

AGM November 2023

Chairman's Address



**Pro Medicus Ltd
AGM
20 November 2023**

CHAIRMAN'S REPORT

Overview

The Company has enjoyed another very successful year both from an operational and financial point of view.

The last 3 years of our previous strategic plan saw revenue and profit after tax more than double, whilst the Company continued to invest in the business to ensure its sustainability.

The success of the Company in the markets that we serve has been due to the quality of the management team; the passion, enthusiasm and dedication of all of our staff; the flexibility of our leading edge technology and the robustness of our business model.

Your company is fortunate to have a group of highly skilled professionals led by Dr. Sam Hupert and the management team, who are dedicated to meeting our clients' needs and that of their patients. The majority of our staff have been with the company for many years and the core management team for well over a decade. Employee turnover for the year was extremely low at 2.9%.

The Company continued to deliver the highest level of service to our existing clients while at the same time securing a number of significant new contracts and also renewing several existing relationships for further terms. The company also implemented a number of large scale installations with new clients.

As a consequence the company has continued to deliver long term profitable and sustainable financial results by delivering on the milestones outlined in the company's strategic plan.

The group continues to invest in our best of breed suite of innovative products - to maintain market leadership, which we believe, is fundamental to your company's success.

We continue to enhance our product offering through research collaboration agreements with some of our major clients, including development of AI algorithms and next generation products for enterprise imaging.

We also continue to invest in our management and staff which is growing in line with our strategic objectives.

New Contract Wins

During the FY23 year the company announced 7 new contract wins in North America. We also renewed one major contract with an existing client for a period of seven years at increased fees per transaction. (Details are included in the Annual Report).

Since 1 July 2023 the Company has signed 4 new contracts with combined minimum contract revenue of \$A200 million. These are:

- A 7 year contract with **Memorial Sloan Kettering Cancer Centre**, one of the world's most respected comprehensive cancer centres, for \$A24 million.
- A 10 year contract with **Baylor Scott & White**, the largest not-for-profit healthcare system in Texas. The contract is the Company's largest to date with a value of \$A140 million.
- An 8 year contract with **South Shore Health** for \$A16 million. South Shore Health is the largest independent health system in Southern Massachusetts.
- And last week we announced an 8 year contract with **Oregon Health & Science University** for \$A20 million.

All of these contracts will make a significant contribution to our future revenues.

Despite the number of recently announced new contracts, new opportunities continue to present themselves and as a result our pipeline remains strong.

In Australia our RIS product continues to be the undisputed market leader, with revenue increasing, due to the continued roll out to additional sites with some of our key clients, during the period.

Financial Results

FY2023 was another record year for the company with revenue increasing by 33.6% to \$124.9 million and net profit after tax increasing by 36.5% to \$60.6 million.

The Company continued to be cash flow positive with retained cash and liquid investments increasing from \$90 million to \$121.5 million, after paying increased dividends.

The Board anticipates FY24 will be another strong year.

The budget for the current financial year has been determined recognising anticipated continuing strong growth, from both existing and new clients. I am pleased to advise that results to date are ahead of budget on a constant currency basis and further ahead with the impact of a lower Australian dollar, relative to the US dollar. We anticipate that the second half of the financial year will be stronger than the first half, as is traditionally the case.

Surplus cash and M&A

As I indicated earlier our cash and other financial instruments have continued to grow during the year. These funds are maintained to allow the company to continue to invest in the development of our product suite (including AI), to meet our dividend obligations and to take advantage of acquisition opportunities that might arise. The Board has considered a small number of acquisition opportunities during the course of the year but to date none have met our criteria. In the current circumstances, surrounding the technology sector, the Board is starting to see valuations coming down such that an increasing number of opportunities may meet our criteria in future.

Dividend Policy

The Board was pleased to increase dividend payments for the 2023 financial year to 30 cents per share fully franked. This represents an increase of 36% over the previous year and a payout ratio of approximately 50%. The dividends were funded from the company's internally generated cash flow.

The Board anticipates that future dividends will continue to be fully franked. The Board will continue to determine an appropriate level of dividends having regard to the profitability of the business, its need for ongoing investment and the necessity to retain sufficient funds to pursue other growth opportunities.

Strategic Plan

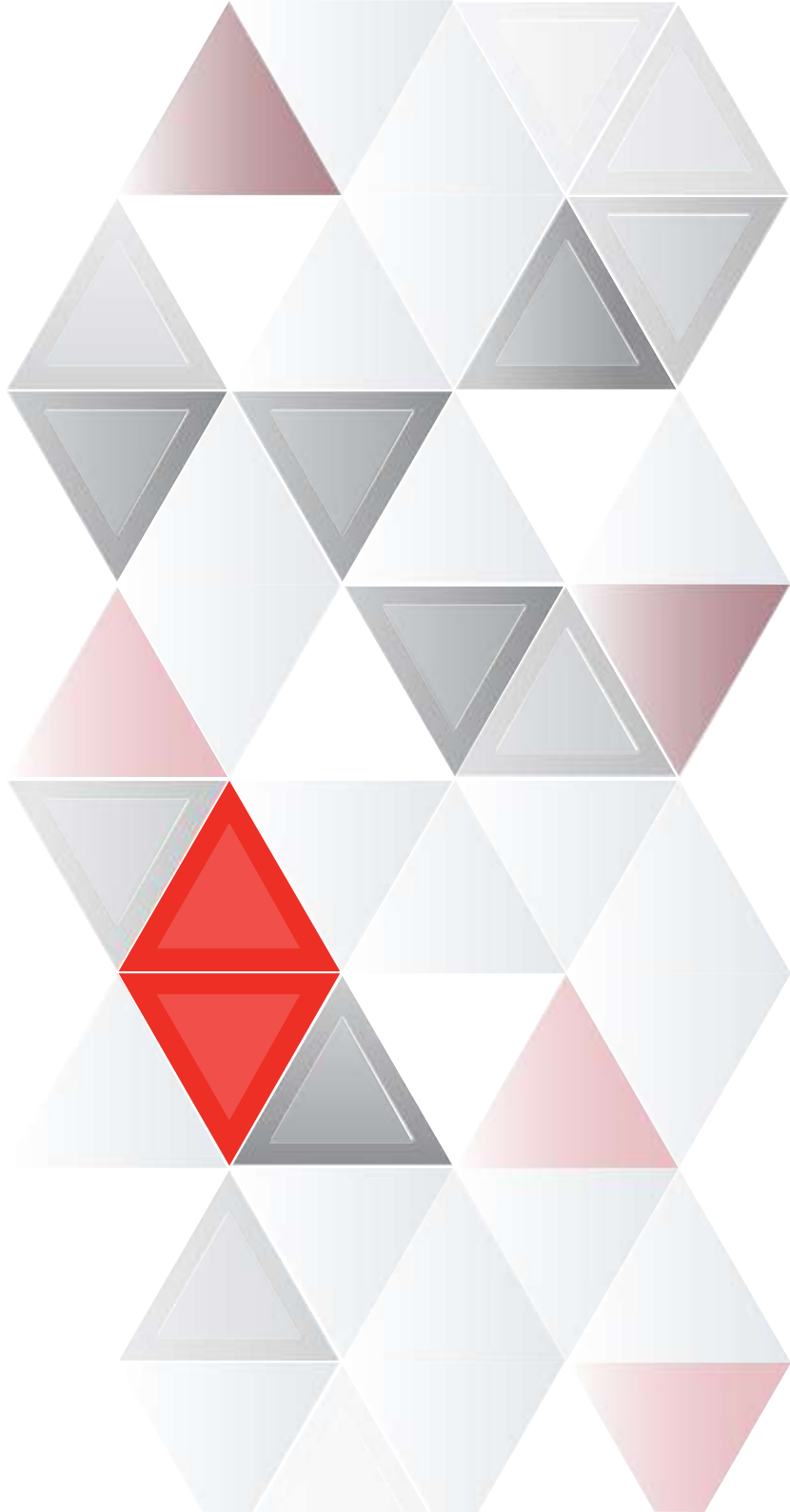
As I mentioned at last year's AGM the Company has adopted a new strategic plan for FY24-FY26 which sets our objectives and our strategies for the next three years.

The Board and management have set aggressive growth targets in keeping with the Company's current and potential opportunities. We are in the process of progressively implementing our plans to achieve our next growth phase.

We are all committed to achieving further successful outcomes envisaged within the new strategic plan.

Closing

In closing, on your behalf, I would again like to thank all of our dedicated staff in Australia, North America and Europe for their contribution to the company during what has been another very successful year. I would also like to thank my fellow directors who have also worked tirelessly and diligently to ensure that the company reaches its ultimate goals.



