

31 January 2022

ASX ANNOUNCEMENT

2021 Q4 Activity Report and Appendix 4C

Highlights

- FY21 revenue of \$13.4m¹, up 23% vs pcp²; up 34% on a constant currency basis³ and in line with FY21 guidance
- Q4 FY21 revenue of \$4.7m, up 11% vs pcp and up 24% on constant currency basis; up 90% vs pcp excluding one-off sales which were material in the prior year
- Annualised Recurring Revenue (ARR)⁴ of \$20.4m¹, up 102% vs pcp; up 121% on a constant currency basis which consisted of \$13.3m¹ from Radiology services and \$7.1m¹ from Software
- Aquila in the Cloud closed the year with ARR of \$2.5m from 111 active contracts, up from \$2.1m and 93 active contracts as at 30 September 2021
- Closing cash balance of \$4.2m at 31 December 2021
- Entered into a global commercial partnership with Neusoft Medical an OEM and a global leader in clinical diagnosis and treatment solutions with a presence in 110 countries
- Contract signed and services commenced for the outsourcing of the radiology department of Colombia's National Police Central Hospital, which further validates the acquisition of RIMAB

IMEXHS Limited (ASX: IME) ("IMEXHS" or "the Company") today provides its quarterly cash flow and activities summary for the period ended 31 December 2021. IMEXHS is an innovative provider of cloud-based medical imaging software and radiology services across 15 countries.

IMEXHS CEO Dr German Arango said: "We are pleased to report FY21 revenue of \$13.4m, in line with guidance that shows strong performance from our two businesses – medical software and radiology services. Annualised Recurring Revenue has increased by over 100% driven by new contracts for Aquila in the Cloud, strong growth in Aquila Enterprise imaging volumes and the acquisition of RIMAB in Q4. We have also improved the processes around implementing Aquila in the Cloud, which is leading to significant improvements in the time from signing deals to recognising revenue and collecting cash."

During December our technology and services were validated with a global partnership with Neusoft Medical and a win of a \$1.1m ARR contract with Colombia's National Police Hospital. In the past month

¹ Unaudited financial information

² Previous corresponding period; includes RIMAB acquisition from 5 October 2021

³ Constant currency basis assumes FY21 results are converted at the average foreign exchange rate for FY20. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

⁴ 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 12 months renew at the same rate and at constant exchange rates



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we have received Thailand’s FDA registration for our imaging software suite, signed a new software distribution agreement with BJC Healthcare Company and signed our first Aquila in the Cloud contract in Thailand. Our mission to provide medical imaging that is accessible and affordable continues and we look forward to another strong year of growth in 2022.

December Quarter Financial Summary

Revenue

FY21 revenue of \$13.4m was up 23% vs pcp, up 34% on a constant currency basis and in line with our revenue guidance of \$13.2m to \$13.9m. Included in our FY21 revenue is the Q4 incremental revenue contribution from RIMAB of \$1.2m.

Q4 FY21 revenue of \$4.7m was up 11% vs pcp. Recurring revenue of \$4.5m was up 90% vs pcp (112% higher on a constant currency basis), representing 97% of total revenue in the December quarter.

Key operational metrics recorded significant growth in Q4 FY21 compared to Q4 FY20:

