressed the cash cost to the company and improvement at the EBITDA and Cash level

FY22 Operational Highlights

- Successful implementation of a **cost reduction plan** completed
- Continued sales momentum for **IMEXHS Cloud** with an ARR of \$3.5m from 169 active customers at 31-Dec-22
- IMEXHS Enterprise and IMEXHS Cloud installed in **449 installations worldwide** by 31-Dec-22
- Software contracts in Latam and outside of Colombia are **priced in USD** (31% of FY22 Software Revenue)
- Contracted orders in deployment will **contribute positively** in 2023
- Steady **expansion** of software sales across Latam
- Awarded **new expanded 3-year contract** with major hospital group Colsubsidio, for the outsourcing of its entire radiology services network at increased prices and additional services
- **Renewed contract** with Colombia's National Police Force, with price increase of 15% increasing ARR to A\$1.3m
- Signed new **3-year RIS/PACS Enterprise software contract** with Mexico's Social Security Institute with ARR of ~A\$340,000 to A\$440,000

Path to Profitability

- Cost out project had the effect of decreasing run rate operating and software capex costs by circa \$250k per month with the view to moving company to cash positive
- Market and product development projects that did not have a clear pathway to profitability were halted. Commencement of some major projects has been deferred until late 2023
- This included, at least temporarily, closing our office in the USA and focus on Latam.
- The effect has been driving increased margins and no significant impact on operations
- Strategic vision and direction on course to be realised



FY22 Financial Highlights

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Sales Revenue¹

Up 28% yoy
Up 34% on a constant
currency basis³

\$17.1m

Annual Recurring Revenue (ARR)

Down 4% yoy
Up 8% on a constant
currency basis

\$19.7m

EBITDA

vs (\$3.0m) in FY21

(\$0.8m)

Debt

Vs \$2.4m at 31
December 2021

\$1.1m

Closing cash

vs \$4.2m at 31
December 2021

\$1.9m

Underlying EBITDA²

vs (\$1.4m) in FY21

(\$0.1m)

1. Financial results include RIMAB Results from 1 October 2021
2. Underlying EBITDA excludes the impact of FX, share based payments, transaction costs for the RIMAB acquisition and any one-off costs in relation to the cost-out program.
3. Constant currency basis assumes FY22 results are converted at the average foreign exchange rate for FY21. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

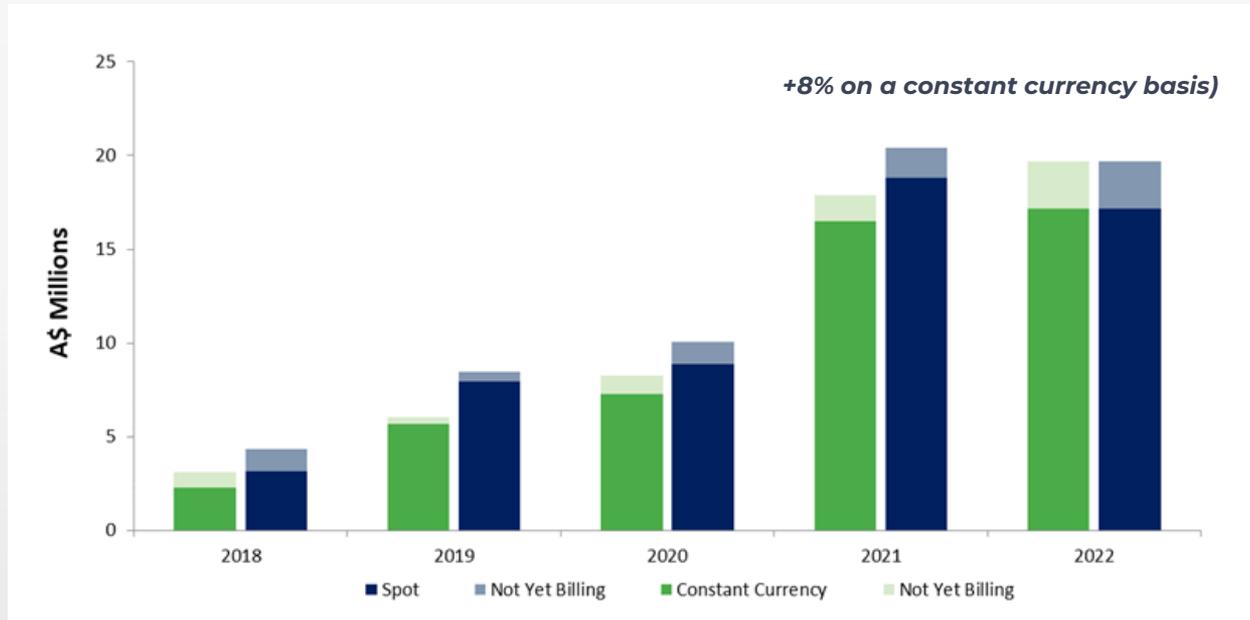
FY22 Business Unit Results

The logo for imexHS, with 'imex' in blue and 'HS' in green, is positioned in the top right corner of the slide. The background features a network of green lines and dots.