AGM November 2023

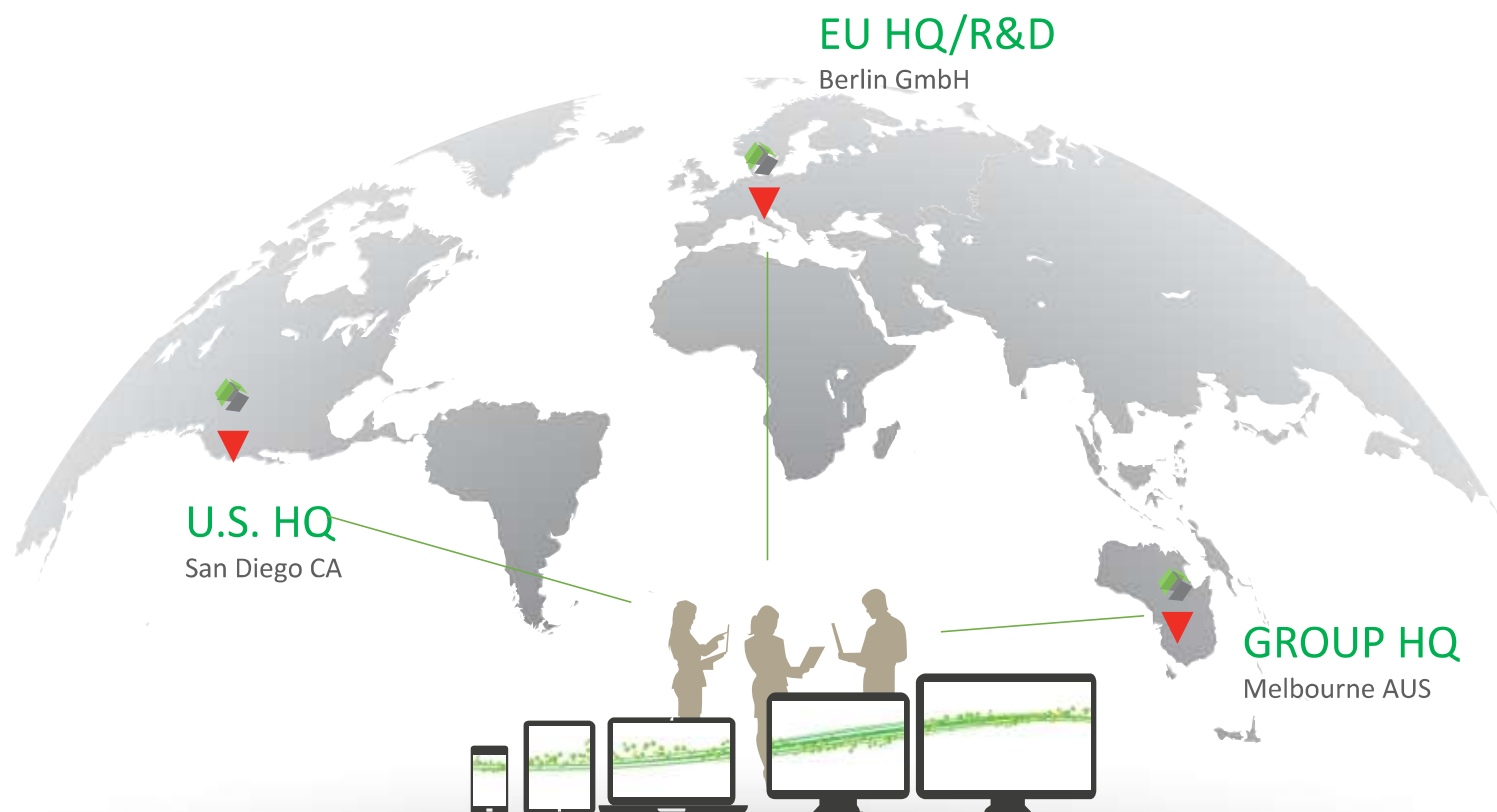
CEO Presentation



PRO MEDICUS (ASX:PME)

Healthcare IT company specializing in Enterprise Imaging and Radiology Information System (RIS) software.

Leading edge products, growing global presence.



OVER 40+ SOFTWARE ENGINEERS

 ASX:PME



 VISAGE RIS



VISAGE RIS



pro+medicus.net

 VISAGE 7



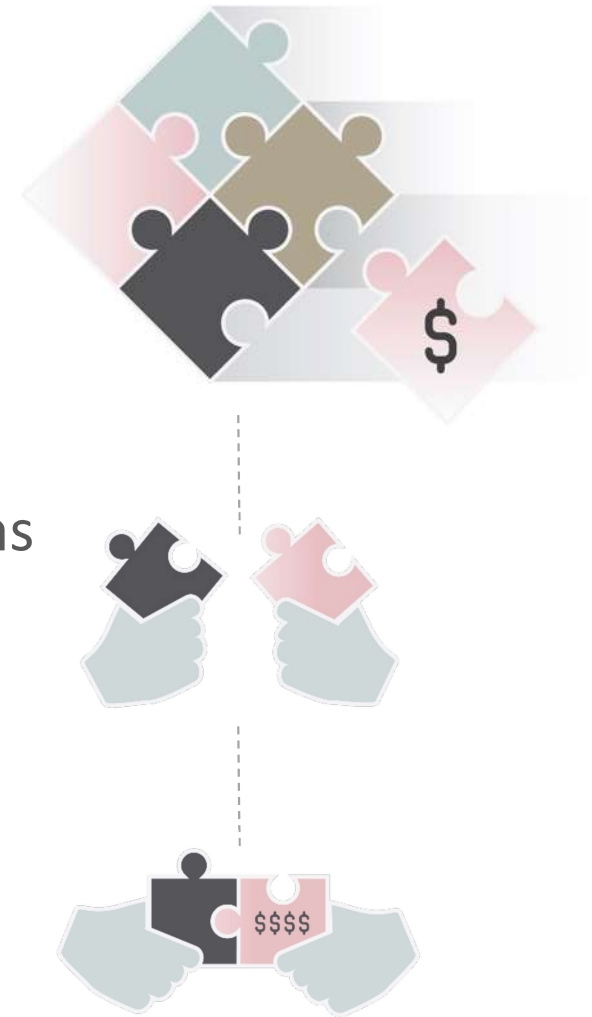
VISAGE 7
PRODUCT
SUITE



OEM

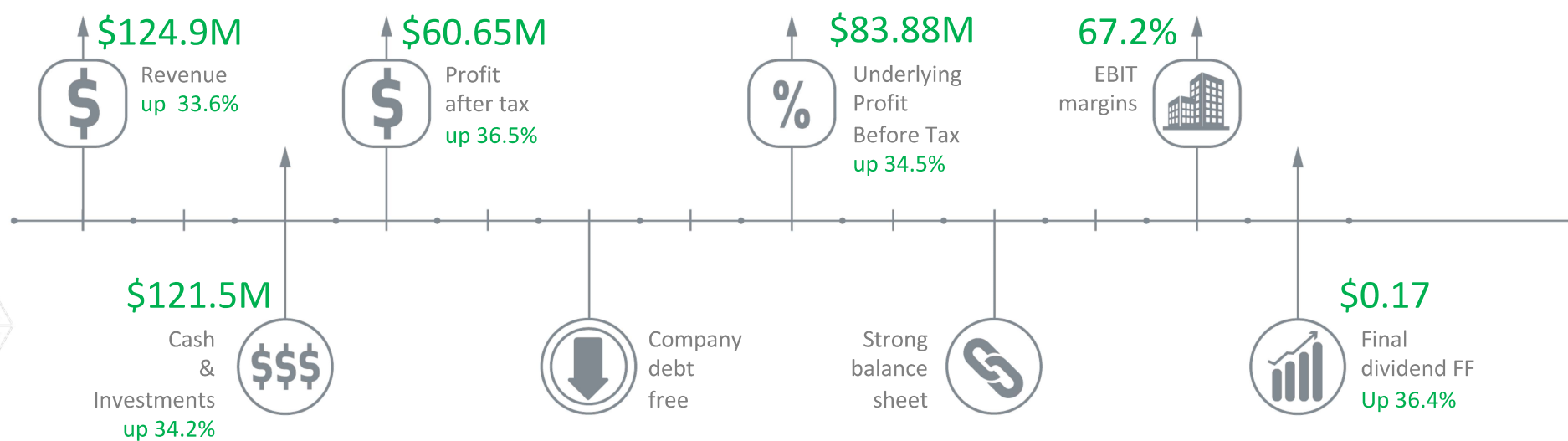
FY 2023 – Highlights

- Record year – transaction revenue up 44.2%
- Seven contract wins in North America
- \$15M University of Florida contract renewal
- Completed eight cloud-based implementations
- RSNA 2022 the busiest to date
- Progress with other ologies and AI