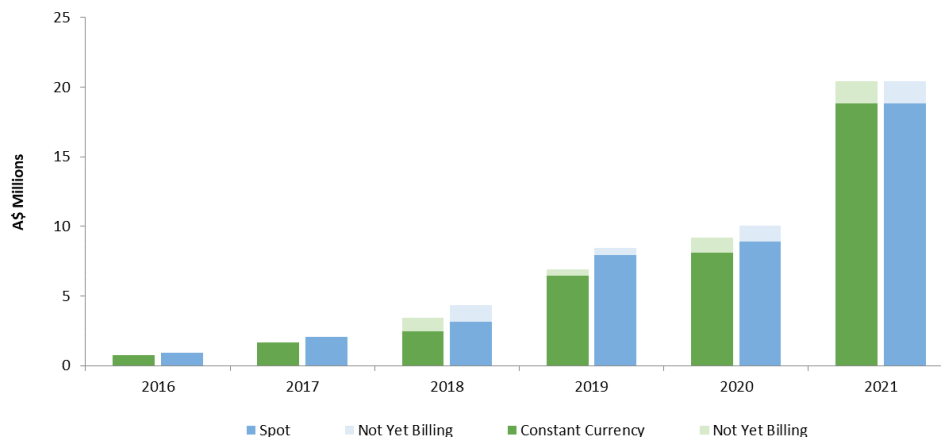
- Aquila (Aquila Enterprise and Aquila in the Cloud) was installed in 32 new sites, a 220% increase on Q4 FY20, a total of 386 installations worldwide by FY21 year-end
- Aquila solutions were actively used by 2,412 radiologists, a 15% increase on Q4 FY20
- IMEXHS’s Enterprise Imaging Platform stored 1.36 petabytes of data in the cloud and processed over 147 million images for the quarter (over 2 million studies), a 10% increase on Q4 FY20, for a grand total of over 1.5 billion images since the inception of the Company
- Over 438,000 people entered IMEXHS’s patient portal over 753,000 times for an average of 1.8x visits per user, which was a 75% increase on Q4 FY20

Annualised Recurring Revenue

ARR of \$20.4m was up 102% vs pcp and 121% higher on a constant currency basis. This consisted of \$13.3m from Radiology services and \$7.1m from Software. The software ARR includes \$2.5m from 111 active Aquila in the Cloud contracts (up from \$2.1m and 93 active contracts at 30 September 2021).

Chart 1 shows the ARR that is currently billing as well as ARR which is yet to commence billing.

Chart 1: Strong sales momentum delivers ARR growth



Q4 FY21 Cashflow Summary

At 31 December 2021, IMEXHS held cash and cash equivalents of \$4.2m, compared with \$6.2m at 30 September 2021.

Cash receipts for Q4 FY21 were \$4.1m, with year-to-date receipts of \$10.9m.

Net cash used in operating activities improved to \$0.4m from \$1.5m in Q3 due to improved working capital from the acquisition of RIMAB. However, growth continued to drive working capital requirements in the USA and LATAM.

Cashflows from investing activities included the \$1.1m cash payment for the acquisition of RIMAB and the company's continued investment in software development.

FY21 administration and corporate costs include \$0.7m one-off payments in relation to transaction costs for the acquisition of RIMAB SAS announced on 26 July 2021 and completed on 5 October 2021.

Sales and Market Update

Aquila in the Cloud (AiC)

Aquila in the Cloud (AiC), the Company's standardised cloud-based radiology solution targeted at small and medium-sized customers, continued to generate significant interest in the market throughout Q4. The Company has 111 active AiC customers since the product launched in May 2020 with an ARR of \$2.5m as at 31 December 2021, a 19% increase on Q3 FY21.

Hospital Central de la Policia

In December, IMEXHS was selected by Colombia's National Police for the outsourcing of its radiology department, replacing the 20-year incumbent provider. The new contract with Colombia's National Police will contribute circa \$1.1m in ARR and will operate for six months with an automatic three-month renewal. Under the terms of the agreement, IMEXHS will provide Colombia's National Police with its Enterprise Imaging Solution which will integrate across all radiology functions in the hospital.

Strategic Partnerships

Neusoft Medical

On 2 December 2021, IMEXHS signed a global partnership agreement with Neusoft Medical, an OEM and global leader in clinical diagnostic and treatment solutions. This global partnership will combine the technology of IMEXHS with the broad geographic reach of Neusoft Medical. With 40,000 installations in more than 110 countries, Neusoft Medical offers advanced medical imaging solutions and high-quality care to patients and healthcare professionals around the world.

