

19 May 2022

ASX ANNOUNCEMENT

2022 Annual General Meeting – Chairman and CEO Addresses

In accordance with ASX Listing Rule 3.13, attached are the Chairman and CEO Addresses together with the presentation slides, which will be delivered at the IMEXHS Limited Annual General Meeting commencing at 10.00 am today.

Authorised for release by the Board of IMEXHS Limited.

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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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IMEXHS Limited Annual General Meeting 13 May 2021

Chairman's Address

We are pleased with the progress made throughout 2021 to grow the business within Latin America and to expand overseas.

IMEXHS met 2021 revenue guidance provided during the year. Revenue growth saw a high and rising share of recurring revenue, low customer churn and was driven by the expansion of our global footprint through sales of our standardised radiology software product and by volumes growing in existing customers for both our Medical Imaging Software and our Radiology Services.

Notably, 2021 saw the acquisition of Colombian radiology services provider RIMAB SAS, which is performing above our expectations, has a strong growth profile and is solidly profitable. The results since the acquisition, in Q4 FY21 and Q1 FY22, show the financial benefit of having RIMAB within the Group. Furthermore, the acquisition of RIMAB removes related party transactions. There were also pre-existing and administratively complicated joint contracts with several customers between IMEXHS and RIMAB. Going forward, our reporting should be clearer for shareholders with segmental reporting covering Medical Imaging Software and Radiology Services. We are one company with two businesses.

Collectively, our Radiology Services business is one of exceptional quality and is recognised for having some of the best radiologists in Colombia. The use of IMEXHS software provides an edge in terms of productivity and consequently, cost. This is a significant step forward in our ability to provide outstanding service and win new business. It also gives us an outstanding showcase for our software and ownership of a very large and growing data base for AI tool development.

It is the Company's intention to continue to build the Imaging Software business globally and grow the Radiology Services business, particularly within Colombia. We have developed a structure to ensure that each business has appropriate resources to both independently and symbiotically develop and grow.

The success of AQUILA in the Cloud, now part of IMEXHS Cloud, is evident in terms of sales and the acceptance of the model of a non-customised SaaS product distributed through 35 partners that is now present in 11 countries. In the early stages, product implementation was slow as we learnt how to better help clients and partners prepare to onboard the software and adopt related beneficial changes in working practices. To that end, we have developed better processes and implementation times have markedly improved. Importantly, the software package approach offers us some interesting strategic options, through direct online distribution and through our product development program moving towards one software platform for all medical imaging which will include other ologies such as cardiology, pathology, ophthalmology etc.

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IMEXHS made two important announcements at the Radiological Society of North America (RSNA) Scientific Assembly held in Chicago in November 2021. Firstly, IMEXHS announced a partnership agreement with Neusoft Medical, a global leader in clinical diagnostic and treatment solutions. Secondly, IMEXHS announced the new IMEXHS Cloud product and solution. Neusoft will be one of IMEXHS's first strategic partners to offer the new IMEXHS Cloud product.

Our Product Development team continued to do outstanding work and we have undertaken significant organization development in this area. We have had excellent feedback from new clients and from existing users as new releases have been seamlessly applied. Global development in medical software in terms of architecture, the integration of capabilities, and the development of AI tools has never moved so swiftly, and we believe this Company is well placed to thrive.

Our thoughts are with our staff and their families who contracted COVID-19 during the year, and who have thankfully all recovered.

The gradual recovery from COVID-19 conditions in Latin America was reflected in our combined contract win for Colombia's Central Police Hospital announced in December 2021, which will contribute over \$1.1m in Annual Recurring Revenue. This validates the RIMAB acquisition and further positions IMEXHS as a more integrated proposition, while still allowing customers the flexibility of choice.

We recently released an upgrade to guidance for 2022 and outlined a programme to extend our cash runway. This should see the company achieve positive underlying EBITDA for 2022 and monthly underlying run rate cashflow breakeven during the second half. To allow the Company to reach profitability and cashflow breakeven, management is undertaking projects on two fronts.

The first initiative has been to move swiftly to find cost savings that minimise any impact on the Company's operations and growth plans. This has included some synergies made possible from the acquisition of RIMAB in October 2021. All cost savings initiatives ensure that the integrity of the Company's 5-year strategic framework announced on 21 March will be maintained. We will continue to invest in product development and sales to maintain the momentum of our disruptive medical imaging software platform and international growth.