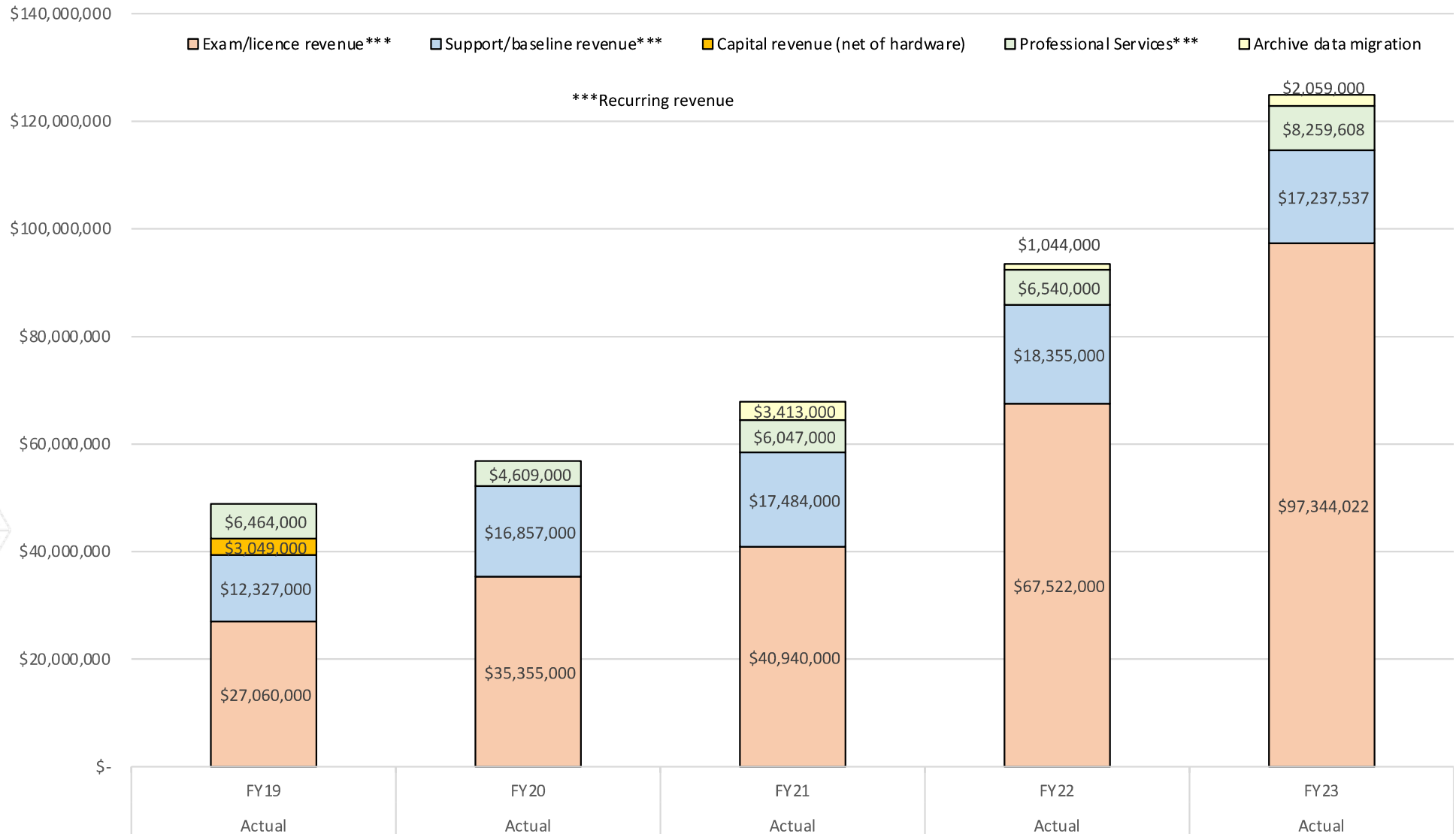
RESULTS

FY 2023



FY 2023 REVENUE SPLIT

Full year revenue split



HIGHLIGHTS

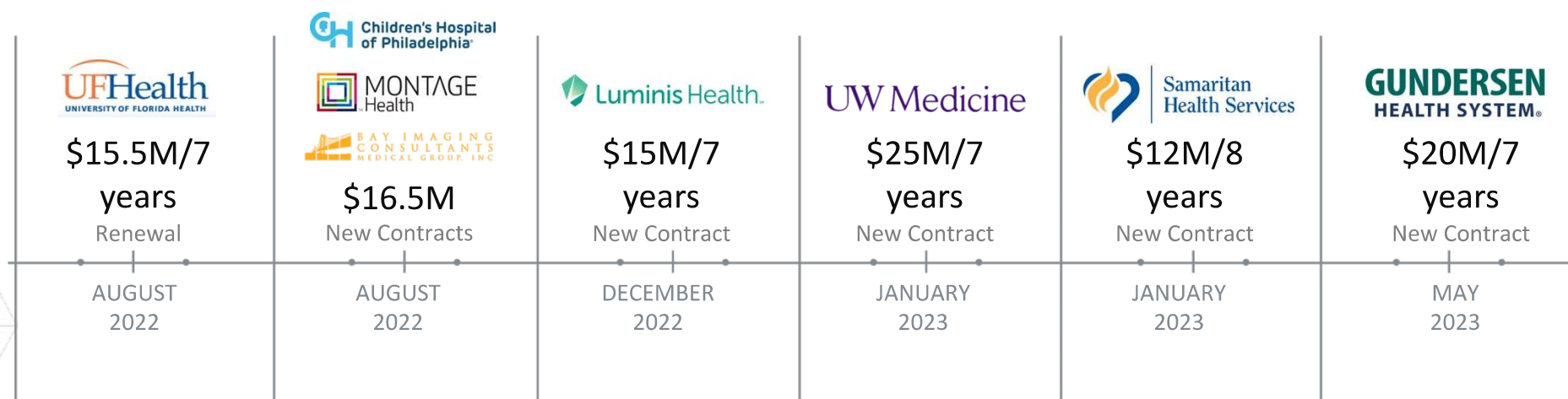
FY 2023



Continues to grow

STRONGLY

CURRENT
PIPELINE



OPERATONAL (TRANSACTION) MODEL

- Used in vast majority of US contracts
- Delivered as SaaS model
- Now used in RIS contracts in AUS
- Model based on transaction minimums
- Upside as client examination volumes grow
- Annuity style revenue stream – greater predictability



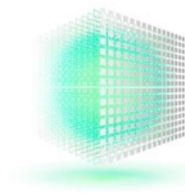
OPERATING LEVERAGE

- Highly scalable offering
- No capex (HW or cloud fees) – SW only model
- Training & Installation – billed as professional services
- Contained cost base
- Margin continues to grow as footprint increases



EXAM (TRANSACTION) REVENUE

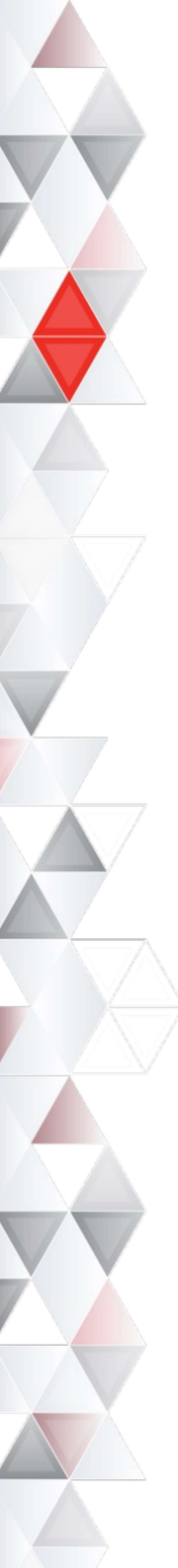
- Recurring in nature
- Increased by 44.2% YoY
- Growth to continue for FY 2024 (Novant, Inova, Allina Luminis & others).
- New Sites coming online in 1st Half FY24 (U Washington, Gundersen & others)
- Growth from existing clients (organic and M&A)
- Further upside with adoption of new products (VISAGE 7 Open Archive and Worklist)













In Review

2023/2024 Top Hospitals

(alphabetical order)



1	 BRIGHAM AND WOMEN'S HOSPITAL	Brigham & Women's - Live Full PACS
2	 MASSACHUSETTS GENERAL HOSPITAL	Mass General - Live Full PACS
3	 MAYO CLINIC	Mayo Clinic - Live Full PACS
4	 Northwestern Medicine	Northwestern - Live Full PACS
5	 NYU Langone Health	NYU - Live Full PACS
6	 RUSH	Rush - Breast Imaging PACS
7	 UCLA Health	UCLA - Live Full PACS
8	 UC San Diego HEALTH SYSTEM	UCSD - Live Full PACS
9	 UCSF Health	UCSF - Live Full PACS



Growing footprint in the IDN space

- IDNs represent the largest segment of the market
- Existing IDN clients – Mercy, Sutter Health, Intermountain, Medstar & others
- Momentum increasing with 7 sales to large and mid sized IDN's in the last 20 months
- All sales for more than one Visage product – many “full stack”
- All opportunities to be Cloud deployed
- Significant network effect in this market segment.

N NOVANT
HEALTH

INOVA

Allina Health

VISAGE RIS



Visage RIS - Dr R Simpson (rsna) visage2 (2) @ Visage General Hospital (ris.promed.com.au)

RECEPTION TECHNOLOGIST DOCTOR TRANSCRIPTIONIST SEARCH OFFICE CLAIMING SETUP

Recent Dr R Simpson

Appointments Requested Arrival Billing Banking

Region Northern Book Visage General Hospital Tue, 17-Oct-2017 AM PM Patient Procedure Cancelled Blocked Reset 1 2

