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AGM
November 2015

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Chairman's Address

AGM

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CHAIRMAN'S REPORT

Overview

The Board has continued to review its strategic challenges and objectives in light of the increasing global opportunities and the movement in market practices, to ensure that the company is well placed to maximize the potential benefits which may accrue.

Our review is guided by our underlying commitment to continue investment in our best of breed suite of innovative products - to maintain market leadership, which we believe is fundamental to your company's success. We are confident that we have the global management team to deliver long term sustainable financial results given the appropriate strategies.

Our ongoing considerations include:

- (a) Scaling up our resources (particularly in North America)
- (b) Broadening our product range in the markets we currently serve
- (c) Diversification of our geographic reach
- (d) Our management structure and remuneration policies
- (e) Potential "bolt on" acquisitions
- (f) Composition of the Board

All of these matters have been considered and in some cases appropriate action has been taken, including scaling up resources and broadening our offering to existing markets. Dr Sam Hupert will expand on these during his presentation.

The Non-Executive Directors, in their capacity of the Remuneration Committee, have considered the remuneration of the Executive Directors and have made adjustments effective from 1 July 2015 to better reflect the value of the respective contributions of the Executive Directors to the company. The new level of remuneration will be first increase in Executive Director Remuneration since the company listed on the ASX in 2000.

The Board has for several years functioned successfully with two Executive Directors and two Non-Executive Directors, but now believes it would benefit by introducing an additional Non-Executive Director with complementary skills. We are in the process of appointing an Executive Search firm to assist us in identifying suitable potential candidates.

Financial Results

The financial results for the 2015 financial year recorded a healthy increase in net profit after tax (2015 \$3.217 million: 2014 \$1.51 million). This was a very pleasing result considering the level of investment for future growth and was a further indication of the company's continuing momentum.

Results for the current financial year to date are also very encouraging and are above our budget expectations. Some of our previously announced contracts are progressively contributing to our revenues and we expect this trend to continue as

the year unfolds. As you are aware the US market is contributing an increasing proportion of our revenues and existing exchange rates are enhancing the company's returns. It is difficult to predict future currency fluctuations, but it appears rates are likely to remain at current levels in the short to medium term.

As indicated in the Annual Report the company was able to secure a number of new long term contracts with various health care providers utilizing the Visage 7 product, particularly in North America. As the company's cost base is relatively fixed, each of these new contracts have a significant impact on profitability.

Management is still pursuing a number of additional significant opportunities in North America, which if consummated will further add to the Company's growing footprint in this, the world's largest market. Additionally, our recently announced German Government Hospital contract provides us with momentum in the key European markets.

The company's Visage RIS product has continued to be installed at a number of client sites, including some of our largest and most diversified customers, both in Australia and offshore.

Company's share price

The share price has shown further improvement since this time last year. (Nov 2014 in excess of 90 cents: Nov 2015 in excess of \$3) We recognize that whilst share prices will fluctuate for a variety of reasons they are in general an indication of future expectations of a company. We are heartened that investors do appreciate the potential of the company and hope that our longstanding loyal shareholders feel vindicated in staying with us over the last few years.

Dividend Policy

The Board was pleased to continue the payment of dividends for the 2015 financial year at the level of 2 cents per share (unfranked) which was fully funded from the company's internally generated cash flow.

As indicated at the last AGM the company was unable to attach franking credits to its dividend payments this year. However, during the year we changed our method of determining royalties payable by our US subsidiary, which will see an increased proportion of earnings flowing to Australia. This will result in increased tax paid in Australia, which will assist in rebuilding our franking account balance sooner than we had anticipated.

Closing

In closing, on your behalf, I would like to thank all of our dedicated staff in Australia, North America and Europe for their contribution to the company during what has been a another very positive 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.