The second area of focus is on working capital. A consequence of the Company's growth has been the expansion of working capital on our balance sheet. This is mostly as a result of the growth of radiology services and a slower than acceptable payment cycle. The Company is focused on improving working capital levels by taking a more proactive stance on collections and where possible new contract payment terms. After reviewing overdue receivables, we do not believe there are any unprovided credit risks.

Lastly, to align Directors' interests with shareholders and to contribute to cash preservation, the Board has elected to take future directors fees in the form of newly issued shares. Secondly, the Board recommends Directors be issued nil paid options equal to 50% of directors' fees versus 100% in the

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prior year. The quantum proposed is to ensure adequate headroom for issuance under the executive share plan and to acknowledge the relatively poor share price performance. Both of these measures are put to shareholders at our AGM today.

IMEXHS is well-placed to leverage its distribution channels and unique global market positioning. The need for affordable medical imaging software at all levels is not being met by the large players and leaves an enormous addressable market.

The Board and management continue to recognize the challenges, both actual and perceived, of overseeing a company whose operations are largely run outside of the governance jurisdiction. However, the Board meets frequently, both formally and informally, with regular management discussions. Furthermore, the Company has in place appropriate governance charters and the Board is satisfied as to the Company's adherence to those charters as well as the requirements of both the ASIC and ASX listing rules and the spirit of those rules.

With the world normalizing from COVID, if not the hangover of supply chain disruption and the impact of war in Ukraine, we are working hard to get back to face to face engagement as appropriate. I have visited Colombia and spent time with our management team and visited customers. We have had Dr Arango meet with prospective clients and shareholders here in Australia and our CFO Reena Minhas has recently returned from Bogota.

We enter 2022 with a significant agenda but well placed to seize the opportunities available. I would like to thank our directors for their contributions throughout the year and of course our management team and staff across the world, most ably led by our CEO, Dr German Arango. Lastly, thank you to our shareholders – we appreciate your continued support and commitment.

CEO's Address

Good morning, ladies and gentlemen. I would also like to welcome you to today's AGM.

I am based in Bogota but was pleased to visit Sydney and Melbourne last month to meet IMEXHS clients and shareholders and present the Company's 5-year strategic framework.

Our 10-Year Journey

We are now celebrating our 10th year as an organisation and fourth as an ASX listed company.

IMEXHS was founded in 2012 to solve two pervasive issues in global healthcare: the prohibitive cost of care and the need for access to modern technology. We started selling our cloud-based medical imaging software in Colombia and expanded into other countries in Latin America in 2015.

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In 2020 we launched a standardised cloud-based software as a service targeted at small to mid-sized radiology companies that has allowed us to expand into much larger global markets like the US. We have made great inroads in the global SME market due to our disruptive technology.

Last year the Company purchased RIMAB SAS to strengthen our radiology services business and access vast amounts of data for AI development and testing.

Expanding global footprint

The company has grown from two founders to approximately 350 employees across two businesses – Medical Imaging Software and Radiology Services.

Our software is used in 15 countries by more than 2,500 radiologists and is developed by 37 software development engineers. Our radiology services business consists of more than 100 radiologists who exclusively use IMEXHS software and have a library of over 1.5 billion images built up over 10 years.

The majority of our revenue is recurring, reflecting our subscription model which is based on multi-year contracts. We provide customised solutions for all complexity levels – from small clinics to large hospital networks – and we have never been displaced by a competitor.

FY21 Financial Highlights

In 2021, like many other companies, we overcame a number of COVID-related challenges that led to delayed decision making particularly with large enterprise customers. We also overcame onboarding customer challenges related to our disruptive SME software – IMEXHS Cloud. Nevertheless, we reported strong year-over-year growth in all our key metrics helped by a strong contribution from RIMAB in Q4 and a large enterprise contract win towards the end of the year.

Revenue for the twelve months ended 31 December was \$13.4m, up 23% and up 34% on a constant currency basis versus pcp, and in line with our guidance provided during the year. Annual Recurring Revenue, or ARR, of \$20.4 million increased by 102% and 121% on a constant currency basis. Underlying EBITDA was a loss of \$1.4m versus a loss of \$0.7m in 2020 and we ended the year with a cash balance of \$4.2m.

