



Built by physicians for physicians

1H20 Result

31 August 2020



Innovative provider
of cloud-based
medical imaging
software solutions

Agenda

1. **1H20 Result Overview** – Dr German Arango, CEO
2. **About IMEXHS** – Dr German Arango, CEO
3. **1H20 Financial Overview** – Tony Thomas, CFO
4. **Strategy & Outlook** – Dr German Arango, CEO

1H20 Result Overview

1H20 Financial Highlights



Sales Revenue of

\$4.5m

Up 68% on pcp¹, new contract wins & renewals

Recurring revenue of

\$4.25m

Up 71% on pcp², 95% of sales revenue

ARR of

\$8.8m

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

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 basis³

Underlying EBITDA⁴ of

(\$0.8m)

Improvement of \$0.9m, \$0.5m on a like for like basis³

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
4. Refer slide 19 for Underlying EBITDA reconciliation

1H20 Operational Achievements



STRONG MOMENTUM IN CORE MARKETS

- Solid progress with contract renewals + extensions & new clients
- Strong interest and initial sales of *Aquila in the Cloud*
- Good momentum into the second half

GEOGRAPHIC EXPANSION ON TRACK

- Key appointments made in USA and Australia
- ANVISA certification (received August 2020)
- New sales structure directly driving customer engagement

INVESTMENT IN R&D, AI



- Redesigned **Aquila** with multi-tenant architecture to create the new business model, *Aquila in the cloud*
- Optimization of our **HIRUKO viewer** for faster and stable performance, with a new backend
- Improvement of **Alula**'s performance with a new streaming technology WSI (whole slice imaging)
- New features for **Anteros** including pre-hanging protocols for visualization and cardiac cine technology
- **Stella AI** engine has been enriched with new algorithms, like the new chest CT algorithm for detection and segmentation of areas of ground glass and consolidation applicable for viral pneumonia, COVID-19 pneumonia and ARDS (Acute Respiratory Distress Syndrome)
- Intensive work on developing a new architecture to make **VITAL** (Canon) advance post-processing platform available on the cloud and to make it fit into *Aquila in the Cloud*
- Development of an efficient interface to integrate a third-party **Medicare** billing module for Australia

Trading through COVID-19



People

Early adoption of biosecurity protocols in-house to prevent transmission
Employees working from home



Clients

Teleradiology capabilities have allowed our clients to have their radiologists work safely
Service levels to our clients maintained



Business

No net material impact: increased in-patient activity / decreased in out-patient activity
Slower sales cycle / increased inquiries

About IMEXHS

Leading innovator in medical imaging

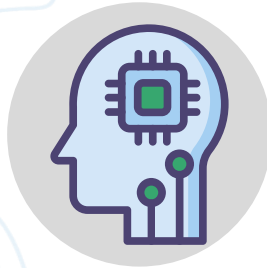
- **Next Generation multi-modality cloud-based** medical imaging software with > 270 customers globally
- **Subscription model** with >90% of revenue recurring from multi-year contracts
- **Multiple distribution channels** across 15 countries including Australia, USA & Spain
- **Scalable, modular HIRUKO™ platform** provides solutions for all complexity levels
- **Teleradiology** design allows radiologists to view and distribute images from any device and location
- **Developing AI tools** from our large proprietary image database (>200m stored images)