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CEO Presentation AGM November 2015

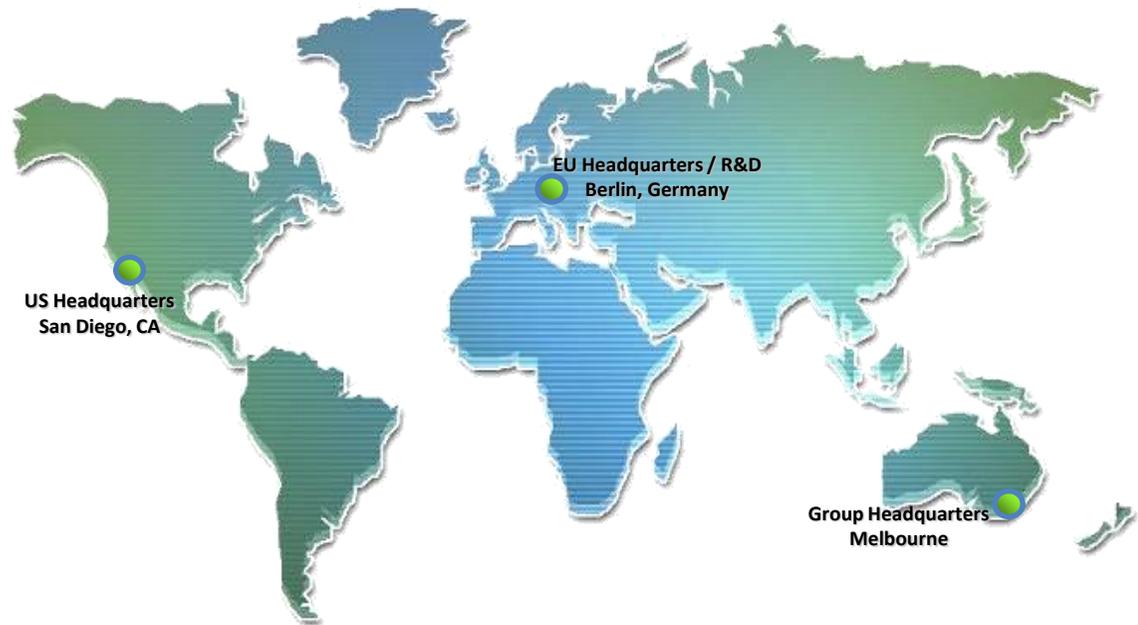
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Pro Medicus (ASX:PME)

Healthcare IT company specialising in Enterprise Medical Imaging and radiology information system software.

Leading edge products, growing presence globally.

