

30 April 2024

## ASX ANNOUNCEMENT

# 2024 Q1 Activity Report and Appendix 4C

### Financial Highlights<sup>1</sup>

- Q1 FY24 revenue of \$7.0m, included a one-off sale of \$0.46m, and was up 76% vs pcp; up 40% on a constant currency basis<sup>2</sup>.
- Q1 FY24 Underlying EBITDA<sup>3</sup> of \$0.2m; up \$0.1m vs pcp.
- Annualised Recurring Revenue (ARR)<sup>4</sup> of \$27.0m, up 33% vs pcp; up 8% on a constant currency basis.
- Debt of \$1.2m at 31 March 2024, down from \$1.3m at 31 December 2023.
- Cash of \$1.4m at 31 March 2024, down from \$2.4m at 31 December 2023.

### Operational Highlights

- Enterprise software contract renewal with Colsubsidio with improved terms and pricing. The 3-year software contract is expected to contribute \$575,000 in ARR.
- New one-off contract secured in Colombia for \$790,000 to supply biomedical equipment and implement AQUILA Enterprise.
- IMEXHS Enterprise and IMEXHS Cloud finished the quarter with a total of 511 installations worldwide, a 12% increase on Q1 FY23.
- Sales pipeline for both IMEXHS Software and Radiology services remains robust.
- Software development program of Enterprise new value proposition remains on time and on budget and trials of the early-stage product are underway.

**IMEXHS Limited (ASX: IME)** (“IMEXHS” or “the Company”) today provides its quarterly cash flow and activities summary for the period ended 31 March 2024. IMEXHS is an innovative provider of cloud-based medical imaging software and radiology services across 18 countries.

IMEXHS CEO Dr German Arango said, “I am pleased to report that as we entered 2024, both our software and radiology services businesses have maintained a steady momentum, meeting our sales, financial, and operational targets.

Our technology division has made significant strides in advancing the Company's new value proposition. Early-stage trials of our innovative product are currently underway, demonstrating promising results. Our new value proposition aims to empower radiology departments by elevating their operations, ensuring seamless productivity round the clock. Our cutting-edge radiology software combines modernity and

<sup>1</sup> All financial information for FY24 in this announcement is preliminary, unaudited financial information and may be subject to adjustment following audit review.

<sup>2</sup> Constant currency basis assumes Q1 FY24 results are converted at the average foreign exchange rate for Q1 FY23. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

<sup>3</sup> Underlying EBITDA excludes the impact of FX and share based payments.

<sup>4</sup> Annualised Recurring Revenue (ARR) is the value of the monthly recurring contract revenue multiplied by twelve.

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security, offering a lightning-fast implementation process.

The ongoing development of our new value proposition underscores our commitment to position ourselves as leaders in the radiology industry across our markets.

### Financial Summary

The Colombian Peso (COP) strengthened significantly against both the USD and AUD in the first three months of 2024 vs pcp, and at 31 March 2024 was trading 19% stronger against the AUD compared with 31 March 2023.

Q1 FY24 revenue of \$7.0m was up 76% vs pcp and up 40% on a constant currency basis. Strong revenue growth in Q1 FY24 consumed significant working capital and will drive cash receipts in Q2.

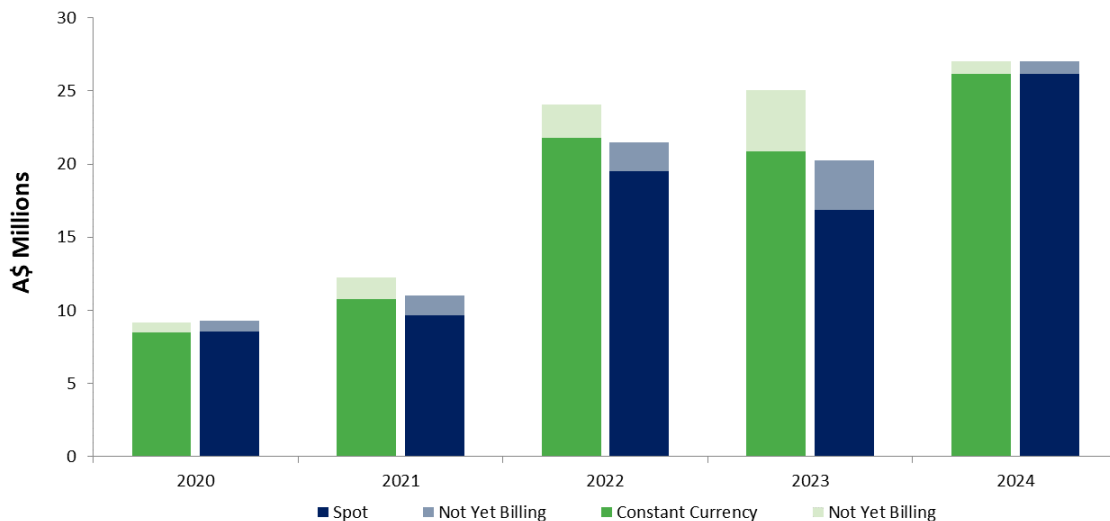
FY24 software revenue of 47% was priced in hard currencies (USD, AUD, EUR) which is translated to COP or local currency at the spot rate (41% of FY23 Software Revenue).