Visage X-ray	Visage CT	Visage US Room 1	Visage US Room 2	Visage US Room 3	Visage Mammo
<p>Tue, 17-Oct-2017</p> <p>08:30 AM Blocked</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM Blocked</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM Blocked</p> <p>11:00 AM</p> <p>11:15 AM</p> <p>11:30 AM</p> <p>11:45 AM Blocked</p> <p>12:00 PM</p> <p>12:15 PM</p> <p>12:30 PM</p> <p>12:45 PM ADAMS, Mrs ROSE ...</p> <p>01:00 PM</p> <p>01:15 PM</p> <p>01:30 PM</p> <p>01:45 PM</p> <p>02:00 PM</p> <p>02:15 PM</p> <p>02:30 PM</p> <p>02:45 PM</p> <p>03:00 PM</p> <p>03:15 PM</p> <p>03:30 PM</p> <p>03:45 PM</p> <p>04:00 PM</p> <p>04:15 PM</p> <p>04:30 PM</p> <p>04:45 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>09:00 AM</p> <p>09:30 AM</p> <p>10:00 AM</p> <p>10:30 AM SMITH, Mr John: C...</p> <p>11:00 AM</p> <p>11:30 AM</p> <p>12:00 PM Lunch</p> <p>12:30 PM Lunch</p> <p>01:00 PM</p> <p>01:30 PM Non Contrast</p> <p>02:00 PM</p> <p>02:30 PM</p> <p>03:00 PM</p> <p>03:30 PM</p> <p>04:00 PM</p> <p>04:30 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>08:45 AM TEST, Mr Roger: U...</p> <p>08:50 AM Test 43.607...</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:30 AM</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM</p> <p>11:00 AM</p> <p>11:15 AM</p> <p>11:30 AM</p> <p>11:45 AM</p> <p>12:00 PM</p> <p>12:15 PM</p> <p>12:30 PM</p> <p>12:45 PM</p> <p>01:00 PM</p> <p>01:15 PM</p> <p>01:30 PM</p> <p>01:45 PM</p> <p>02:00 PM</p> <p>02:15 PM</p> <p>02:30 PM</p> <p>02:45 PM</p> <p>03:00 PM</p> <p>03:15 PM</p> <p>03:30 PM</p> <p>03:45 PM</p> <p>04:00 PM</p> <p>04:15 PM</p> <p>04:30 PM</p> <p>04:45 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>09:00 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:30 AM</p> <p>11:00 AM</p> <p>11:30 AM</p> <p>09:30 AM Urgent</p> <p>09:45 AM Urgent</p> <p>10:00 AM Urgent</p> <p>10:15 AM Urgent</p> <p>10:30 AM Urgent</p> <p>10:45 AM Urgent</p> <p>11:00 AM Urgent</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM</p> <p>11:00 AM</p> <p>11:15 AM</p>	

Edit Appointment

APPOINTMENT Mr John SMITH FOLIO 10.645 ACCESSION 10.1270

Tue, 17-Oct-2017

10:30 AM - 11:00 AM

Male 05-Oct-1977 (40y) H: (03) 1212-1211 Visage General Hospital Visage

450 Swan Stree... Dr Doogie Ho (03) 9800-1231 Appointment(s) Medium

SUMMARY

Patient SMITH, Mr John 10.645
Born: 05-Oct-1977 (40y)
Male
(03) 1212-1211

Referrer Dr Doogie Howser 0000000Y

Practice

Address 23 Hollywood lane ThePlace RICHMOND
VIC 3121 Australia

Referral date 09-Oct-2017

Referral period 12

Accession 10.1270

Order Status Arrived (1/1)

Save Cancel

VISAGE RIS



- Long term (5 year) contracts with Lumus (Primary Healthcare) and I-MED, the 2 biggest radiology providers in AUS
- Lumus rollout now complete
- Upside via organic and M&A growth (I-MED)
- Increased market interest – new opportunities
- PME undisputed market leader



Visage 7.0

Continues to be #1 in Speed, Functionality and Scalability.



SPEED



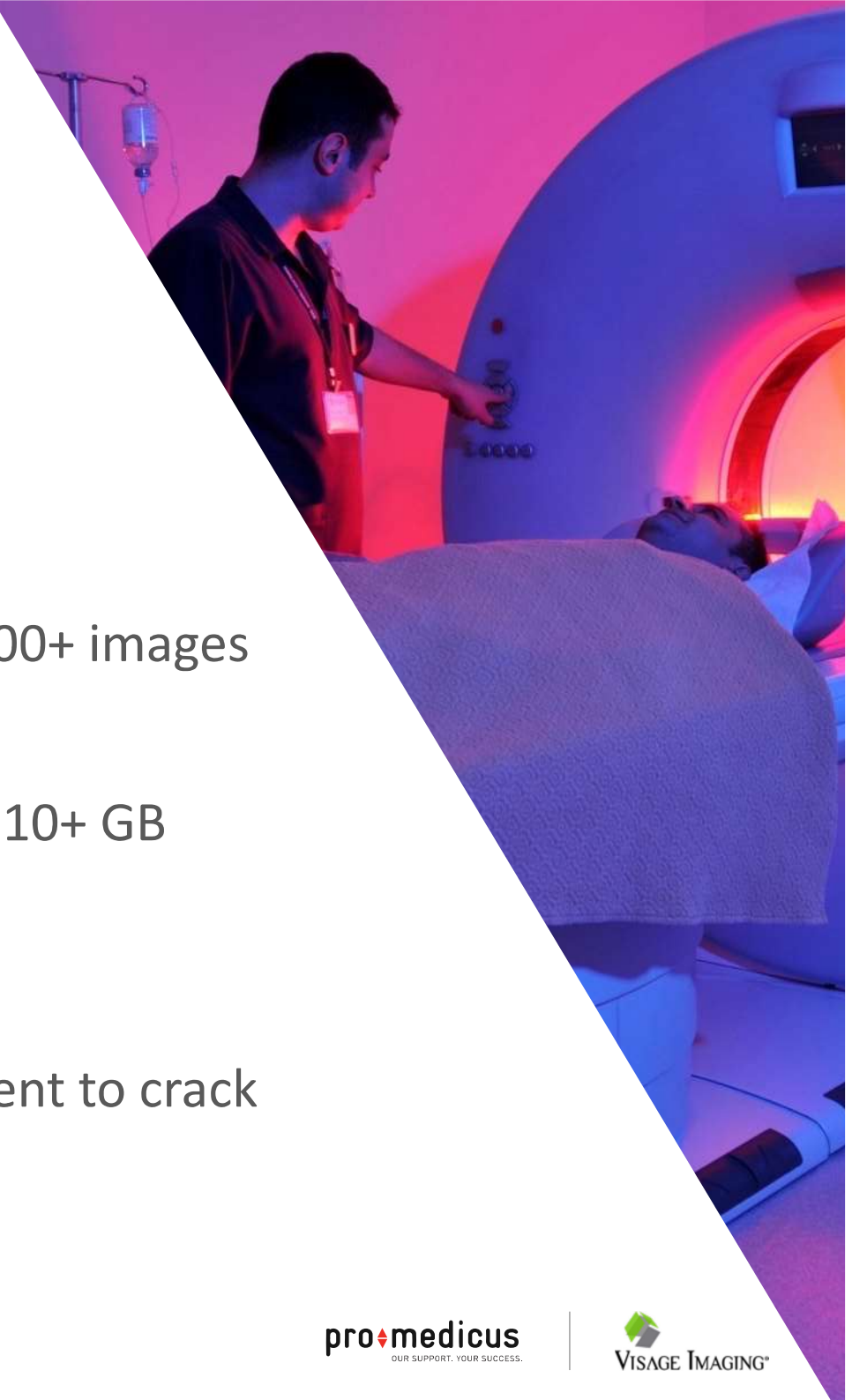
FUNCTIONALITY



SCALABILITY

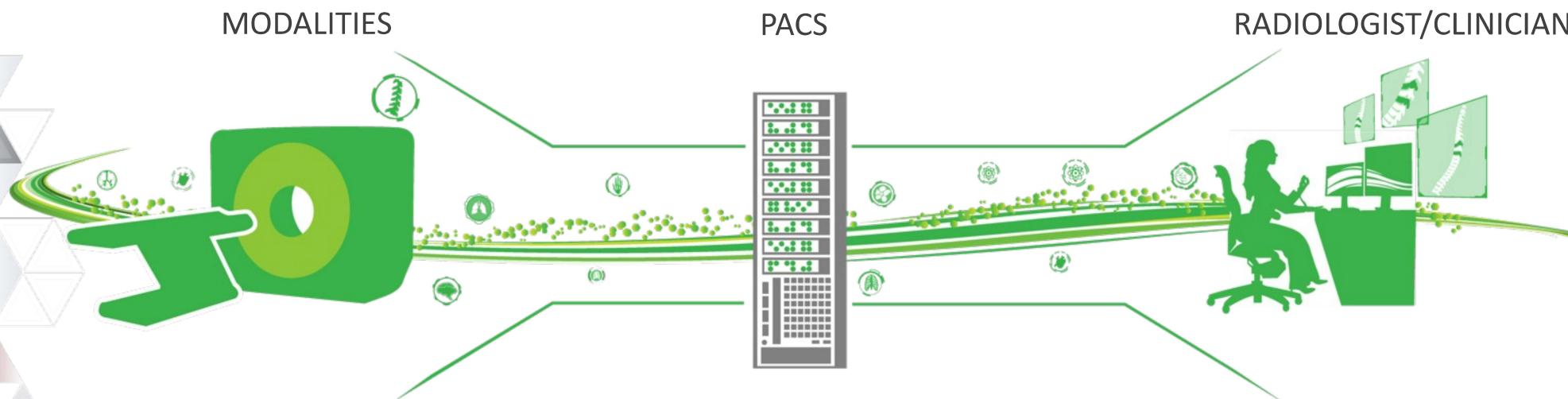
MASSIVE DATA EXPLOSION

- High density Multi-slice CT - 10,000+ images
- HD Breast Tomosynthesis - 6 GB+
- Optoacoustic breast ultrasound - 10+ GB
- Total Body PET Scan - 10+ GB
- 7T MRI - much larger than 3T
- Breast Imaging – the 1st department to crack