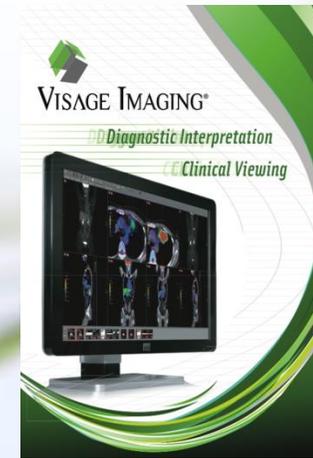
VISAGE



Over 40 Software Engineers

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PME Ltd



Visage RIS *

Pro Medicus.net

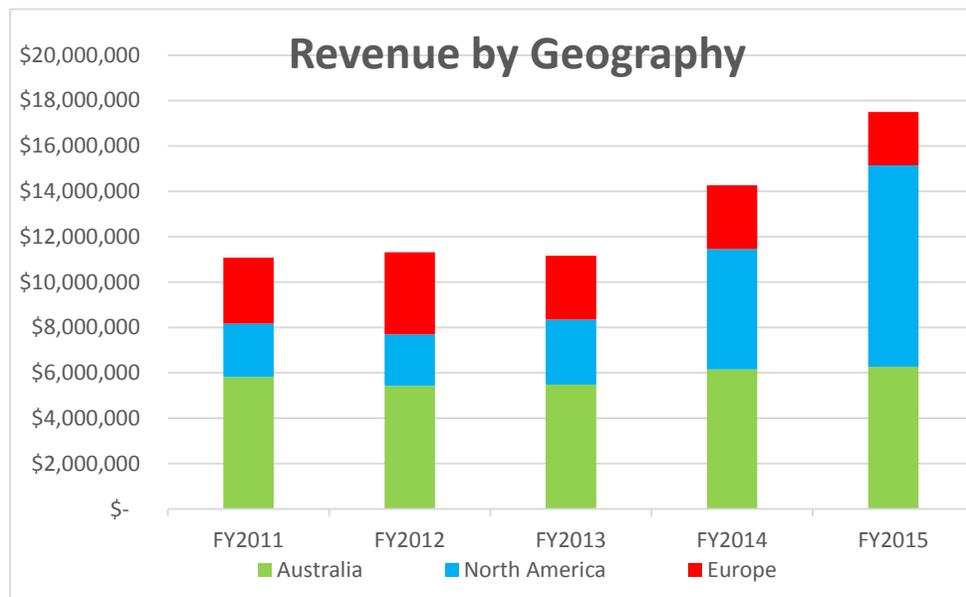
Visage 7 *
Product Suite

OEM

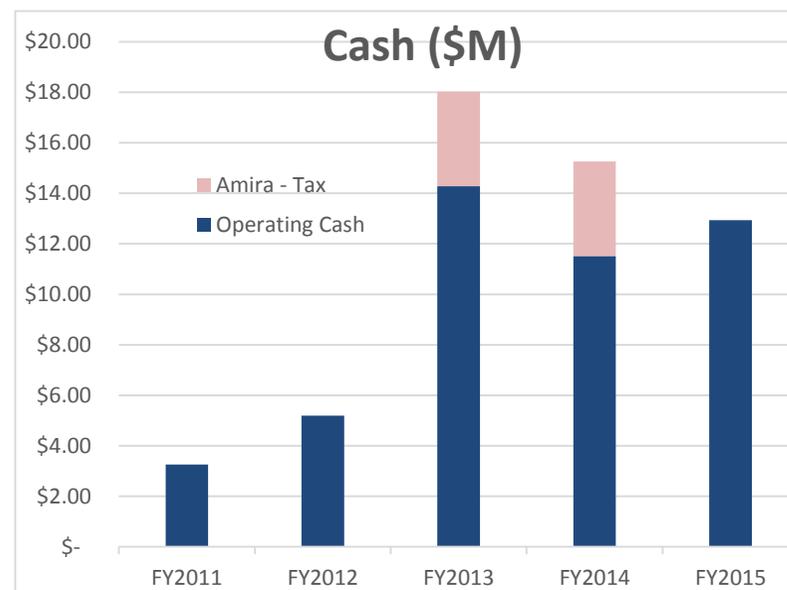
FY2015 Highlights - Financial Results

	FY2014	FY2015	% yoy
Revenue (\$m)	14.27	17.49	23%
Profit before tax (\$m)	2.45	5.11	108%
NPAT (\$m)	1.51	3.22	113%
Cash (\$m)	15.26	12.94	- 15%
EPS (cps)	1.50	3.20	113%
DPS (cps)	2.00	2.00	0%

Growth in North American business



Positive free cash flow in FY2016



FY2015 Highlights



- Increased revenue from US contracts
- 3 major new US contract wins in FY2015
- Contracted revenue over next five years increased to >\$50 million
- A number of key implementations completed
- Visage 7.0 gaining increasing momentum in US market
- Pipeline of Opportunities continued to grow
- Improvement in Australian business

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July 2015 to Now



- AHN - 4th Major US contract in 12 months
- Contracted revenue increased by \$10M >\$60M
- \$3M contract with large German Hospital
- Key installations progressing well
- Visage 7.0 continues to gain momentum in US market
- Tracking well relative to budget
- Increase in Cash Reserves

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Visage RIS – Entirely New

RECEPTION DOCTOR TECHNOLOGIST TRANSCRIPTIONIST OFFICE SEARCH CLAIMING REQ SETUP

Recent | Dr R Simpson

Reporting Lists Signing Lists Reporting Signing Outbox Procedures Lists

Reporting

Search

Filters Mine 11 All 21 Pool On Hold 3 Unassigned Simeon 4

Search Results (14)