### Annualised Recurring Revenue

ARR of \$27.0m as at 31 March 2024 was up 33% vs pcp and up 8% on a constant currency basis.

ARR of \$27.0m consisted of \$17.7m from Radiology services (\$14.5m as at 31 December 2023) and \$9.3m from Software (\$9.1m revised as at 31 December 2023 - the revision was due to the removal of hardware revenue previously reported as Software).

Chart 1 shows ARR at 31 March that is currently billing as well as ARR which is yet to commence billing.



*Constant currency basis assumes that historic results are converted at the 31 Mar-24 exchange rate. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.*

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## Cashflow

At 31 March 2024, IMEXHS held cash and cash equivalents of \$1.4m, down from \$2.4m at 31 December 2023.

Net cash used in operating activities was \$1.4m with cash receipts of \$4.8m in the quarter. Strong revenue growth (up 76% vs pc) in Q1 FY24 consumed significant working capital and will drive future cash receipts.

Cash used in investing activities was \$0.6m for the quarter, with the company adding \$0.3m in capitalised software and \$0.1m in equipment.

There was a net cash inflow from financing activities of \$1.0m with \$1.3m raised via a Placement announced on 11 March 2024.

## Operational Metrics and Project Implementation

Key operational metrics showed strong growth in Q1 FY24 compared to Q1 FY23:

- Software solutions were used by 3,326 radiologists, a 6.4% increase on Q1 FY23 (3,126 radiologists).
- IMEXHS's Enterprise Imaging Platform stored 1.9 petabytes of data in the cloud and processed over 446 million images for the quarter (2.4 million studies), a 34% increase on Q1 FY23, for a grand total of over 3.6 billion images since the inception of the Company.
- Over 650,798 people entered IMEXHS's patient portal over 1.5m times for an average of 2.4x visits per user.
- Radiologist team totals 132 and the number of reported imaging studies is more than 311,817 for Q1, which was a 6% increase on Q1 FY23.

The increases in images processed of 34% versus an increase in number of radiologists using the software points to the growth of existing customers and ongoing cross and up-selling to existing clients.

## Sales Update

### IMEXHS Software

During the first quarter of 2024, the Company processed over 2.4m studies across its medical imaging platforms across 511 sites in 14 countries with ARR of \$9.3m as at 31 March 2024.

The Company successfully renewed multiple software contracts during the first quarter, with improved pricing and terms.

In March, the Company announced the renewal of its software contract on improved terms and expanded scope with Caja Colombiana de Subsidio Familiar (Colsubsidio), a prominent Family Compensation Fund in Colombia. With 25 operational sites and an average monthly volume of 60,000 studies, Colsubsidio plays a vital role in the healthcare landscape of the region.

The renewed contract spans a period of three years, with a Total Contract Value (TCV) of \$1.7m.

The Company also renewed and upgraded another contract with a current client, Clinica Medical. The renewed agreement improved pricing with an Annualised Recurring Revenue of \$425,000 and a term of two years.

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In the March quarter, the Company secured a one-off contract in Colombia with Someditec, a local healthcare provider, valued at \$790,000. This agreement entails IMEXHS supplying biomedical equipment to Someditec and implementing AQUILA Enterprise throughout their entire operation. In accordance with the terms of the agreement, 60% of the revenue was recognised in March, with the remaining 40% scheduled for recognition throughout the second quarter.

#### *Partners Program*

IMEXHS's Partners Program included 25 Partners across 14 countries by 31 March 2024. During the quarter, the Company signed its first deal in Bolivia with the Company's new partner in that country.

Additionally, the Company has opted to terminate three partner distribution contracts due to inadequate sales activity.

#### *Radiology services*

Throughout the March quarter, the Company's Radiology Services business unit demonstrated significant growth, surpassing 311,000 studies reported — a 6% increase compared to the first quarter of FY23. Notably, this increase in studies was achieved while reducing our headcount of radiologists by 21%.

This outcome reflects the Company's commitment to operational efficiency and cost optimisation. Following a thorough analysis of our cost centres in the preceding quarter, opportunities were identified to streamline our operations without compromising on service quality. By reallocating resources and leveraging technology, we were able to enhance productivity and maximize our study throughput.

This process is part of improving radiology profitability which includes renegotiation of contract pricing for several clients. The software New Value Proposition is also contributing at an early stage to our own radiologists' productivity.