\$M	Software	Radiology	Corporate	Total
Revenue	6.4	10.7	-	17.1
Underlying EBITDA	1.1	0.7	(1.9)	(0.1)
ARR	9.2	10.5	-	19.7

- Software primarily relates to sales of IMEXHS Enterprise and growing IMEXHS Cloud business
 - Revenue up 28% yoy
 - ARR up 30%
- Radiology includes RIMAB along with other services related to outsourcing radiology on-premise or remotely using IMEXHS software
 - Revenue up 28% yoy
 - ARR down 21%

Progress in ARR



Constant currency basis assumes that historic results are converted at the 31 Dec-22 exchange rate. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

ARR as at 31 December 2022

- \$19.7m = \$10.5m from Radiology Services and \$9.2m from Software
- Software ARR includes \$3.5m from 169 active IMEXHS Cloud contracts and \$5.7m from IMEXHS Enterprise.

Software

IMEXHS Enterprise

- Enterprise imaging platform tailored to a customer's specific needs (formerly AQUILA Custom)
- Dedicated to large university hospitals and multi-site healthcare organisations
- Pricing determined by volume-based tiers
- IMEXHS Enterprise sold outside of Colombia priced in USD
- 117 customers across 8 countries
- 10m studies – up 33% yoy
- ARR of \$5.7m - growth of 24% yoy from both existing and new customers
- New IMSS Contract

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Number of Studies (m)



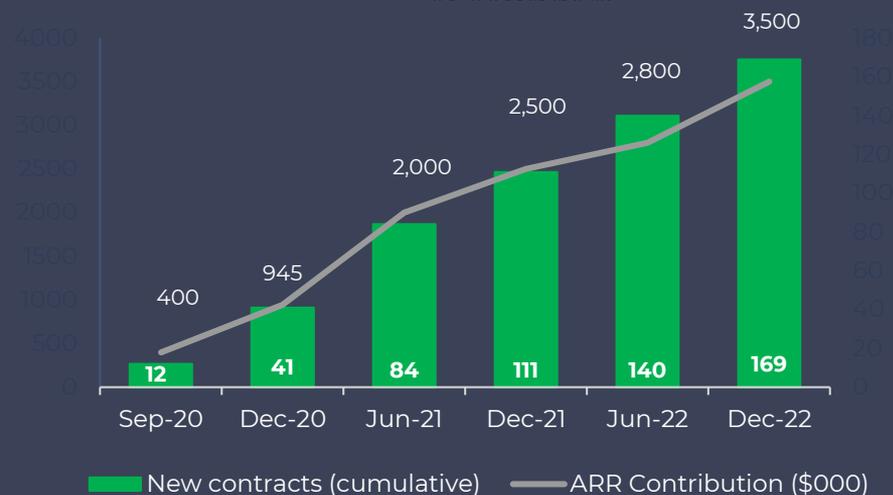
Software

IMEXHS Cloud

- Standardised radiology solution launched in May 2020; unique and successful offering in an underpenetrated global market
- Provides small and medium-sized customers with low-cost, rapidly deployed product offering; during 2022 has gained interest among larger medical institutions
- At 31 Dec 2022, 169 deals signed with ARR of \$3.5m
- 169 customers across 18 countries
- IMEXHS Cloud sold outside of Colombia priced in USD or other hard currencies
- Strong pipeline of new opportunities

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Annualised Recurring Revenue (\$'000) and # of contracts



Radiology Services

- **Outsourced radiology services** for hospitals and other establishments
 - includes administration, technicians, enterprise software, training, equipment if required; radiologists located on premise and internal teleradiology
 - 95%+ of revenues
- **Teleradiology services**
 - growing as flexibility of operations reduces requirement for on-premise presence of radiologists
 - ability to provide remote access to the highest quality radiology specialists.
 - predominantly international customers such as Health Time in Spain
- Exclusively use IMEXHS software
- Top 5 player in Colombian market with a high academic profile of radiologists

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35 Radiology Centres

150 Radiologists

1.2m+ Studies per year

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Current Trading, Strategy and Outlook

Current Trading & Update

- Famisanar contract with ARR of \$1.1m announced on 6 March 2023 and commenced operations during February.
- Continued increase in USD billing for software including first customer in Colombia billed in USD.
- Sound progress in software implementation - choke point is usually customer infrastructure and readiness.
- The number and value of contract discussions is promising but closing always takes longer than initially proposed by the customer.
- Despite reducing software development Capex, exciting development program through 2023 and beyond. Some of which is commercial in confidence.
- Opportunity to deliver both growth and financial performance off the reset cost base.
- Overall solid team, well focused, that understand the need to deliver commercially.
- No exposure to SVB nor Credit Suisse.