Skip	Patient	Assigned	DOB	Order Status	Referrer	Facility
>	ABERNATHY, PAM ANON	rsna	01-Jan-2004	Images Verified (2/2)	SIMEON, Dr Alexander	Visage Gene
>	ABERNATHY, PAM ANON	rsna	01-Jan-2004	Images Verified (2/2)	SIMEON, Dr Alexander	Visage Gene
>	HALK, Minna	rsna	01-Jan-1931	Dictation Held (3/3)	REED, Dr Brenda	Visage Gene
>	HALK, Minna	rsna	01-Jan-1931	Dictation Held (3/3)	REED, Dr Brenda	Visage Gene
>	HALK, Minna	rsna	01-Jan-1931	Dictation Held (3/3)	REED, Dr Brenda	Visage Gene
>	JOHNSON, Ms Elaine	rsna	18-Dec-1954	Images Verified (3/3)	HARRIS, Mr Michael	Visage Gene
>	JOHNSON, Ms Elaine	rsna	18-Dec-1954	Images Verified (3/3)	HARRIS, Mr Michael	Visage Gene
>	JOHNSON, Ms Elaine	rsna	18-Dec-1954	Images Verified (3/3)	HARRIS, Mr Michael	Visage Gene
>	JONES, Mr Happy	rsna	04-Dec-1964	Dictation Held (2/2)	TEST, Dr Test	Visage Gene
>	JONES, Mr Happy	rsna	04-Dec-1964	Dictation Held (2/2)	TEST, Dr Test	Visage Gene
>	SEELFRITZ, Mr Heinrich	rsna	09-Dec-1984	Dictation Held (1/1)	SIMEON, Dr Alexander	Visage Gene

Auto-Advance

Signing

Search

Filters Mine All

Search Results (2)

Skip	Priority	Mod.	Accession	Report State	Assigned	Arrived	Order Status	Facility
>	Medium	US	43.560	Preliminary	rsna	19-Nov-2013 06:05 PM	Authorised Report (1/1)	Visage Gene
>	Medium	CR	43.575	Preliminary	rsna	20-Nov-2013 12:34 PM	Authorised Report (1/1)	Visage Gene

Auto-Advance

Modality Split Dashboard

Modality Split Dashboard

Modality	This month	Last month
Computed Tomography	1	0
Radiograph	2	11
Ultrasound	0	4

Start

2:05 PM 9/10/2014

Visage RIS – New Technology Platform

VISAGE RIS



- Technology is leading edge
- Feedback from customers positive
- New clients purchasing both Visage RIS & PACS
- Transition of user base progressing well
- Repositioning company as leader in field
- Large scale rollouts implemented > 1,000 users

Leading Edge Product Set – Visage Imaging Number 1 in Speed, Functionality, Scalability



[Home](#) [Visage 7](#) [Visage Ease](#) [News](#) [Events](#) [About](#) [Investors](#) [Contact](#) [Support](#)

SPEED is everything.

Amazingly fast and designed for scale.

Visage Imaging provides enterprise imaging and advanced visualization solutions for diagnostic imaging.

[LEARN MORE](#)



 SPEED

With speed, you can. Visage 7 is designed for amazing speed irrespective of the type, number or size of the studies required for display, freeing up precious time for you to do more.



 FUNCTIONALITY

Expectations, exceeded. Visage 7 is the essence of sophistication and simplicity, harnessing a myriad of capabilities and delivered as a multi-dimensional enterprise viewer.



 SCALABILITY

One for all. Architected for ubiquitous imaging, Visage 7 is the server-side platform that streamlines complexity, allowing even the largest organizations to stay ahead of the curve.

Sales Time Line



November 2011



October 2013



November 2014



April 2015



November 2015

May 2013



May 2014



January 2015



September 2015



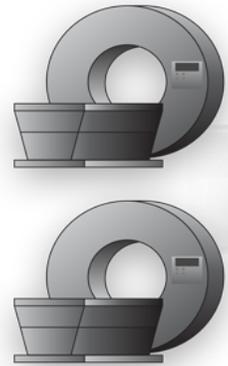
Massive data explosion



- Higher image density - CT leaps from 64 slices to 256 and now 640
- 3.0T MRI – much larger dataset than 1.5T
- Functional Imaging e.g. PET scan often > 1.5 to 2 gigabytes
- Digital Breast Tomosynthesis (DBT) files can be over 4 to 6 gigabytes
- Prior examinations multiply the problem