#### *Product and Software Updates during Q1 FY24*

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

#### *Components of IMEXHS Cloud and Enterprise*

During the March quarter, the main achievement for the product portfolio was the development and implementation of the roadmap defined for a new and improved version of AQUILA (the Company's RIS system).

#### *New RIS System – Initial Minimum Viable Prototype v.0.2*

During the first quarter, the Company made additional progress on this MVP for a new RIS version, that will become in the future its core radiology product for some segments. The features developed and included in this MVP (on top of all the features listed in v 0.1) are:

- Improved configuration of roles and permissions for actions within the system and new services, improving the way features are enabled/disabled, and allowing to activate features that our customers pay for, such as viewer tools, features in worklists, etc.
- Integration of business statistics using Metabase / Business Intelligence tools, allowing users to create a wide range of reports and dashboards.

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- Global cleaning and general search filter, that creates a more accessible interface on the list of studies or users and allows searching for any field.
- User Interface (UI) redesign and improvements in the responsiveness of lists, better visualization in devices such as laptops, high-resolution screens, and tablets.
- Major architectural improvement, migrating to a model of Database as a Service (DBaaS) implemented in the Cloud, improves administration, scalability, and availability.
- New web services documentation wiki, a section dedicated to documenting those web services for clients that require integration with the new RIS platform.
- Error logging recording implemented in all environments, integrations, and platforms, to quickly detect errors that are occurring when using the platform, this improves support response time and prevents future incidents.
- Integration completed with reCAPTCHA to enhance login security by avoiding robots trying to crack passwords by brute force.
- List of studies pending, reading, signed, and returned, facilitates access by prioritizing them in a single list.
- A new feature allows specialties to be assigned when creating a radiologist, which will prioritize studies related to the modality, showing only relevant information to the radiologist.
- 3 new fields added for radiologists' creation: medical registration number, specialty, and signature; and e) PDF report parametrization module, which speeds up and improves the visualization of reports by patients.

### Listing Rule 4.7C3

In Item 6 of the Appendix 4C cash flow report for the quarter, cash payments to Related Parties of \$48,000 comprises of remuneration to executive directors.

Authorised for release by the Board of IMEXHS Limited.

-ENDS-

**For more information, please contact:**

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#### **About IMEXHS**

*IMEXHS Limited (ASX: IME) is an innovative provider of medical imaging software and radiology services in 18 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 Mar 2024	
Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
<b>1</b>	<b>Cash flows from operating activities</b>	
1.1	Receipts from customers	4,801
1.2	Payments for	
	(a) research and development	(274)
	(b) product manufacturing and operating costs	(2,694)
	(c) advertising and marketing	(13)
	(d) leased assets	(21)
	(e) staff costs	(2,412)
	(f) administration and corporate costs	(292)
1.3	Dividends received	-
1.4	Interest received	-
1.5	Interest and other costs of finance paid	(60)
1.6	Income taxes paid / received	(474)
1.7	Government grants and tax incentives	-
1.8	Other - indirect taxes	8
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,431)</b>
<b>2</b>	<b>Cash flows from investing activities</b>	
2.1	Payments to acquire or for:	
	(a) entities	(35)
	(b) businesses	-
	(c) property, plant and equipment	(119)
	(d) investments	-
	(e) intellectual property	(264)
	(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)	(171)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(589)</b>

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<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,300	1,300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(83)	(83)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(193)	(193)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,024</b>	<b>1,024</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,362	2,362
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,431)	(1,431)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(589)	(589)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,024	1,024
4.5	Effect of movement in exchange rates on cash held	23	23
	Other (provide details if material)	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,389</b>	<b>1,389</b>
<b>5</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	1,389	2,362
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,389</b>	<b>2,362</b>
<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b>	
		<b>\$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	48	
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.			

<b>Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<b>7</b>	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,185	1,185
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>1,185</b>	<b>1,185</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-

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 Itau	17.4	Apr-24	35	35
Banco Davivienda	14.8	Oct-24	61	61
Banco Davivienda	17.4	Nov-24	87	87
PHV Group S.A.S	28.5	Aug-25	20	20
Banco Davivienda	17.9	Nov-25	386	386
Banco ITAU	15.9	Apr-26	596	596

Weighted average interest rate of 16.9% on borrowings.

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,431)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,389
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,389
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.0</b>

*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.*

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?  
No. Strong revenue growth in Q1 FY24 (76%) consumed significant working capital and will drive cash receipts in Q2.

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?  
Conditional Placement completed on 24 Apr-24 raising a further \$0.25m (\$50k received in advance and already included in 31 March 2024 closing cash balance).

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?  
Yes. The Placement funding and growth in the business will ensure that the business is able to continue its operations and meet its objectives.

*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*



## 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: 30 Apr 2024**

**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.