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

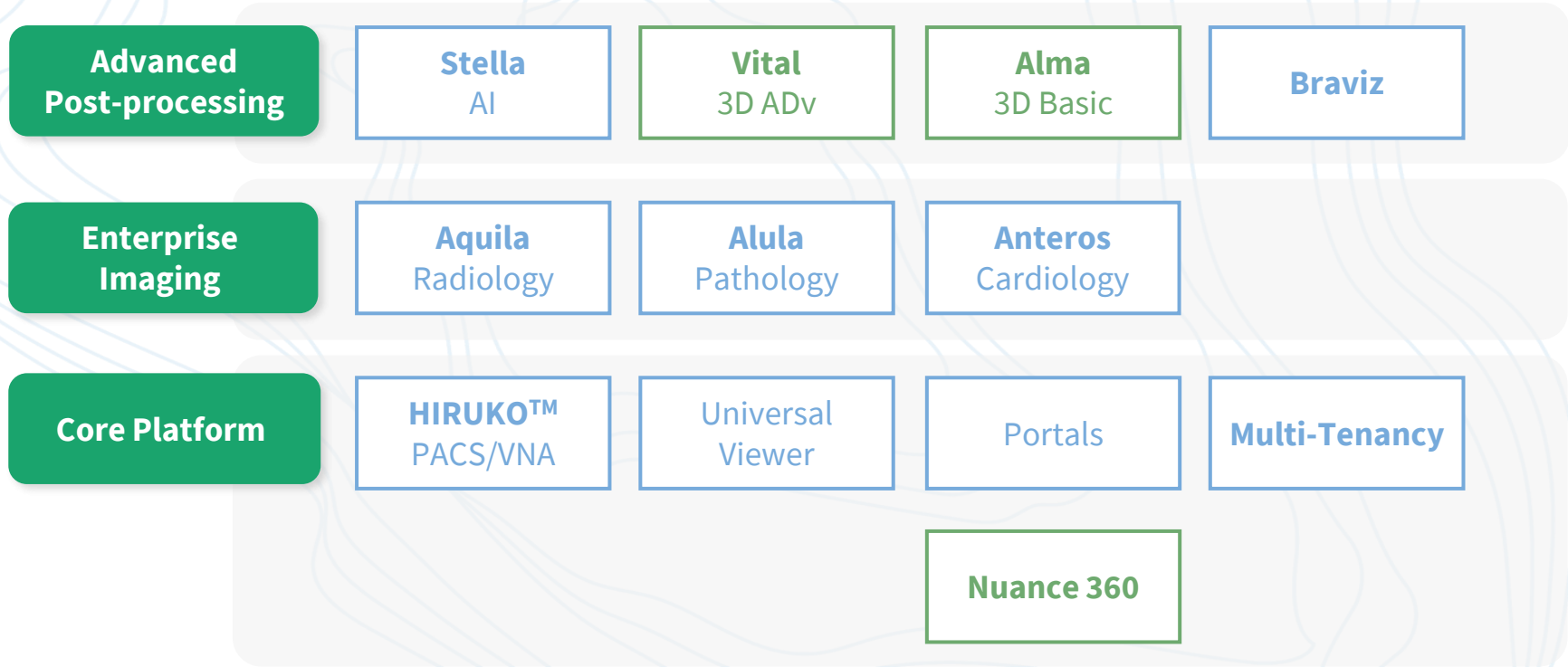
- Multi-modality
- Scalable modular solutions for all complexity levels
- Multiple distribution channels