LEGACY TECHNOLOGY

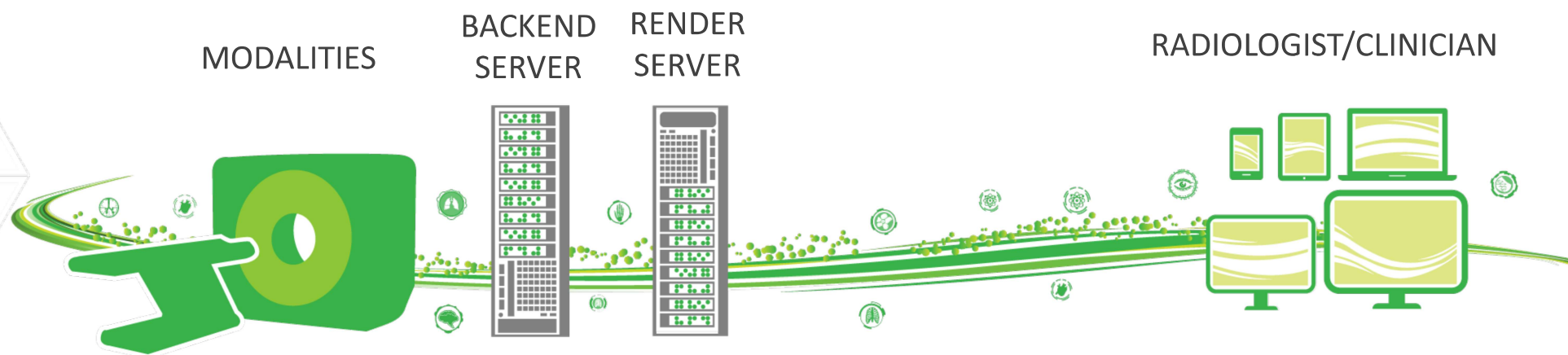
“Compress and Send”



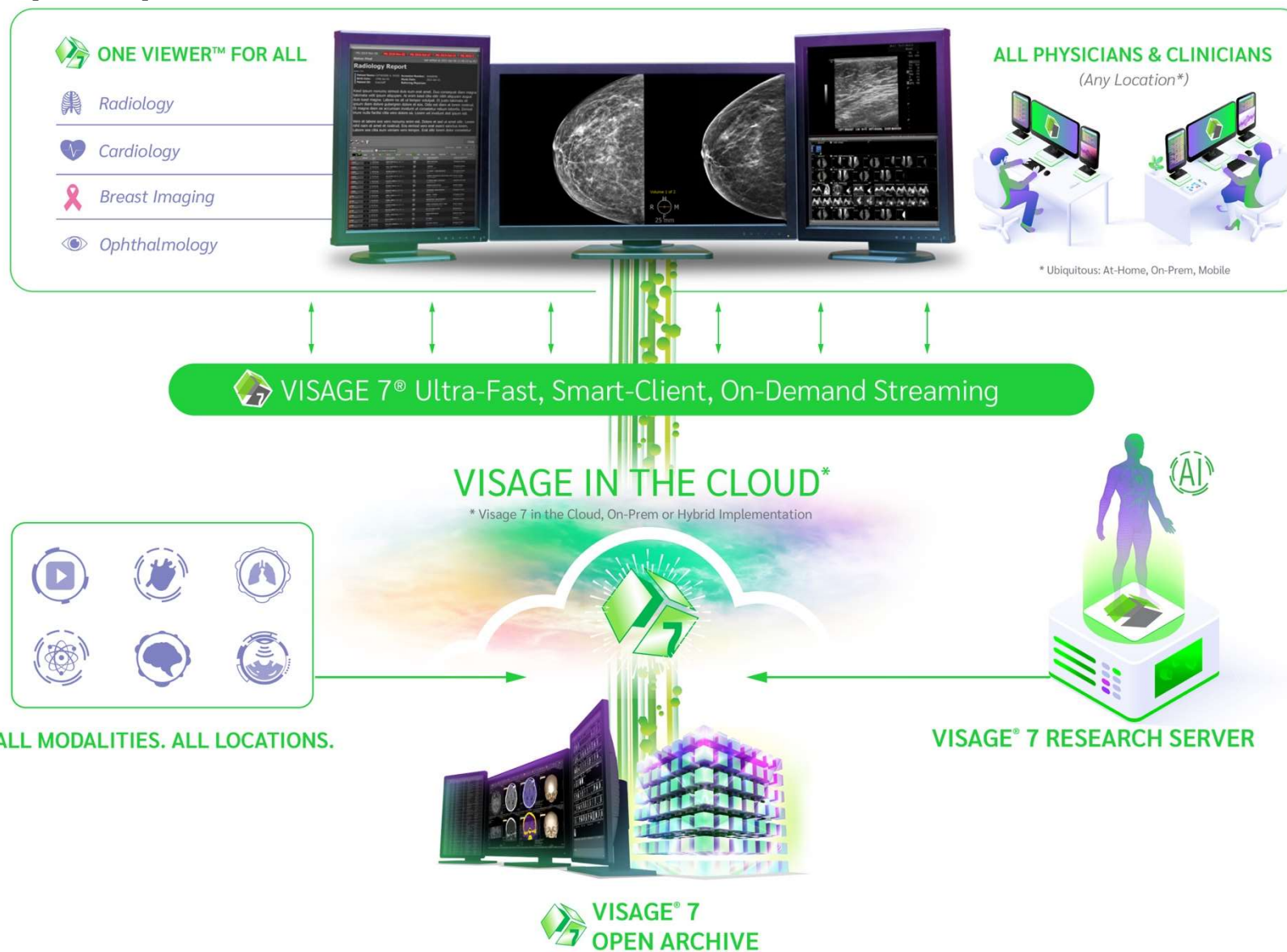
SOLUTION:



VISAGE 7 Streaming Technology



SOLUTION: Visage 7 Streaming



MEMORIAL SLOAN KETTERING CANCER CENTER



- 7-year, \$24M transaction-based contract
- Top two cancer hospital in North America
- “Full Stack” – Viewer, Worklist & Archive
- To be fully Cloud deployed
- Rollout to commence in 1st half 2024
- Increases PME’s footprint in the Tier 1 academic space

BAYLOR SCOTT & WHITE HEALTH



- Largest PME deal to date
- 10-year, \$140M transaction-based contract
- “Full Stack” – Viewer, Worklist & Archive
- Largest not for profit health system in Texas
- To be fully cloud deployed
- Rollout to commence in first half 2024
- Mixture of both academic and IDN

SOUTH SHORE HEALTH



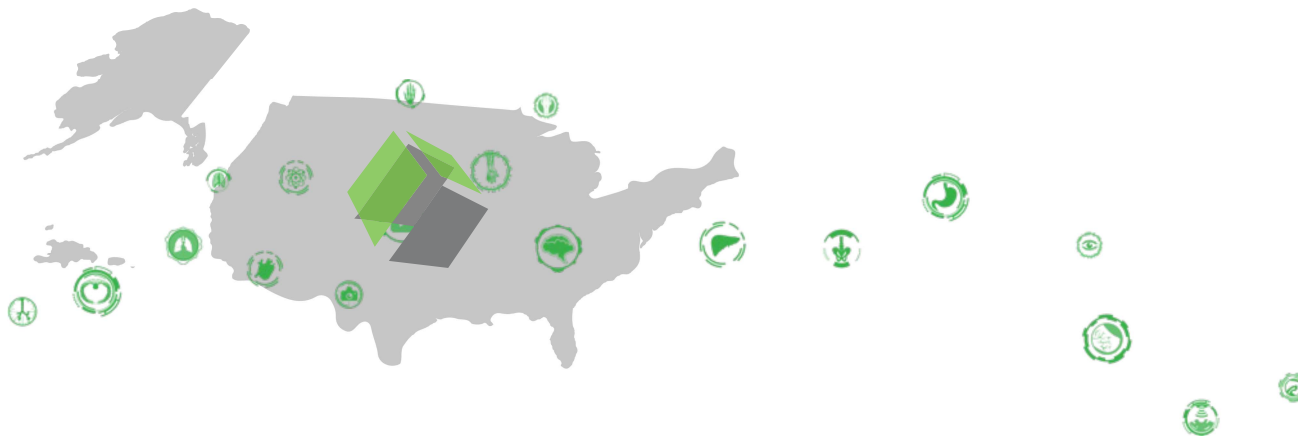
- 8-year, \$16M transaction-based contract
- Regional IDN based in Southern Massachusetts
- “Full Stack” – Viewer, Worklist & Archive
- Fully cloud deployed – 1st half 2024
- Increases PME’s footprint in the mid-sized IDN market