Solution - Visage 7.0 Streaming Technology

Visage 7



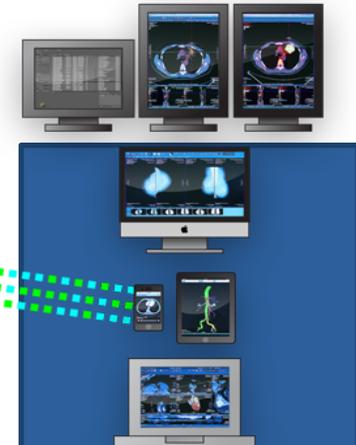
DICOM Payload

DICOM PAYLOAD STOPS HERE

Backend Server

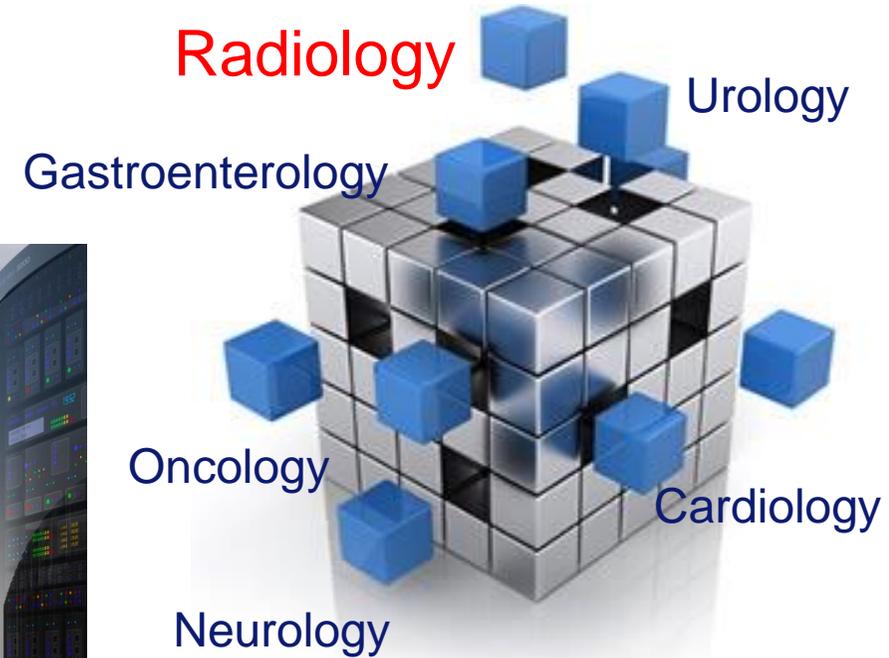
Render Server(s)