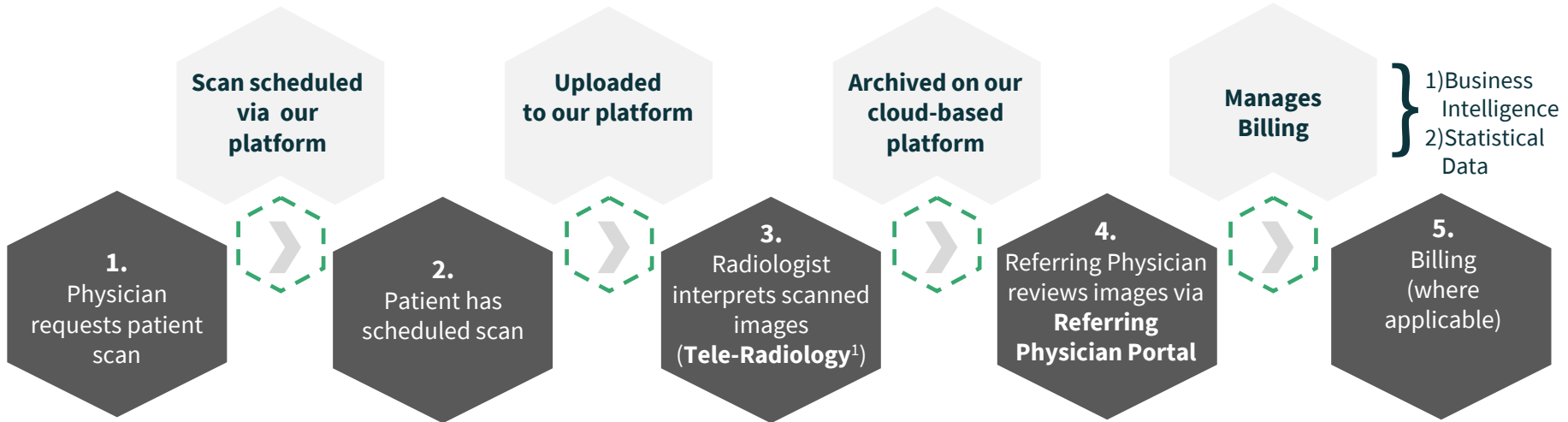
AFFORDABILITY

- Lower cost base than competitors
- Attractive price point

HIRUKO™ medical imaging platform

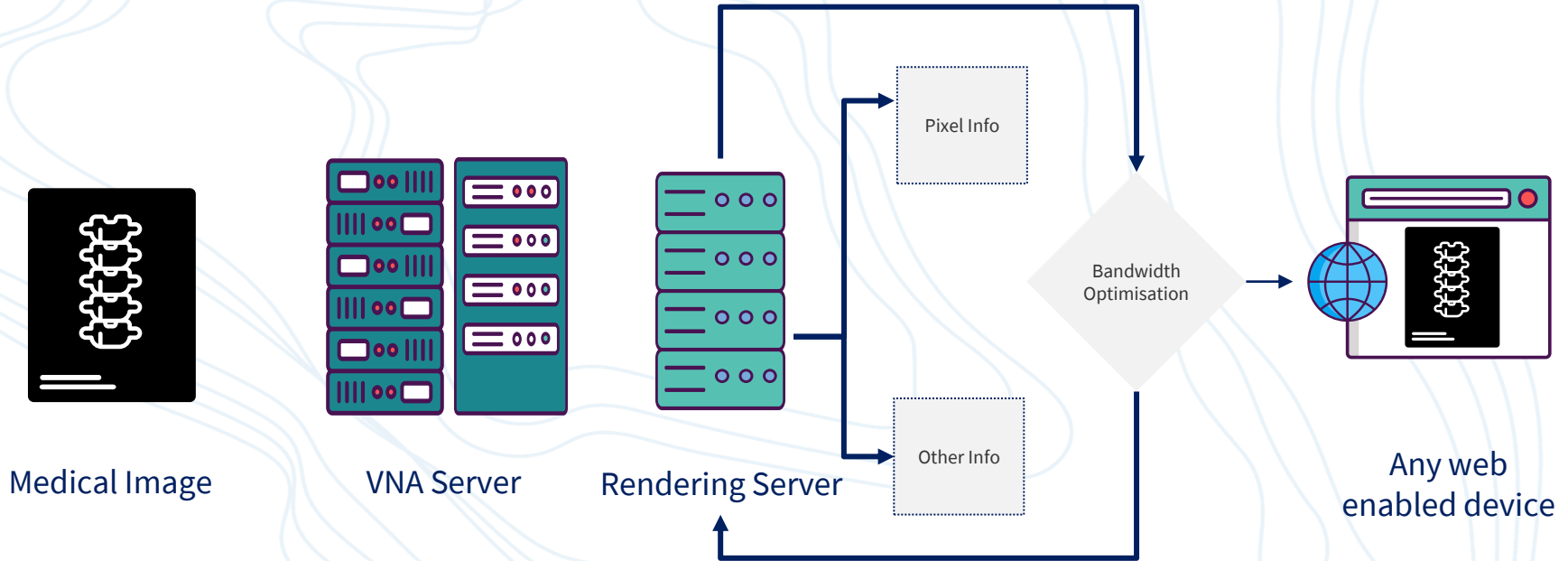


End-to-end modular imaging solution



¹ 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



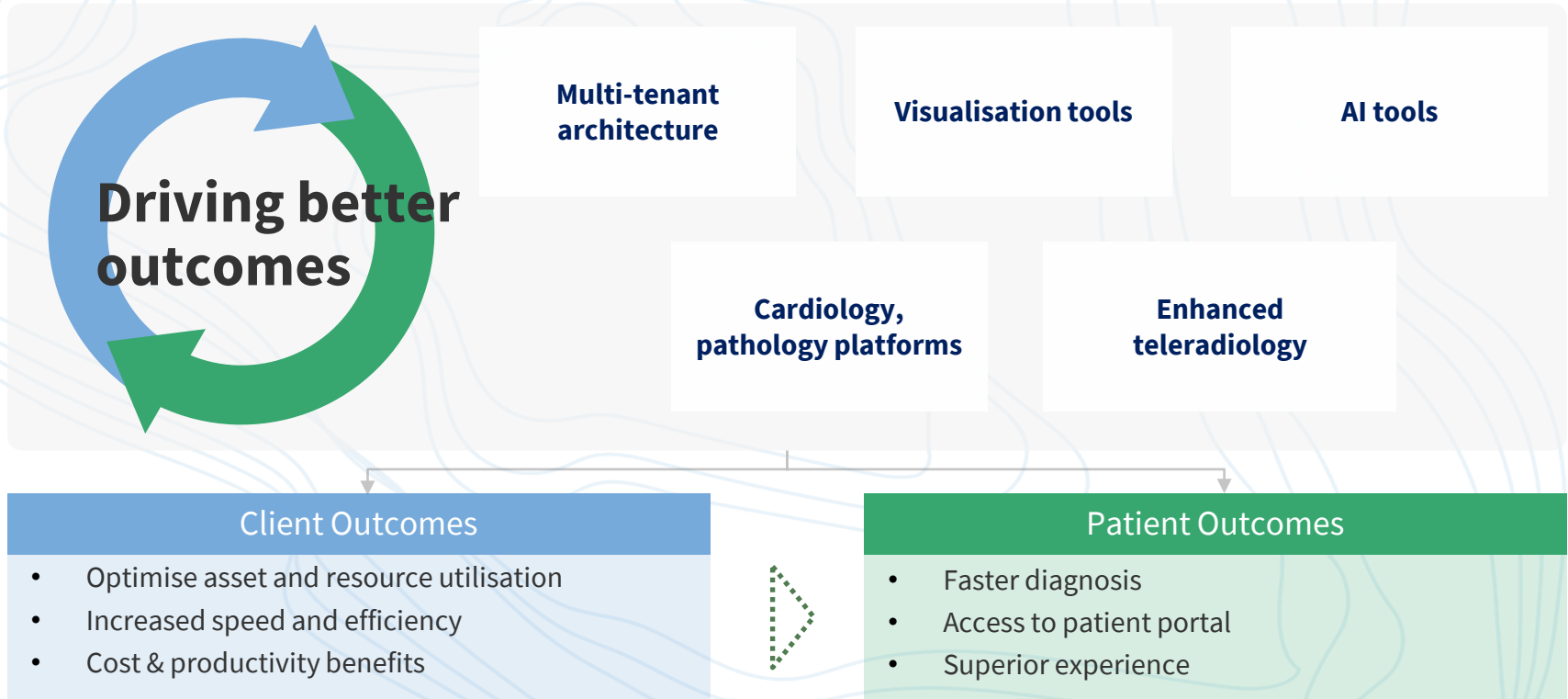
Medical Image

VNA Server

Rendering Server

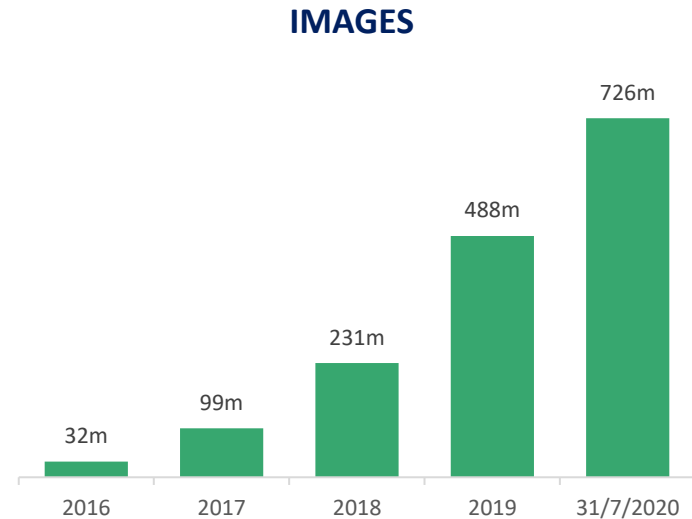
Any web enabled device

Targeted investment in R&D