With this new partnership agreement, Neusoft will be one of IMEXHS's first strategic partners to offer the new IMEXHS Cloud product (refer to Product and Software Updates).



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Partners Program

During the quarter, the importance of the IMEXHS Partners Program was once again made evident with 87% of all AiC contracts originating from IMEXHS Partners. As at 31 December 2021, IMEXHS's Partners Program consisted of 35 distributors across 15 countries, including the Company's newest Partner, Neusoft Medical, which operates in 110 countries.

Radiology services

The fourth quarter revenue from radiology services was \$3.1m (including RIMAB). Revenue growth came through new contract wins and increased volumes from existing customers.

The most relevant contract win was the new National Police Hospital contract which commenced at the end of the quarter, bringing more than \$1.0m in new ARR, plus some other contracts with Gacheta and Clinica de los Trabajadores.

The main business model for radiology services is the outsourcing of imaging facilities, which represents a very attractive offer to hospitals in the LATAM region and allows our team to deliver a high-quality service through the integration of technology and highly trained Radiologists practice.

The Radiologist team now totals 109 and the number of reported imaging studies is more than 250,000 for the quarter, up 35% on pcp.

The success the business model is achieving comes from the unique proposition of a fully integrated technology platform with highly skilled radiologists, which is the ideal solution for an environment with shortages of both elements.

Product and Software Updates during Q4

Progress has been made during the quarter with new product and software releases as follows:

IMEXHS Cloud

In November 2021, IMEXHS launched its new cloud-based medical imaging platform, IMEXHS Cloud, which provides a simple and efficient access to our rich cloud portfolio of products, including Aquila, AI, advanced post processing and storage. At the same time, IMEXHS Cloud provides reliable backup solutions to local backup in deficient connectivity environments.

IMEXHS Cloud will initially have three main components:

1. *IMEXHS PACS*, a cloud-based image storage system powered by the latest cognitive algorithms from Azure (Microsoft cloud).
2. *IMEXHS Viewer*, a state-of-the-art image viewer, 100% Web (HTML5), multimodality, which is fully integrated with IMEXHS PACS and can be integrated with third-party PACS systems.



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3. *IMEXHS Marketplace*, an app store with extensions that can enhance the user experience (for radiologists and non-radiologists) while using the medical image management platform. Such extensions include AI algorithms, advanced visualization tools, voice recognition tools, and business intelligent services.

A complementary component to the IMEXHS Cloud offering is IMEXHS Box. **IMEXHS Box** is a specific use device (appliance) designed for customers who wish to have a smooth and controlled transition to the cloud. IMEXHS Box allows the user to keep image processing and storage local (OnPrem), while enabling extensions and add-ons provided from IMEXHS Cloud.

AQUILA v3.8.1

During the quarter, IMEXHS released new features and performed a number of improvements on its core product – AQUILA:

- Reading report edition
- Addendum format
- Date format
- E-forms
- Appointment items
- Integration with multimonitor support
- Upload DICOM studies from the worklist

Universal Viewer v6

During the quarter, IMEXHS released new features and performed a number of new features on its Universal Viewer:

- Technological Update: From Angular 8 to Angular 11 Addendum format
- Embedded Imex Viewer
- Walk-throughs for Imex Viewer mobile version
- Manual co-registration between CT/PT
- Custom presets (WW/WL) for CT and RM modalities:
- Custom toolbar
- Free rotation
- DICOM overlay data support
- New Hanging Protocols
- New setting module
- Loading bar



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IMEXHS Portal v3

During the quarter, IMEXHS released new features and performed a number of improvements on its Patient portal:

- Multilanguage support (English & Spanish)
- Improved user interface (UI) and user experience (UX)
- Role change tool

Listing Rule 4.7C3

In Item 6 of the Appendix 4C cash flow report for the quarter, payments to Related Parties of approximately \$130,000 comprises:

- \$105,000 of Director remuneration to executive and non-executive directors;
- \$5,000 in expenses for office space and IT services to CrossPoint Telecommunications Pty Ltd, a related party of Mr Carlos Palacio; and
- \$20,000 in payments due to Dr Arango for PaaS Equipment Financing.