COMPRESSUS



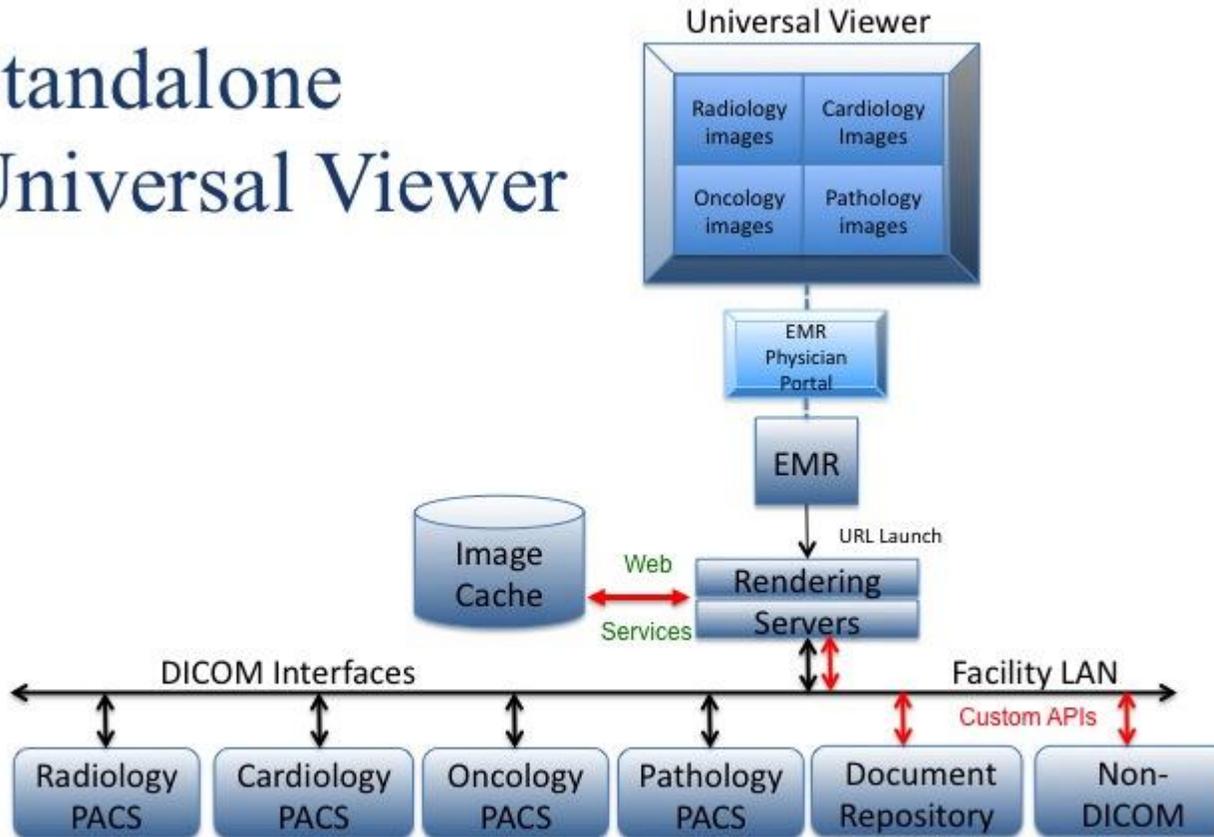
Requesting Client Devices

“Deconstructed” PACS – VNA/EMR



Solution – Visage 7.0 Viewer”

Standalone Universal Viewer



Strategy – North America



- World's largest market
- PACS market estimated at > US\$2 billion pa and growing
- Paradigm shift to “deconstructed PACS” – best in breed approach
- Market fragmented - in process of consolidating
- Visage ideally suited to capitalise on market trends

Growing our US Team



- Sales, implementation and support organisation
- Strong management – highly experienced
- Increasing investment in personnel to meet market demand
- Our success is attracting quality candidates
- Leveraging global team capabilities

Marketing - North America



- New bigger trade stand
- More staff attending
- More demonstration areas
- More appointments

= Biggest RSNA yet

Marketing - North America



Global Management Structure



Malte Westerhoff – Chief Technology Officer



Sean Lambright - Head of Sales



Brad Levin – Head of Marketing



Teresa Gschwind – Head of Services

Growing Recurring Income Stream – Operational (Transaction) Model



- Alternative to capital model
- Favoured in recent US contracts
- Model based on guaranteed minimums
- Contracted minimums increase to > A\$60 million
- Upside as client examination volumes grow
- Annuity style revenue stream – greater predictability

Margin Expansion



- Highly scalable offering
- No capex (HW) – SW only model
- Training & Installation – charged as professional services
- Relatively fixed cost base
- Margin growth as footprint increases

Growth Strategy



- Transaction growth (above minimums) from existing clients
- Expand current footprint via new deals
- Margin expansion with future contracts
- Continue to build out pipeline
- Extend to other markets
- Introduce new products

New products - Enterprise Imaging

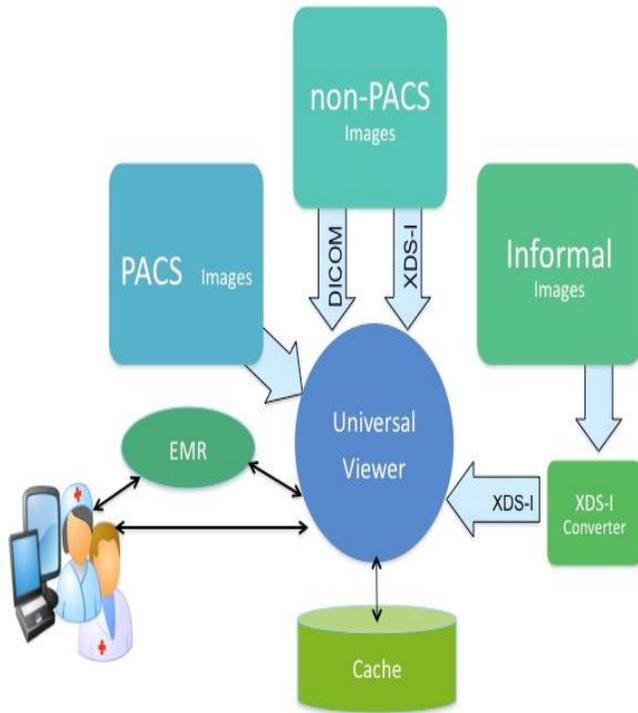


Image courtesy of Gray Consulting

- Single viewer for all images in the medical record (EMR)
- Radiology/Cardiology (DICOM format)
- Non radiology - reflected light - hi res photos & video
- Visage ideally suited – any image streamed anywhere.
- Significantly increases Visage value proposition
- Additional future revenue stream
- Growth opportunity within existing contracts