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



1H20 Financial Overview

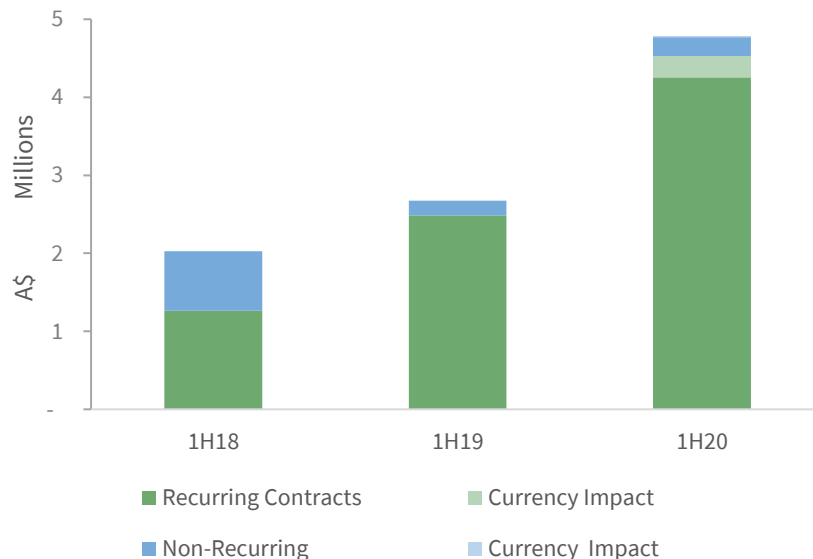
Strong growth in sales revenue



- Total sales revenue of \$4.5m, up 68% (79% on a constant currency basis) from new contract wins and renewals. 121% growth since 1H18
- Recurring revenue of \$4.25m, up 71% (82% on a constant currency basis)
- 95% of sales revenue from recurring contracts reflecting strategic focus on driving subscription revenue growth