Software development

Strategy & Priorities

- **Prioritize high impact development**, to increase margins, revenue, reduce cost and/or to deliver a competitive edge.
- **PACS**: new architecture to **reduce** at least **50% of storage cost** (currently under testing)
- Goal of a **single unified medical imaging platform** will deliver a clear competitive advantage.

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Delivered in 2022

- **DICOM and Modality Worklist Gateway:v1.2** new product, no longer hardware, now delivered as software reducing speed of installation, seamless integration with modality worklist (30% reduction of implementation time)
- **Viewer: Walkthrough, Oblique MPR**
- **Aquila v4.0**: Lateral and contrast studies, critical cases, NPS measurement, and Analytics
- **Portal v3.01**: Role selection, share report, mobile optimization, updated viewer and about label
- **Enterprise Imaging & Imexhs Cloud**: basic workflow creator, Single-Sign-On feature, centralized reporting of studies per customer and user management for partners
- All products with improved **localization** (EN, PG, ES), improved **security**, and fixes to **decrease support** on top 10 issues (number of tickets reduced by 50%)

FY23 Outlook

Our Plan

- To be cash positive
- Focused geographically for 2023
- Software development to deliver revenue, margin and competitive edge
- Drive revenue growth in Software and Radiology



To be delivered through:

- Cost out project aimed at moving to cash positive and balance sheet sustainability
- Focus on Latam countries – traction and cost of doing business
- Development projects - near term to market and with a path to revenue, earnings, competitive edge and ROI
- Contract wins in late 2022 and expected in early 2023 plus implementation of contracts not-yet-billing will contribute to revenue and growth.
- Healthy level of sales activity and engagement.
- Early trading in 2023 is encouraging.



Appendices - FY22 Financials

Income Statement

\$'000	FY22	FY21	Var	Var %
Revenue	17,117	13,373	3,745	28%
Other revenue	174	71	103	144%
Total revenue	17,292	13,444	3,847	29%
Expenses	(20,237)	(18,001)	(2,237)	12%
Net profit before tax	(2,946)	(4,556)	1,610	(35%)
Depreciation & amortisation	1,759	1,237	523	42%
Net finance expenses	396	292	104	36%
EBITDA	(791)	(3,027)	2,237	(74%)
FX & share-based payment expenses	416	912	(496)	(54%)
One-off costs	236	702	(466)	(66%)
Underlying EBITDA	(139)	(1,414)	1,274	(90%)

- FY22 P&L reflects full year of RIMAB acquisition versus 3 months in FY21
- Revenue of \$17.1m, up 28% yoy and 34% on a constant currency basis
- Recurring revenue of 98%, no material one-off sales as in prior years
- EBITDA loss of \$0.8m up \$2.2m versus pcp loss of \$3.0m
- Underlying EBITDA loss of \$0.1m excludes the impact of FX, share-based payments and one-off costs in relation to the cost-out program

Balance Sheet

\$'000	Dec 22	Jun 22	Dec 21
Cash	1,912	856	4,186
Trade & other receivables	6,503	7,286	6,412
Inventories	97	78	84
Current assets	8,511	8,220	10,682
Trade & other receivables	657	1,127	1,426
PPE	3,700	4,585	4,468
Intangible assets	8,118	9,157	8,432
Non-current assets	12,476	14,868	14,326
Total assets	20,988	23,088	25,009
Trade & other payables	2,476	3,401	3,018
Other current liabilities	2,003	2,963	3,331
Current liabilities	4,479	6,346	6,349
Non-current liabilities	608	1,302	2,007
Total liabilities	5,087	7,666	8,356
Net assets	15,901	15,422	16,653

- Closing cash balance of \$1.9m as at 31 December 2022 and Net Assets of \$15.9m
- Intangible assets include Goodwill of \$4.9m, \$0.8m customer contracts and Software of \$2.4m

Summary Cash Flow

\$'000	FY22	FY21
Net cash used in operating activities	(2,198)	(2,968)
Net cash used in investing activities	(2,222)	(3,386)
Net cash flow from financing activities	2,252	(162)
Net cash movement	(2,169)	(6,516)
Cash at the beginning of the year	4,186	10,796
Effects of exchange rate	(105)	(94)
Cash at the end of the period	1,912	4,186

- Closing cash balance of \$1.9m as at 31-Dec-22
- Debt of \$1.1m at 31-Dec-22, down from \$2.4m at 31 Dec-21.
- Capital raising of \$4.0m completed during the year with proceeds used to pay down high-yield debt and fund working capital
- Reduction in software capex (investing cashflows) achieved through focus on near term profitable projects.

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Q&A

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