Welcoming RIMAB into IMEXHS in October 2021 was a significant milestone for the Company. It eliminates related-party transactions and enabled us to restructure the organisation into two businesses – Software and Services. Over time, we anticipate medical services and software to become increasingly intertwined and strongly believe that artificial intelligence will be the vehicle for enhancing that connection.

2025+ Endgame

That brings us to the endgame of our 5-year growth strategy where we expect the software and services businesses to overlap and create an open collaborative platform. For this to happen we will need to work on three things:

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First, a single software platform that brings all our software tools and capabilities together under one umbrella to standardize deployment, training and services.

Second, using and testing images from our own- and third-party medical practices to make our software and services offerings smarter.

And lastly, creating AI algorithms and tools to link the software and services together. We anticipate technology will have a greater role to play for medical practices in the future due to the AI element.

5-year Strategy Framework

The next slide provides you with more detail on how we plan to get there.

Our first growth horizon is the Seeding phase, which is already underway. This phase is focused on three product segments:

- IMEXHS Cloud
- IMEXHS Enterprise; and
- Radiology Services

For each segment, we have a strategy to grow the business with product development, go-to-market, customer focus and geographical expansion.

The evolution of our product offering is taking us into a broader proposal for AQUILA in the Cloud with several extensions available in a marketplace we are calling IMEXHS Cloud. Sharing the same software platform plus an engine for specific/customised business rules, IMEXHS Enterprise is also evolving for the high-end customers.

The second horizon, the Growth phase, is focused on consolidating our software onto a single medical imaging platform – IMEXHS Cloud – which requires changes in our technology such as MSA, Automation etc. We will start working with data sets and data lakes from our AI library to prepare for a more intensive AI horizon. The AI integration engine has to have a bigger number of algorithms from our own images and third parties. We will also keep growing from outsourcing our radiology services but with a more international scope.

The third horizon, Harvesting, is AI intensive and involves integrating large volumes of data and algorithms.

Current trading

Turning to current trading for the 2022 financial year, we made a positive start in Q1 with revenue of \$4.7m, up 89% versus pcp and up 39% excluding the RIMAB acquisition. ARR was \$21.5m, up 95% vs pcp. Underlying EBITDA was a loss of \$0.2m, up \$0.6m compared to a loss of \$0.8m in the prior year period, and the cash balance was \$2.9m.

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Year-to-date, the number of contracts for our standardised radiology software, IMEXHS Cloud, has increased to 128 and amounts to ARR of \$2.8m. Most of these deals have come through our 35 distributor partners whom we are working closely with to further optimise the installation process.

To accelerate our expansion overseas, we signed five new partners from three different countries one of which is Thailand. We have also signed Crowd IT as a Master Distributor in Australia and 3verest as a Master Distributor for UK which both came about through contacts made in Australia.

On the enterprise software side, we are experiencing renewed interest in our customised solutions from larger customers and have a strong pipeline of near-term opportunities.

Strong growth in ARR continues

The strong growth in ARR continued into Q1 FY22 with ARR of \$21.5m, up 95% vs pcp and up 94% on a constant currency basis. ARR as at 31 March 2022 consisted of \$7.4m from Software and \$14.1m from Radiology Services, and includes \$1.1m from the Colombian National Police Central Hospital contract won at the end of December that includes software and services.

FY22 Outlook

Trading in Q1 FY22 is encouraging and provides us with the confidence to provide revenue guidance for the full year, showing strong year-over-year growth. While executing on our growth strategy, we are aware of our limited cash resources which has led the Company to recently announce and implement initiatives to reach profitability and run-rate underlying cash breakeven.

The first initiative deals with cost savings that minimise the impact on the Company's operations and growth plans, some of which will come from synergies from the RIMAB acquisition.

The second area of focus is on decreasing working capital needs by taking a more proactive stance on collections and where possible, introducing new contract payment terms. Lastly, the board is proposing directors be partially compensated in non-cash payments.

All cost savings initiatives ensure that the integrity of the Company's 5-year strategic framework will be maintained. Our focus in FY22 will be on building AI at the core of our business. We will aim to win more large contracts for IMEXHS Enterprise, improve implementation timing for IMEXHS Cloud, further integrate RIMAB into the business, and leverage our partnership network which has been the key to the success of our global expansion.

In closing, I would like to extend my sincere thanks to the Directors for their guidance, as well as the whole IMEXHS team for their efforts. And thank you to our shareholders for your continued support.

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