

13 May 2021

**ASX ANNOUNCEMENT**

## 2021 Annual General Meeting – Chairman and CEO Addresses

In accordance with ASX Listing Rule 3.13 attached are the Chairman's and CEO's addresses together with 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.

**-ENDS-**

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About IMEXHS

**IMEXHS Limited [ASX: IME]** is a leading imaging Software-as-a-Service (SaaS) and ancillary solutions provider with over 120 customers on recurring contracts in over 250 sites, and distributors in 15 countries. Founded in 2012, IMEXHS is known for its innovation in the imaging services market, offering flexible and scalable imaging solutions via its HIRUKO branded suite of solutions for next generation Picture Archiving and Communications System (PACS) and integrated medical imaging systems (including a Radiology Information System (RIS), a Cardiology Information System (CIS) and an Anatomical Pathology Laboratory Information System (APLIS)). The HIRUKO™ system is 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 is configured for the future and 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

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When I addressed you last year, I had only been Chairman for a couple of months but was excited about the opportunity ahead.

2020 has indeed been an interesting year and one of significant achievement for IMEXHS.

We have made considerable progress at every level of the business, delivering a strong 2020 result which Dr Arango will talk to in more detail shortly, and enhancing our corporate governance structures.

Damian Banks was appointed an independent non-executive director in May, bringing extensive business experience. He has since made an important contribution to the Board's processes and decision-making.

During the year, the Board established committees for Audit and Risk and for Remuneration and Nominations, chaired respectively by Damian Banks and Carlos Palacio.

We also decided to centralise our Australian services and capabilities in Sydney. In October, Reena Minhas became Chief Financial Officer and Company Secretary taking over from Tony Thomas and Peter Webse, and we thank them for their contribution.

In July, IMEXHS set up a system to allow shareholders with holdings worth \$2,000 or less to sell their shares efficiently, which also reduced the costs associated with servicing smaller holdings.

The Company repaid a loan of \$1.0 million to an entity associated with director Dr Doug Lingard and agreed to issue 16.67m shares to Dr Lingard's entity, which was approved at an Extraordinary General Meeting in October.

A number of other matters were also approved at that meeting including:

- a capital consolidation, which improved the attractiveness of the shares to certain institutions and reduced the scope for buy-sell spread arbitrage;
- a Long-Term Incentive Plan for our management team which took effect 1 January 2021 and is an important step in ensuring retention and alignment; and
- the appointment and removal of an auditor, following a competitive process, and which allowed us to move the audit function to Sydney.

In October, IMEXHS successfully raised \$8.3m in capital via a placement, which introduced several new institutions to our register. Importantly, this provides the Company with adequate funding for

the journey ahead as we continue to invest in the development of our world-leading software and expand our sales distribution capability into new geographies.

The Board continues to work well and closely with the senior management team despite our geographical distance. The level of engagement and professionalism of the management team is exemplary, and I believe the Board has the right mix of skills, and international experience to guide our Company forward.

At a business level, there have been a number of notable achievements in product development, sales and marketing and in our expansion into new markets. I will leave our CEO Dr Arango to comment on these further, but they represent important building blocks for the future.

Despite the challenges created by a global pandemic, our Company has prevailed, highlighting our resilience and ability to adapt to rapidly changing circumstances.

I would like to thank our Board members and management team, most ably led by Dr Arango, for their hard work and contributions during this unusual and difficult year. I would also like to sincerely thank you, our shareholders, both new and long-term, for your ongoing support.

I will now invite our CEO Dr German Arango to address the meeting and provide a business update.

## CEO's Address

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

2020 was a year of contrasts as we made important progress across a number of key business areas while dealing with the challenges arising from a global pandemic.

For many, it was a difficult year and I would like to extend our deepest condolences to those affected by COVID-19, including families who have lost loved ones. I also wish to acknowledge and express our gratitude to healthcare workers around the world.

### **Our purpose**

The pandemic has accelerated the demand for affordable and accessible technology across many fields, including healthcare.

This aligns with our purpose of democratising access to high tech imaging platforms with advanced clinical applications, user-friendly software and AI.

Our customer value proposition is based on the provision of a modern platform that is fully web and allows for real-time communication and collaboration.

As a Professor of Neuroradiology, I am particularly focused on making sure that our platform has all the functionalities that a physician requires, improving productivity and delivering superior patient outcomes.

### **Expanding global footprint**

In 2020, over 2,100 radiologists used our imaging solutions which were developed by software engineers based in Colombia.

We operated across 15 countries including the US which represents a significant opportunity, and we also have operations in Spain and Australia.

We continue to have high customer retention and have never been displaced by a competitor.

### **Leading innovator in medical imaging**

Turning to some key elements of our business, 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.

Last May, we launched our disruptive Aquila in the Cloud offering which provides small and medium-sized customers with a low-cost medical imaging solution. This is generating strong interest, and in less than a year, is present in 13 countries.

### **Multiple runways for growth**

We are well placed to benefit from a number of macro trends in the healthcare sector and have multiple runways for growth.