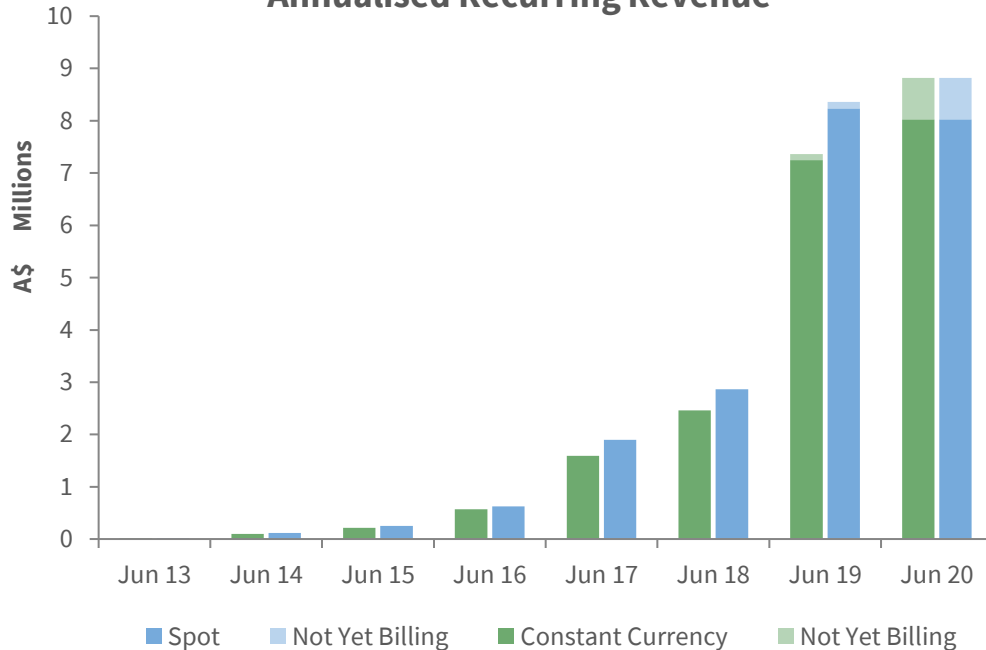
	Reported 1H20 \$'000	Constant Currency 1H20 \$'000	Reported 1H19 \$'000	Constant Currency Change	Constant Currency Change
Recurring Revenue	4,249	4,529	2,485	71%	82%
Other Sales Revenue	243	252	190	28%	33%
	4,492	4,781	2,676	68%	79%

**Sales Revenue
(incl constant currency impact)**



Strong growth in ARR

Annualised Recurring Revenue



- Annual Recurring Revenue (ARR) of \$8.8m, up 5% on pcp (20% on constant currency basis)
- Contract wins include Centro Medico Buenos Aires (Colombia), Clinica Sedna and Hospital Escandon (Mexico)
- Contract renewals and extensions include Colsubsidio and Radiofam (Colombia), Clinica Los Valles (Ecuador)

Underlying EBITDA Improvement



\$'000	1H20	1H19	Var	Var %
Recurring revenue contracts	4,249	2,485	1,764	71%
Other sales revenue	243	190	53	28%
Other revenue	95	98	(3)	(3%)
Total revenue	4,587	2,774	1,813	65%
Operating Expenses	(6,949)	(4,942)	(2,007)	(41%)
NPAT	(2,363)	(2,168)	(194)	(9%)
Depreciation & Amortisation	515	349	166	48%
Net Finance Expenses	545	51	494	968%
EBITDA	(1,303)	(1,768)	466	26%
FX & Share Based Payment Expenses	454	27	427	1573%
Underlying EBITDA*	(848)	(1,741)	893	51%

* Underlying EBITDA improvement of \$533k (31%) excludes impact of software capitalisation of \$360k

- Total revenue of \$4.6m, up 65%
- Operating expenses up 41% on pcp largely due to provision of radiology services for Colsubsidio from 1 June 2019
- EBITDA loss of \$1.3m improved by 26%
- Underlying EBITDA loss (excludes the impact of FX and share based payments) of \$0.8m, 51% improvement on pcp

Balance Sheet



\$'000	Jun 20	Dec 19	Jun 19
Cash	6,294	7,150	220
Trade & other receivables	3,191	3,654	3,825
Inventories	470	107	820
Current assets	9,954	10,911	4,865
Non-current assets	3,704	3,887	3,163
Total assets	13,658	14,797	8,028
Trade & other payables	837	870	1,821
Other current liabilities	3,229	2,784	2,382
Current liabilities	4,067	3,654	4,203
Non-current liabilities	1,061	827	88
Total liabilities	5,128	4,481	4,291
Net assets	8,530	10,317	3,736

- Cash on hand of \$6.3m
- Continuing improvement in trade receivables (reduction in days sales outstanding)
- Continuing reduction in trade payables
- Net assets over \$8.5m

Summary Cash Flow



\$'000	1H20	1H19
Receipts from customers	4,639	3,390
Payments to supplier & employees	(5,465)	(4,495)
Other operating activities	(236)	(51)
Net cash flow from operating activities	(1,063)	(1,156)
Purchase of PP&E	(620)	(1,155)
Purchase of intangible assets	(360)	(103)
Net cash flow from investing activities	(980)	(1,259)
Net cash flow from financing activities	1,219	174
FX	(33)	15
Net cash movement	(856)	(2,225)
Cash at 31 December	7,150	2,445
Cash at 30 June	6,294	220