OHSU



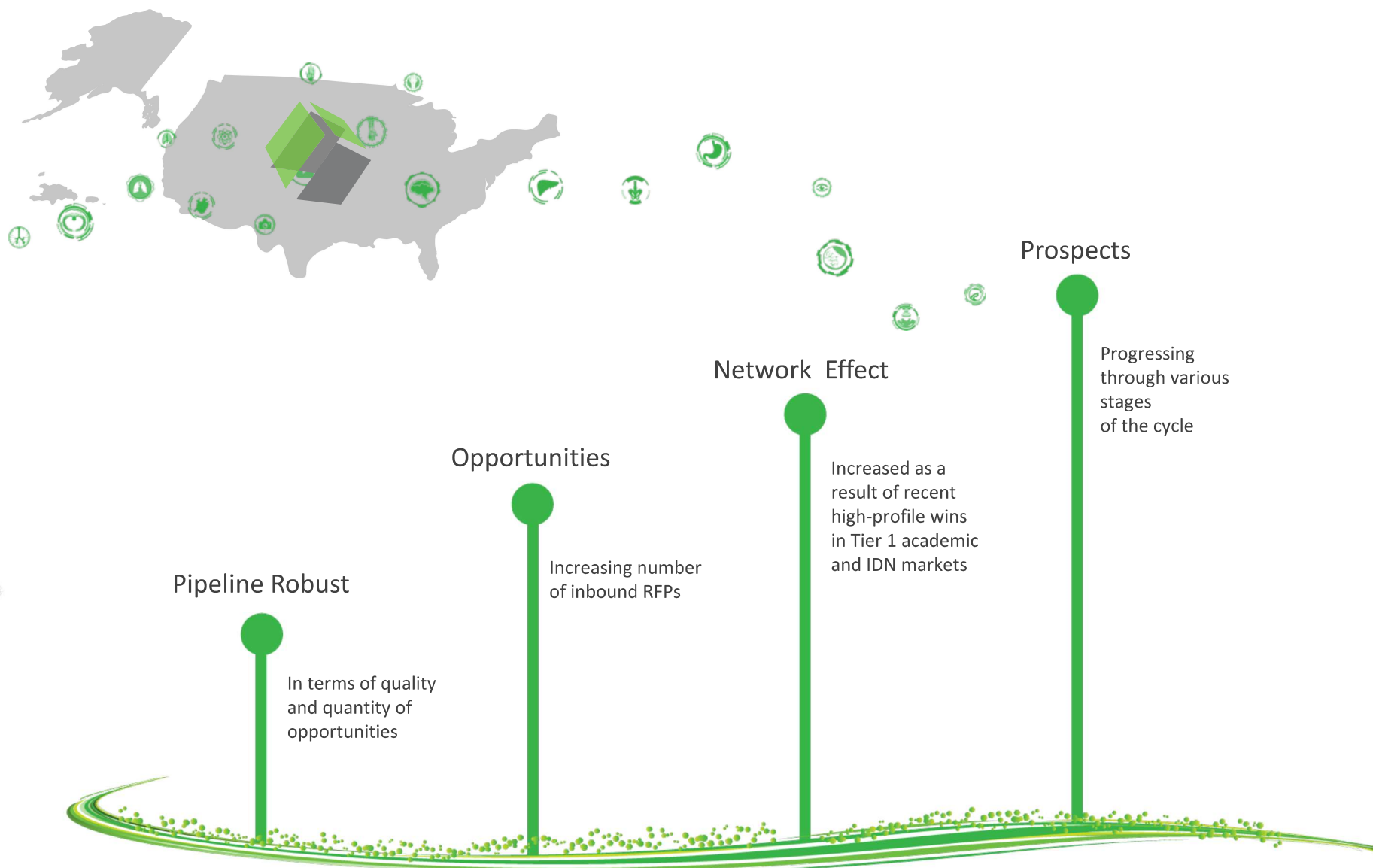
- 8 year, \$20M transaction-based contract
- Preeminent academic medical center in Oregon
- “Full Stack” – Viewer, Worklist & Archive
- Fully cloud deployed – 2nd half 2024
- Increases PME’s rapidly growing footprint in AMC market

NORTH AMERICAN SALES – \$200M TCV in 5 Months



- \$200M TCV is based on minimums - significant potential upside
- Contract wins spread across multiple market segments
- 2 AMCs, 1 regional IDN and 1 combination of both (BSW)
- All “Full Stack” and cloud – a growing trend
- Implementations scheduled for 2024

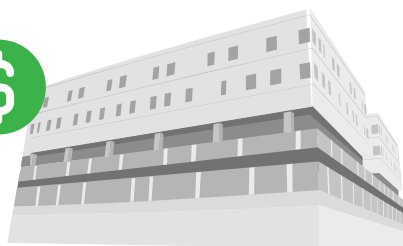
NORTH AMERICAN PIPELINE



FAST TRACK IMPLEMENTATION

- All implementations on or ahead of schedule
- Fast track methodology continues to deliver
- Large scale projects completed in under 1/4 the time of industry norm
- Delivers huge savings for client
- Frees PME staff for other jobs
- Reduces barrier to change
- New highly optimized hybrid model (onsite + remote)
- A key differentiator of Visage offering

VISAGE – PROVEN ROI



Significant IT &
Infrastructure
Savings



Unparalleled
Increase in
Radiologist
Efficiency



Greater Clinical
Accuracy



Improved Physician
Engagement



Delivers Superior
Value Proposition

Clinical Outcomes



Moving the Needle



Visage Imaging | Yale New Haven Health



"PACS is our clinical world for Radiologists. Incorporation of AI into PACS, gives us clinical value."



"This is what AI based segmentation of gliomas in PACS looks like! Advanced image processing at your fingertips is our next frontier!"



Mariam Aboian, MD, PhD
Assistant Professor
Radiology & Biomedical
Engineering
Yale School of Medicine

Yale
NewHaven
Health

Visage Imaging | Dr Mariam Aboian

Visage AI Accelerator Brain Tumor Research

Burnout – the new epidemic ?

Has Burnout Become an Epidemic in Radiology?

April 22, 2022

Jeff Hall



Review: Diagnostic radiologists at higher risk of burnout

What You Need to Know About Radiologist Burnout and How to Keep It in Check

By Rosil Sinha | December 2, 2019



February 2022, Volume 218, Number 2

Policy, Quality, and Practice Management
Clinical Perspective

« Previous Article | Next Article »

Physician Burnout in Radiology: Perspectives From the Field

Cheri L. Canon, MD¹, Jeffrey Forris Beecham Chick, MD, MPH², Ivan DeQuesada, MD³, Richard B. Gunderman, MD, PhD⁴ ... [Show all](#)

Burnout – the new epidemic ?



- Acute worldwide shortage of radiologists
- Reduced intake of radiology residents over last few years – fears AI would take over
- Larger datasets – more images to look at
- Work Life balance post COVID – work from home part of the mix
- Many groups struggling to handle current workload
- Groups starting to cut back on existing contracts



Up to
50%
Increased Efficiency

Reduce Burnout

Work Faster, Smarter. Achieve PACS Nirvana.

Visage CloudPACS

- Visage 7 – Cloud engineered
- Faster than on-premise
- Increased security and scale in the cloud
- Complete PACS deployment
- Suitable for all size implementations

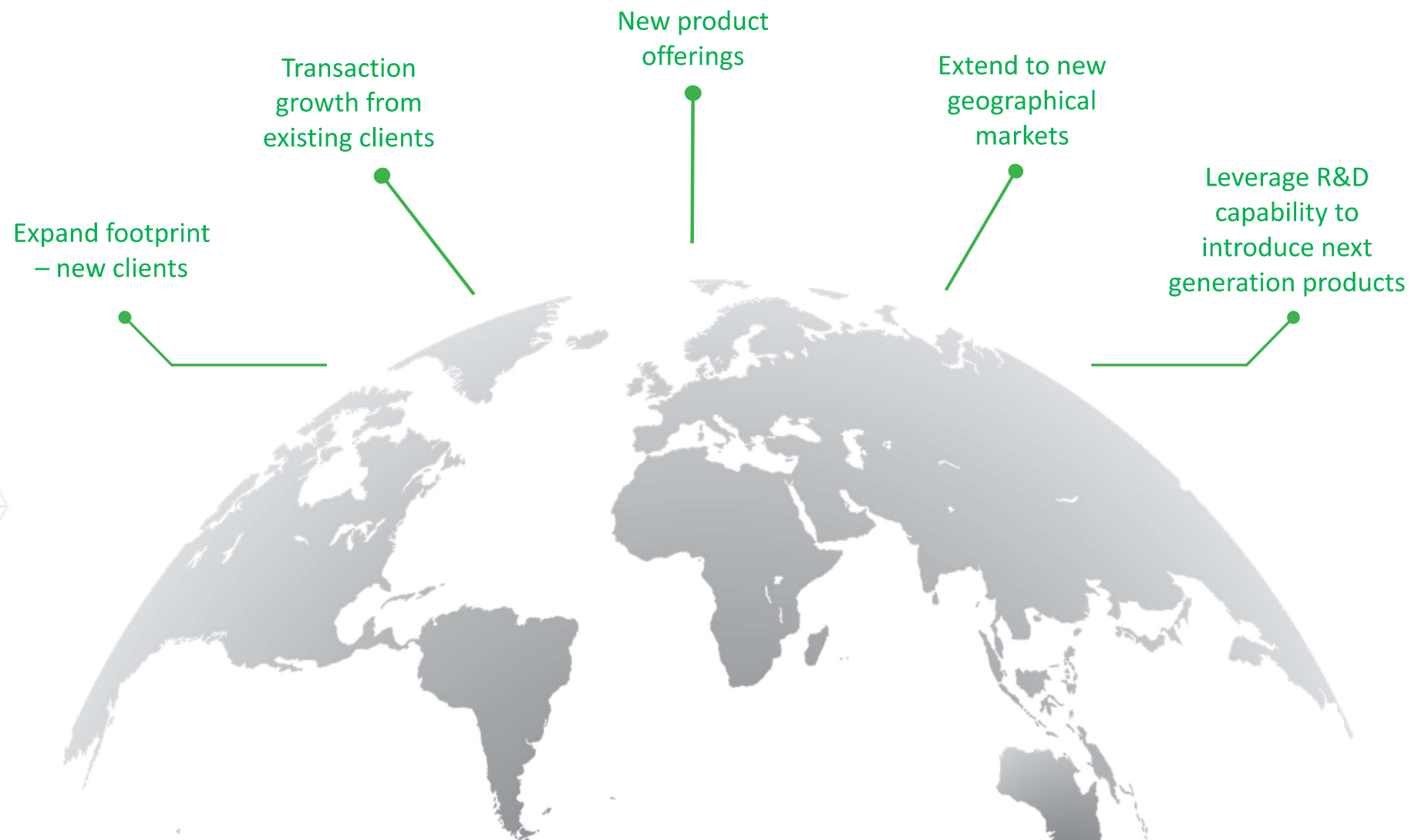


Visage CloudPACS

- Unprecedented swing to Cloud
- All US sales in the past 3 years have been CloudPACS
- Pipeline mandating Cloud deployment
- Large scale implementations in all 3 cloud vendors - AWS, Azure and Google GCP
- Significant strategic advantage over competitors