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](http://www.imexhs.com)



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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
IMEXHS LIMITED		
ABN	Quarter ended ("current quarter")	
60 096 687 839	31 Dec 2021	
Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	4,128	10,855
1.2 Payments for	-	-
(a) research and development	(23)	(226)
(b) product manufacturing and operating costs	(896)	(2,796)
(c) advertising and marketing	(57)	(214)
(d) leased assets	-	-
(e) staff costs	(1,892)	(6,271)
(f) administration and corporate costs	(1,343)	(4,402)
1.3 Dividends received	-	-
1.4 Interest received	3	11
1.5 Interest and other costs of finance paid	(40)	(113)
1.6 Income taxes paid	(246)	(320)
1.7 Government grants and tax incentives	-	-
1.8 Other - indirect taxes	(81)	(383)
1.9 Net cash from / (used in) operating activities	(447)	(3,859)
<i>Note: 1.6 Reclassification of year to date Employment and Indirect Taxes from item 1.6 to correct categories</i>		
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(1,061)	(1,061)
(b) businesses	-	-
(c) property, plant and equipment	(81)	(397)
(d) investments	-	-
(e) intellectual property	(381)	(1,421)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,523)	(2,879)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	969
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(14)
3.5	Proceeds from borrowings	497	497
3.6	Repayment of borrowings	(573)	(1,196)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	(83)
3.9	Other (provide details if material)	(73)	(87)
3.10	Net cash from / (used in) financing activities	(149)	86

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,235	10,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(447)	(3,859)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,523)	(2,879)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(149)	86
4.5	Effect of movement in exchange rates on cash held	(66)	(94)
	Other (provide details if material)	136	136
4.6	Cash and cash equivalents at end of period	4,186	4,186

Note: Other relates to RIMAB opening cash balance acquired during the quarter.

5	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	3,918	5,178
5.2	Call deposits	268	1,057
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,186	6,235

6	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	130
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
	Note: payments received from related parties and their associates included in item 1 amounts to:	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Financing facilities		Total facility amount at quarter end	Amount drawn at quarter end		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		\$A'000	\$A'000		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>					
7.1	Loan facilities	2,410	2,410		
7.2	Credit standby arrangements	-	-		
7.3	Other (please specify)	-	-		
7.4	Total financing facilities	2,410	2,410		
7.5	Unused financing facilities available at quarter end		-		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.				
	<u>Lender</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total facility</u>	<u>Amount drawn</u>
	<u>Unsecured</u>				
	Banco de Bogota	8.3	May-22	5	5
	Banco Itau	6.9	Jul-22	20	20
	Qvartz Financial Services	15.7	Sep-22	197	197
	Banco Colpatría	17.9	Feb-23	42	42
	Credito Progression	16.9	Mar-23	252	252
	Banco Coomeva	7.2	Mar-23	120	120
	Banco de Bogota	8.8	May-23	162	162
	Banco Davivienda	9.7	Dec-23	270	270
	Banco Itau	6.5	Mar-24	267	267
	Banco Davivienda	6.1	Oct-24	237	237
	Velez Porto Enrique	28.5	Jun-25	64	64
	Fabio Rave	22.9	Jul-25	63	63
	PHV Group S.A.S	28.5	Aug-25	66	66
	Banco Davivienda	9.4	Oct-25	638	638
	Banco de Bogota	15.0	N/A	7	7

8 Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(447)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,186
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,186
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	9.36
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	
	8.6 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: n/a	
	8.6 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: The Board of IMEXHS LIMITED

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the *[name of board committee – eg Audit and Risk Committee]*". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.