- Receipts from customers up 37%
- Payments to suppliers & employees up 22%
- From 1 Jan 2020, IMEXHS has adopted a policy to capitalise software development expenses resulted in lower operating outflows for R&D
- Payments for intellectual property reflected capitalised development costs of \$360k for 1H20
- Net cash used in investing activities down 22%
- Cash at 30 June of \$6.3m

Strategy & Outlook

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

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

Low touch deployment model for small clinics

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



No net material impact to date from the COVID-19 pandemic



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

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

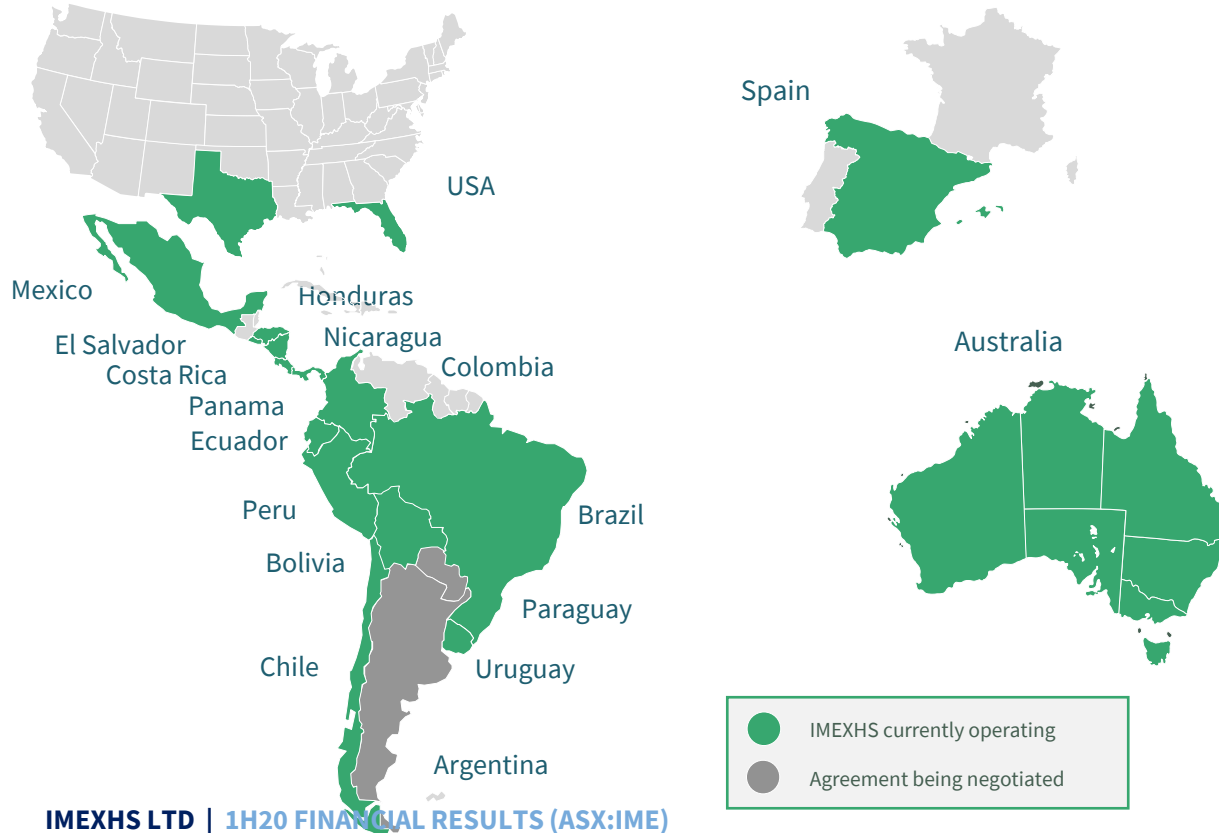


Alexander Sanz
Chief Technology
Officer



Tony Thomas
Chief Financial Officer

Expanding global footprint



15 countries

>270 sites

>600 radiologists

23 distributors

1/3 of team in R&D

Significant global opportunity



RIS/PACS

2018 **US\$2.7bn**

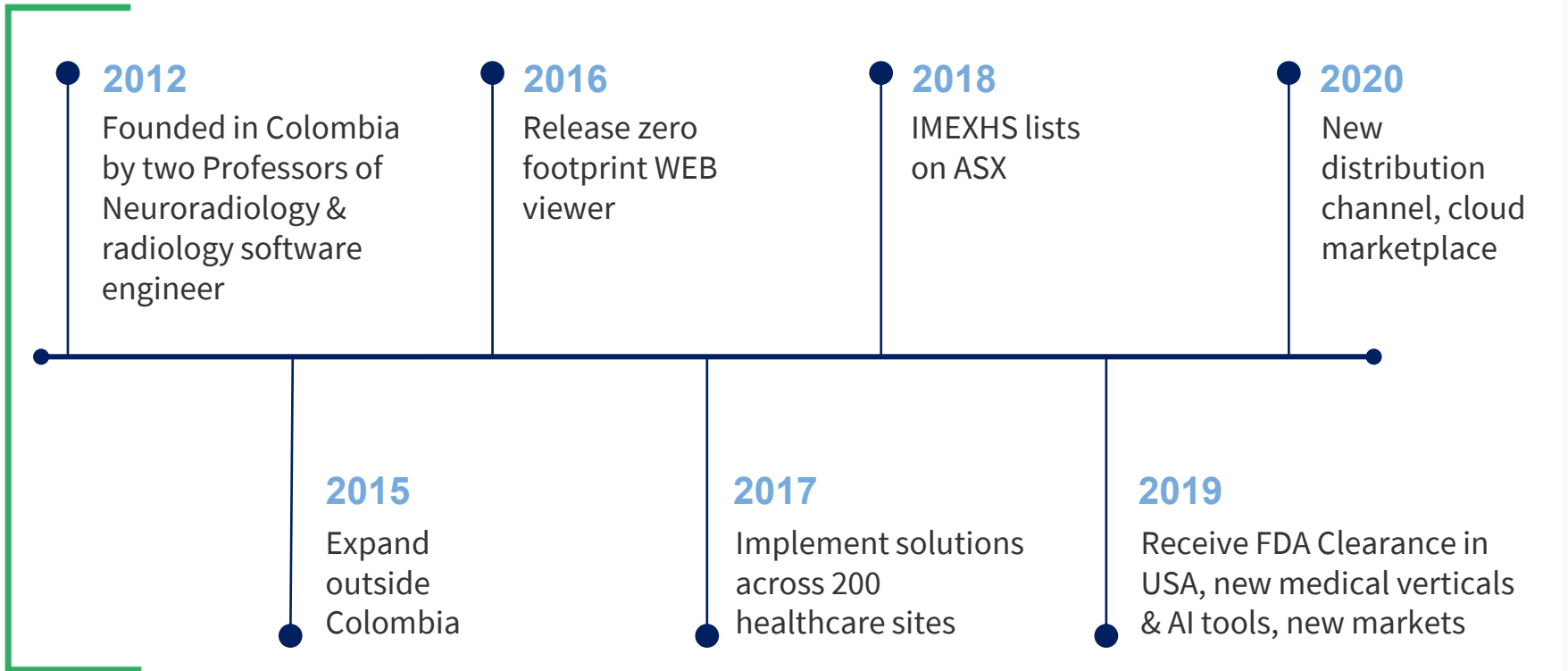
2027 **US\$5.0bn**

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

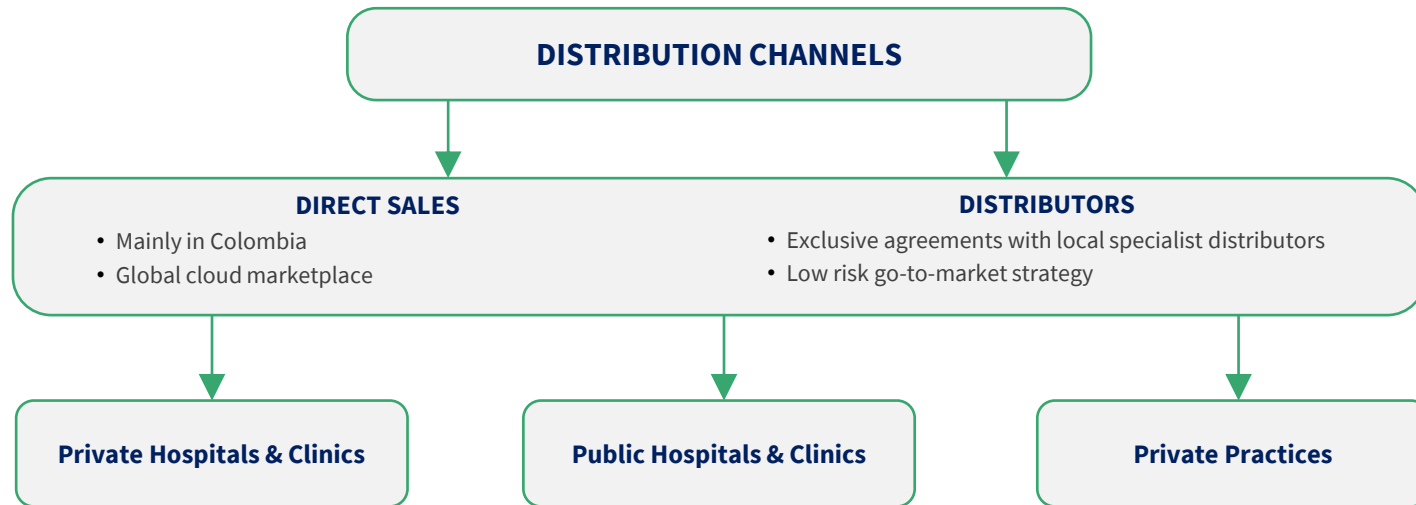
Built by physicians for physicians



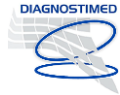
Multiple distribution channels



- Established new distribution channel in April 2020 with acceptance of IMEXHS on Ingram's Micro Cloud marketplace
- Local specialist distributors have switched from major competitors to sell HIRUKO™ on an exclusive basis



Our customers



Case Study: Replacing a major competitor



Clinica Las Americas

- Incumbent unable to provide a high-tech imaging modality
- IMEXHS appointed to provide this as well as entire end-to-end medical imaging solution
- Replaced incumbent with no disruption to service
- Now also receive new medical verticals of cardiology and pathology



One of the top 23 hospitals in LATAM



25 Modalities (including Digital Breast Tomosynthesis)



380 concurrent users and 3 additional sites.

LAS AMERICAS CLINIC

- Group consists of 8 different companies
- Third level complexity clinic
- More than 500 health professionals