GROWTH STRATEGY



VISAGE 7 OPEN ARCHIVE



- Same highly scalable Visage 7 platform
- Enables choice of modular or single vendor solutions
- Visage 7 Open Archive best in breed component of “Full Stack” solution
- Pipeline includes archive opportunities
- Key component of Visage CloudPACS strategy
- Transaction based model with potential upside

VISAGE 7 WORKFLOW

- Same highly scalable platform as Visage 7 Viewer and Open Archive modules
- Allows PME to offer “full stack” solution
- Integral part of Visage best in breed CloudPACS offering
- Sold in 12 out of the last 12 contracts
- Sales to existing V7 viewer customers - NYU and Yale
- Transaction based model with potential upside

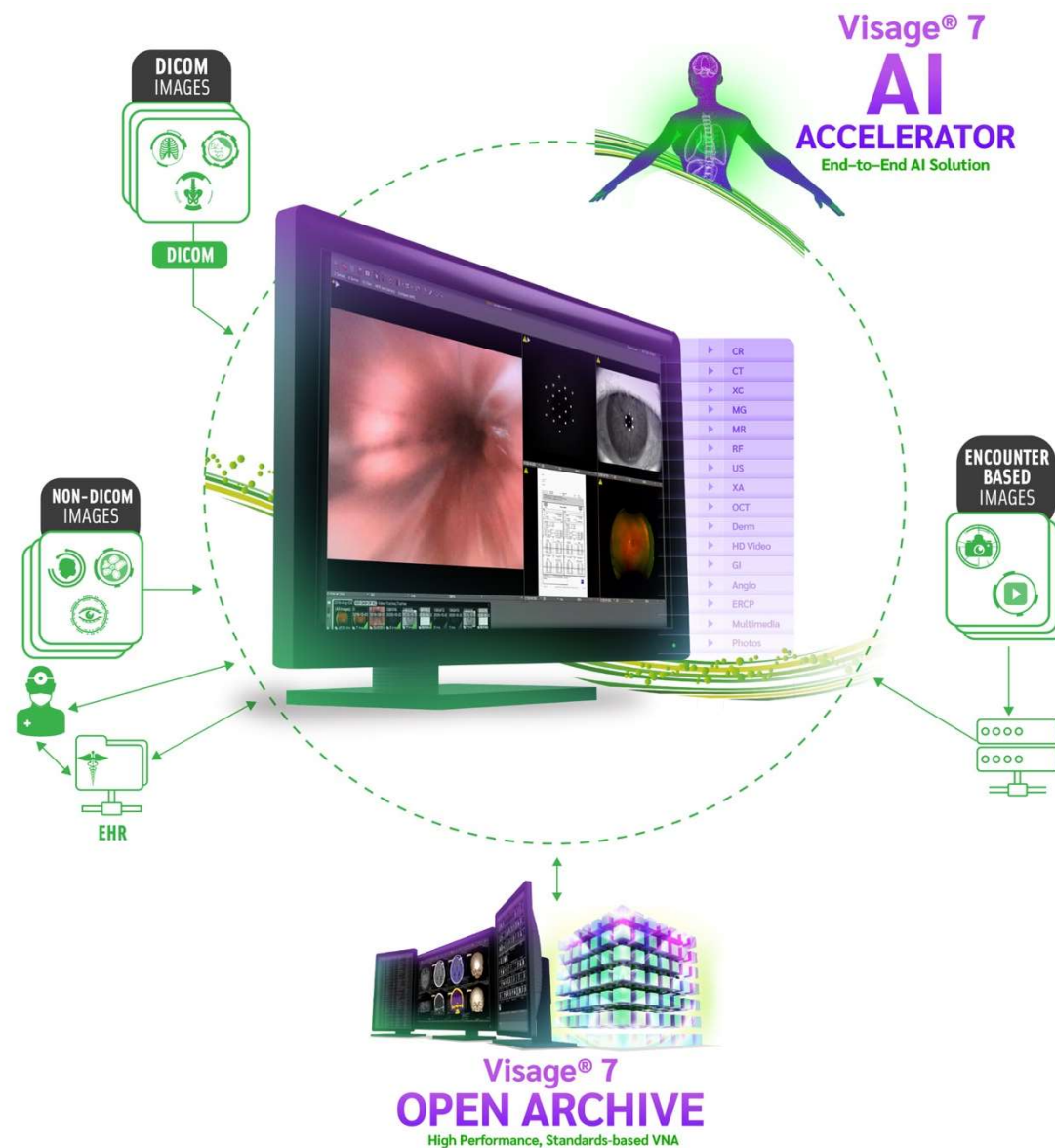


NEW PRODUCTS

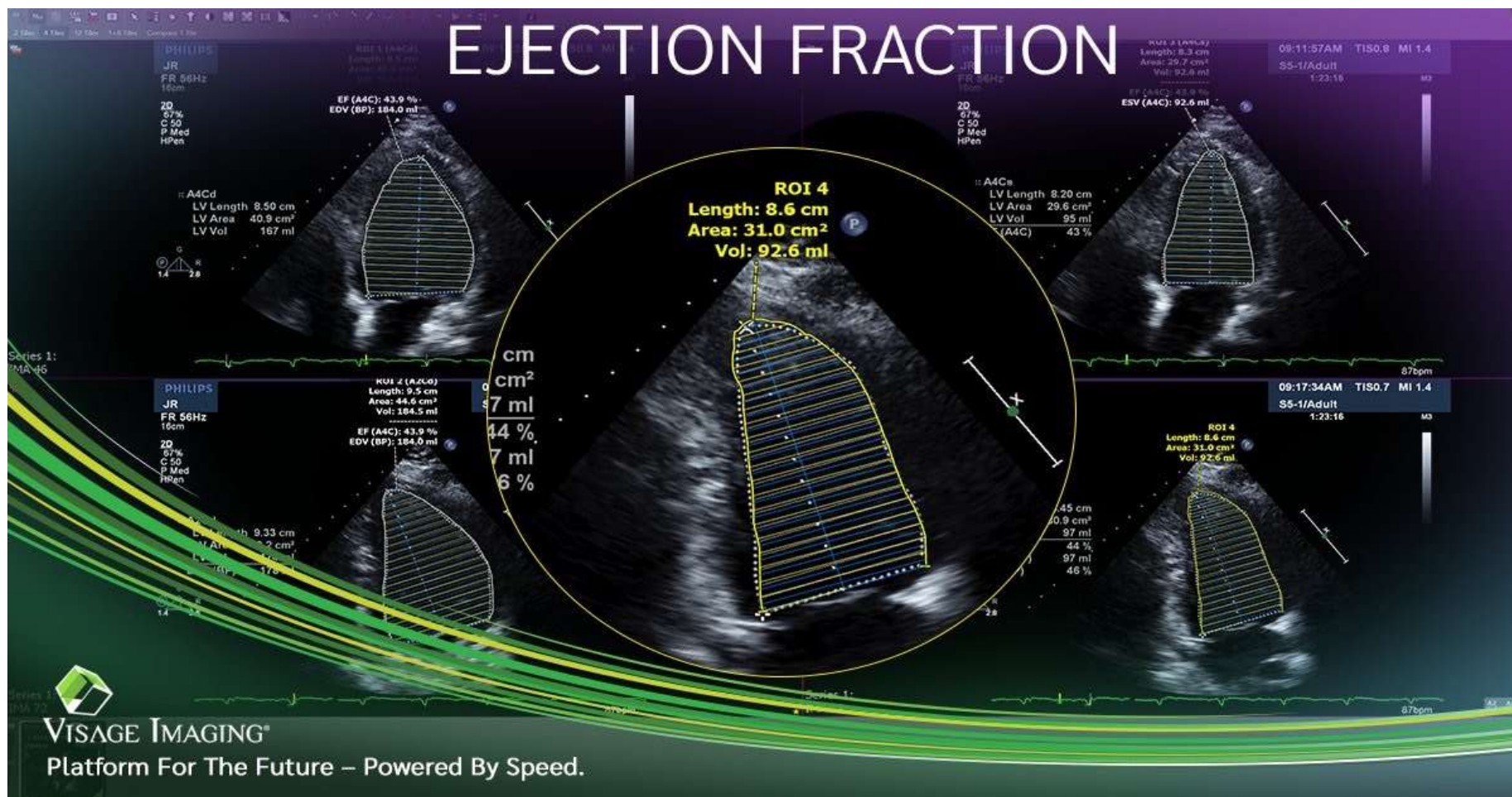
Visage® 7

One Viewer™ All Modalities

- Single viewer for **ALL** images in the medical record (EMR)
- Radiology/Cardiology (DICOM format)
- Non-radiology– reflected light – hi-res photos & videos
- Visage 7 technology ideally suited
- Increases Visage value proposition
- Growth opportunities within existing contracts



One Viewer - Cardiology



Cardiology offering to be showcased at RSNA 2023

VISAGE 7 is BEST IN KLAS 2023



Visage 7 achieved the #1 ranking in the Universal Viewer (Imaging) segment with a score of 90.2. KLAS defines the Universal Viewer (Imaging) segment as “Solutions that can be used for referential and/or diagnostic viewing; that support multiple media types (e.g., DICOM, JPEG, MPEG, Cine clip); and that do so across multiple service lines (e.g., radiology, cardiology, pathology, wound care).” **To qualify as a Universal Viewer (Imaging) solution, provider organizations must verify to KLAS they use the solution for at least two (2) different clinical service lines. Under this definition, Visage 7 actually provides more functionality than PACS alone**