In addition to our AQUILA radiology solutions, we have developed medical verticals such as Alula for pathology and Anteros for cardiology and are exploring other verticals such as dental imaging.

We also continue to expand into new markets such as the US.

In October, we completed an \$8.3m placement which will fund the next phase of the Company's growth.

The net proceeds will be used to accelerate penetration into new markets via increased investment in sales and marketing, and software development.

### **HIRUKO medical imaging platform**

This slide shows the key features of our core HIRUKO™ platform which consists of;

- a) A Picture Archiving and Communication system and Vendor Neutral Archive
- b) an enterprise imaging system which customises specific workflows for different clinical departments and;
- c) advanced post processing elements which are our most sophisticated layer.

The platform also integrates advanced visualisation tools from third parties such as Vital, which are available in the cloud for the first time via our platform.

The agreement with Vital enhances our value proposition and meets our objective of providing customers of all sizes with the best and most affordable medical imaging solutions.

### **End-to-end modular imaging solution**

HIRUKO™ also provides management functions such as scheduling and billing and can measure the metrics of a business and produce statistics in real time.

### **Aquila in the Cloud**

Aquila in the Cloud is a highly scalable business model that is supported by an extensive and growing network of distributor partners.

It is hosted within Microsoft Azure and can be rapidly deployed across multiple geographies due to our multi-tenant capabilities.

By 31 March, we had signed 60 deals, including three in the US, for an ARR contribution of \$1.3m.

Most of these deals have come through our distributor partners who receive training via our online centre as well as sales and post-sales support. We are working with these partners to further optimise our pre-installation activities so that they are better aligned with the speed of our technical deployment.

### **Range of solutions for AiC customers**

Our Aquila in the Cloud customers can choose from three packages which differ in terms of features and functionality as well as price points.

We already have customers moving to higher tiers and in the future, there will be cross selling opportunities as we add further tools.

### **Multiple distribution channels**

Our distribution model is based on a combination of direct sales and distributor partnerships which forms part of our low risk go-to-market strategy.

In April 2020, we announced our inclusion on Ingram's Micro Cloud global marketplace which provides another distribution channel which is disruptive and scalable, and will assist in selling to customers in rural and remote areas.

### **Developing AI capabilities**

We also provide radiology services for a small number of contracts to access images for training algorithms and AI data sets.

As a result, we now have a library of over 940 million images - and have developed an AI tool for the detection of viral pneumonia, and another for natural language processing.

### **FY20 Financial Highlights**

Turning to our FY20 result, we reported strong growth across our key financial metrics both on a reported and constant currency basis.

Sales revenue of \$10.9m was 41% higher year on year and 59% higher on a constant currency basis due to new contract wins and renewals.

Importantly, this was in line with the FY20 revenue guidance we provided during the year.

Our EBITDA loss of \$1.3m improved by \$3.3m year on year.

### **Strong growth in ARR**

We continue to record strong growth in annual recurring revenue or ARR on a constant currency basis reflecting contract wins and renewals. We made a positive start to the 2021 financial year with ARR of \$11m in the March quarter which was up 19% on pcp and 29% on a constant currency basis.

### **Q1 FY21 Financial Highlights**

First quarter sales revenue of \$2.5m was up 9% on pcp and 17% on a constant currency basis. IMEXHS is in a sound financial position with closing cash of \$10.3m at 31 March 2021.

### **2021 Product Roadmap**

Our development roadmap shows a number of key priorities for the coming year.

We will enhance our AQUILA platform with a new version 4.0 to provide a broader product offering to potential customers in the US and Australia.

We will create the Alula marketplace, the world's first Pathology marketplace and develop other medical verticals including a dental imaging and veterinary information system.

We will also use our rapidly growing image library for training and testing AI algorithms.

### **2021 Outlook**

Turning to the 2021 outlook, we are experiencing renewed interest in our customised solutions from larger customers and have a strong pipeline of near-term opportunities. This follows a period of delayed decision-making related to the pandemic.

Our standardised product offering, Aquila in the Cloud, continues to generate strong underlying demand and we are working with our Partners to optimise our pre-installation processes. The Partner program is also creating opportunities in new markets such as Bolivia.

Building our US presence remains a priority and we are pleased with our progress so far. We have signed three Aquila in the Cloud customers in Florida and recently hired a Field Service Engineer to meet the growing demand for this product and expected medium-term interest in our customised solution.

After receiving ANVISA certification in 2020, our planned expansion into Brazil has been postponed due to the ongoing COVID-19 crisis in that country.

IMEXHS is in a sound financial position and our trading for the financial year to date is in line with our 2021 expectations.

I would also like to briefly comment on the current social unrest in Colombia which has not impacted our team or operations. Even if this situation continues for some time, we do not expect it to have significant impact on our earnings on a constant currency basis or on the delivery of our strategy.

I would like to thank the Board for their guidance during what has been an extraordinary year and our team for their hard work and dedication as we adapted to rapidly changing circumstances.

And finally, to you, our shareholders, thank you once again for your ongoing support.