New products - Enterprise Imaging

The screenshot displays the VISAGE Enterprise Imaging software interface. At the top, there is a menu bar (File, View, Protocol, Tools, Help) and a toolbar with various icons for navigation and manipulation. Below the toolbar, the interface is divided into several panels:

- Top Row:**
 - Left Panel:** Patient information: MORGAN EDNA ANON, 43.374.1, * 1992-Jan-01 F 18Y, MRI KNEE, 2010-Sep-10. Technical details: FOV: 190 x 190 mm², 2_tse_fs_tra_4mm_Kniespule, über das 2.Knie sag. 9.Ärtiger..., 13:53:44. Parameters: TR: 5700 ms, TE: 86 ms, SE 384 x 384. Series 8 IMA 1. A large axial MRI slice of the knee is shown.
 - Middle Panel:** Hospital information: VISAGE GENERAL HOSPITAL, SIEMENS Avanto, web web web. Technical details: FOV: 200 x 200 mm², t1_se_cor_FIL, 13:31:40. Parameters: TR: 450 ms, TE: 13 ms, SE 384 x 384. Series 5 IMA 21. A large coronal MRI slice of the knee is shown.
 - Right Panel:** Patient information: MORGAN EDNA ANON, 43.374.1, * 1992-Jan-01 F 18Y, MRI KNEE, 2010-Sep-10. Technical details: FOV: 186 x 186 mm², pd_tse_fs_rst_cor_FIL, 13:48:09. Parameters: TR: 2900 ms, TE: 44 ms, SE 384 x 384. Series 7 IMA 21. A large sagittal MRI slice of the knee is shown.
- Bottom Row:**
 - Left Panel:** Patient information: MORGAN EDNA ANON, 43.374.1, * 1992-Jan-01 F 18Y, MRI KNEE, 2010-Sep-10. Technical details: FOV: 186 x 186 mm², pd_tse_fs_rst_cor_FIL, 13:48:09. Parameters: TR: 2900 ms, TE: 44 ms, SE 384 x 384. Series 7 IMA 21. A large sagittal MRI slice of the knee is shown.
 - Middle Panel:** Hospital information: VISAGE GENERAL HOSPITAL, SIEMENS Avanto, web web web. Technical details: FOV: 186 x 186 mm², pd_tse_fs_rst_cor_FIL, 13:48:09. Parameters: TR: 2900 ms, TE: 44 ms, SE 384 x 384. Series 7 IMA 21. A large sagittal MRI slice of the knee is shown.
 - Right Panel:** Arthroscopy attachments. Four circular images showing joint views. Labels: 0, 1, 2, 3. (not calibrated). Series 4000 IMA 1. Parameters: C: 128 W: 255, Zoom: 80%.
- Bottom Bar:** A row of thumbnails for different series:
 - 2010-Sep-10 MR MRI KNEE (Localizers)
 - 8: t2_tse_fs_tra_4mm (8 vol)
 - 5: t1_se_cor_FIL (1 vol)
 - 7: pd_tse_fs_rst_cor (1 vol)
 - 4: t1_se_sag_FIL (1 vol)
 - 6: PD_tse_fs_rst_sag (1 vol)
 - 9: t2_me3d_we_sag (1 vol)
 - 4000: Attachments (2 img)

New products - Enterprise Imaging

The screenshot displays the Visage Imaging Enterprise Imaging software interface. At the top, there is a menu bar with 'File', 'View', 'Protocol', 'Tools', and 'Help'. Below the menu is a toolbar with various icons for navigation and image manipulation. The main workspace is divided into four quadrants, each displaying a different pathology image. Each quadrant includes a metadata panel on the left and right, and a central image area. The metadata panels contain patient information: 'WEBB ANON JAVIER', '43.00000245', '* 1900-Jan-01 O', and 'Pathology Images'. The central image areas show histological sections stained with H&E. Below the main workspace is a filmstrip labeled 'OT Pathology Images' containing 11 thumbnail images, each with a '1 img' label. The interface also features a 'Study Browser' and 'Quality Assurance' section in the top right corner.





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