AI uses in Radiology

AI

ACCELERATOR

- Imbedded in SW or imaging equipment
- Prioritisation of cases – eg intracranial haemorrhage
- Population screening eg early-stage lung nodule detection
- Aid to diagnosis – 2nd “set of eyes” breast screening
- Automated diagnosis

AI Research Leadership



Malte Westerhoff, PhD
Global Chief Technology Officer



Detlev Stalling, PhD
Head of Development



Ming De Lin, PhD
Clinical Research Manager
North America



Raj Moily, MBBS, PhD, MBA
Director, AI Business Development
North America

AI

ACCELERATOR

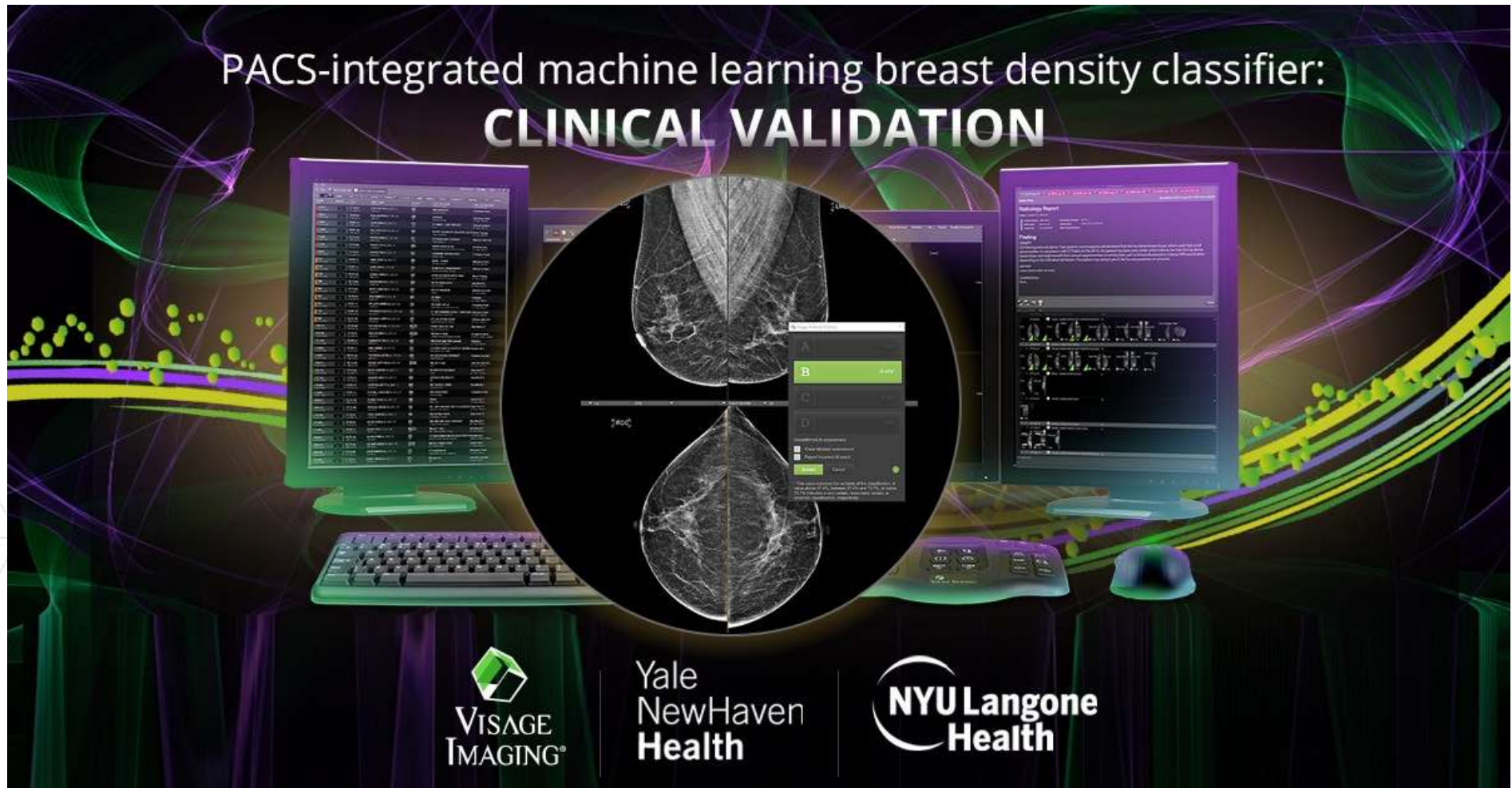
Visage 7 - AI



- Visage 7 platform AI capable
- Based on GPU technology
- Open API enables native integration
- AI Ecosystem - 3rd party and Visage developed algorithms
- Joint development/commercialisation opportunities - 3rd parties and academic clients.

AI – Breast Density

American Roentgen Ray Society (ARRS)



The researchers found that the AI model showed extremely good agreement with the radiologists at 99.3%.

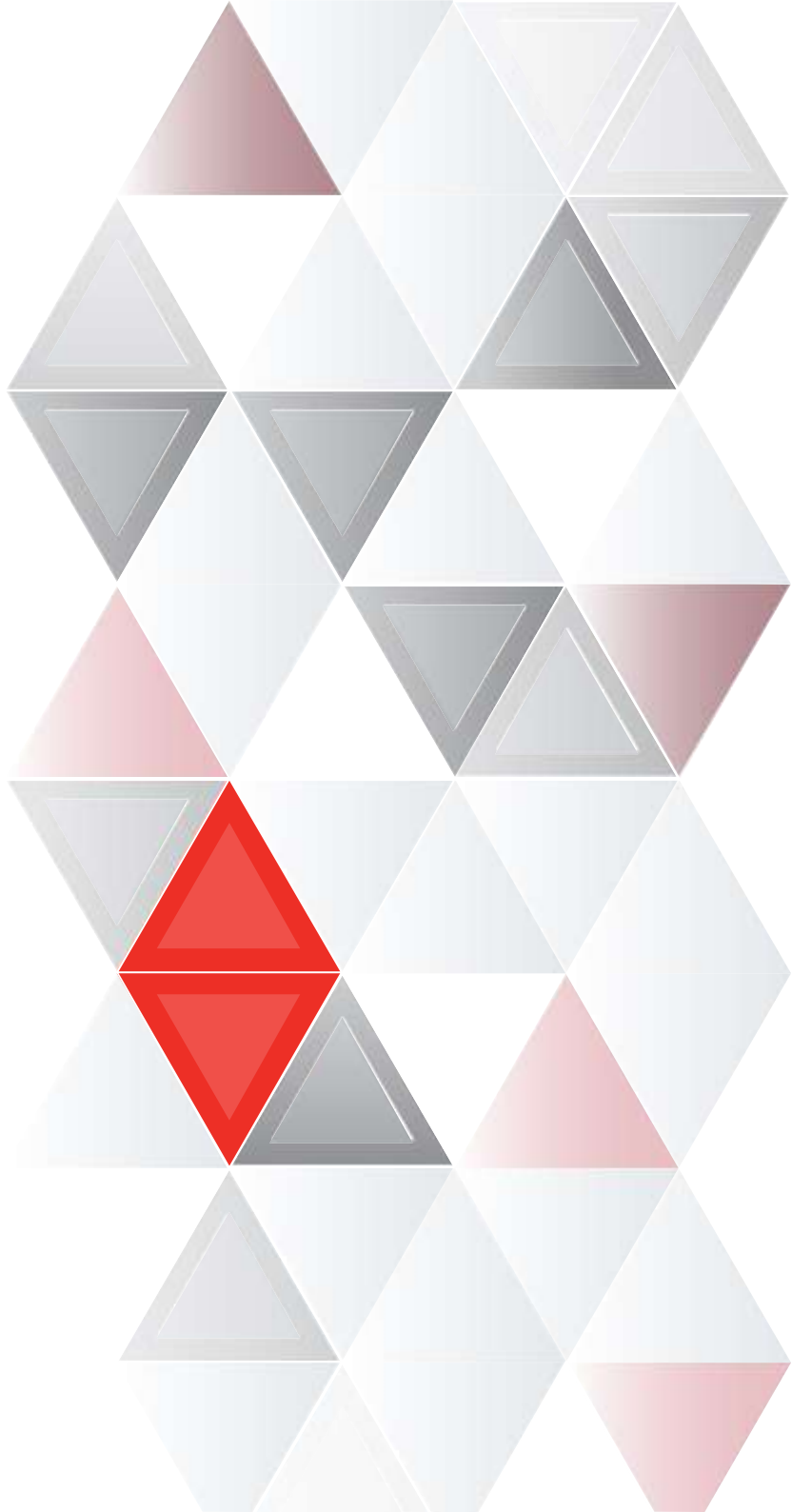
RSNA – 2023



Shaping up to be our biggest to date

FY24 - Year to Date

- Ahead of budget on constant currency basis
- Record level of contract wins in the first 5 months - \$200M TCV at minimums
- Contract wins span multiple market segments reinforces large TAM
- Strong pipeline across broad range of opportunities
- Strategically positioned to leverage AI and other “ologies”
- RSNA 2023 shaping up to be our biggest to date



THANK YOU