- 340 hospital beds.



Radiology Platform	INCUMBENT	IMEXHS
Large Initial Fee	YES	NO
Total Processed Studies	Maximum 20,000	Unlimited
Software Technology	Client Server	WEB Based
Voice Recognition	SpeechMagic 5.1 – Client Server	Speech Anywhere – WEB (Superior)
Modalities Supported	All, except Digital Breast Tomosynthesis	All Modalities
Tele Radiology	NO	YES
HIS Platform	YES	YES, KPI & Real Time Control

Award-Winning Software

imexHS



Glossary



Artificial intelligence (AI) tools aid the interpretation of radiological images which require access to large image databases and digital workflows

Cloud-based usually refers to an application or service available via the internet, hosted by any major public cloud provider

Cloud marketplace is an online channel that allows Cloud Service Providers (from different industries) to offer their business solutions to potential customers

DICOM is an international standard used to transmit, store, retrieve, print, process and display medical imaging information & allow interoperability between manufacturers

Medical verticals are market segments that refer to specific diagnostic departments within hospitals (e.g. radiology, pathology, cardiology)

Multi-modality refers to the support of multiple types of medical images such as CAT Scan, MRI, X ray, Ultrasound

Multi-tenant architecture is a manner in which an application can be deployed in a cloud-based environment to offer multiples instances of a product within a single service

Non-DICOM are clinically significant patient records such as jpeg, pdf, video

Streaming technology transfers medical images from our VNA to our Web Viewer, reducing the waiting time of the radiologist or referring physician

Teleradiology refers to scanned images (readings) which are managed digitally allowing interpretation to be performed by radiologists in other locations

Vendor Neutral Archiving (VNA) allows PACS systems to store all patient records (DICOM & non-DICOM)

Web viewer is built on top of web technologies to run on major web browsers

Zero footprint allows radiologists to diagnose images from any device (Mac, PC, tablet, smart phone), anywhere & on any web browser

[Thank You

WWW.IMEXHS.COM

Disclaimer



The information contained in this Presentation or subsequently provided to the Recipient of this Presentation, whether orally or in writing by or on behalf of ImExHS Limited or its respective employees, agents or consultants (“Information”) is provided to the Recipient on the terms and conditions set out in this notice.

The Recipient should not treat the Information as advice relating to legal, taxation, financial product or investment matters and should consult their own advisers. This Presentation does not purport to contain all the information that a prospective investor may require. The Information may not be appropriate for all persons and it is not possible for ImExHS Limited to have regard to the investment objectives, financial situation and particular needs of each Recipient who reads or uses the Information. Accordingly, no recommendation or expression of opinion is contained within the Information. Further, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the Information, including the likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in the Information. Before acting in reliance on any Information, the Recipient should conduct their own investigation and analysis in relation to the investment opportunity presented by this Presentation and should check the accuracy, reliability and completeness of the Information and obtain independent and specific advice from appropriate professional advisers.

Statements contained in the Information, particularly those regarding possible or assumed future performance or potential growth, prospects or projections of ImExHS Limited are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks, uncertainties and contingencies. The Information may also be subject to clarification and change and ImExHS Limited may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the Information.

The Information is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The Information is not, and should not be construed to be, a Prospectus.

To the maximum extent permitted by law none of ImExHS Limited or its respective employees, agents or consultants nor any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the Information.