

Quarterly Cash Flow and Summary of Activities

HIGHLIGHTS

- **Completion of acquisition of Imaging Experts and Healthcare Services Pty Ltd, successful capital raising and relisting**
- **Extension of RADIOFAM contract**
- **Expansion of distribution in Central America**
- **Second pilot implemented for new Anatomical Pathology Laboratory Information System**
- **Growth in PaaS business**

Wednesday, 31 October 2018: Australian medical imaging company **ImExHS Limited (ASX:IME)** (“**ImExHS**” or “**the Company**”) is pleased to release its quarterly cash flow and activities summary for the period ended 30 September 2018.

Completion of Acquisition and Public Offer

Following the successful acquisition of Imaging Experts and Healthcare Services Pty Ltd and the completion of a fully subscribed public offer of \$5.5 million on 28 August 2018, the Company recommenced trading on the Australian Securities Exchange (“ASX”) on 3 September 2018 under its new name ImExHS Limited.

The public offer valued the Company at a market capitalisation of \$23.1 million.

New Contracts and Extensions

After positive customer feedback in the initial period of the engagement, RADIOFAM S.A.S. (“RADIOFAM”) extended its PaaS contract, ensuring the continuity of this project until 2023. The total contracted value under the new arrangement, is ~\$1.27m, which translates to an increase in total contracted value of ~\$460K. This contract extension is a notable development for ImExHS due to the importance of the RADIOFAM business in the Latin-America Market. RADIOFAM currently provides full Radiology Services at over 6 sites.

Subsequent to the end of the period, and as reported in the respective ASX announcements, ImExHS has signed new agreements with Clinica Palermo and Colsubsidio, resulting in substantial long-term contracts.

Expansion in Central America

ImExHS has continued its expansion across LATAM, with the completion of two new distribution agreements in El Salvador and Panama.

Hiruko™ Developments

ImExHS continues to make progress in the development and commercialisation of new parallel verticals to its Hiruko™ Radiology platform. Following on the implementation of a pilot of its Anatomical Pathology Laboratory Information System (APLIS) at Clinica Las Americas, a second APLIS pilot has commenced at the University Children’s Hospital of San Jose, Bogota.

Following a successful pilot, the ImExHS Cardiology Information System has now entered into its commercial phase at Clinica Las Americas.

ImExHS has completed the localisation of the Hiruko™ RIS/PACS platform for the Australian market at its trial site in NSW. The Company is currently evaluating Australian opportunities on the back of this successful localisation.

Cash Utilisation During the Period

During the quarter, the Company concluded a major acquisition, public offer and re-listing. By its nature, this is an extraordinary event requiring detailed due diligence, extensive management of ASX compliance issues and the use of specialist and professional services firms. Due to time extensions and the complexity of the cross-border operations of the Company, that project incurred an overrun of ~\$230k compared with the cashflow forecast at 30 June. These costs are now completed and are non-recurring.

PaaS Business

As discussed in the Prospectus, part of the market offering for the Company is Platform as a Service (PaaS) solutions. In Colombia where the Company sells direct, these solutions involve the supply by ImEx of hardware as well as software and hence require upfront capital expenditures (recovered over the life of the contract). Activity in the Company's PaaS business in Colombia has been stronger than expected through the period, with three significant contracts coming to fruition during October.

These capital expenditures require financing either by the Company or by external third-party financiers, and with potential additional PaaS contracts in the pipeline, the Company is exploring ways to efficiently finance this equipment to enhance profit margins and accommodate the cost of capital.

ImExHS Managing Director, German Arango: "We are very excited with the progress made over the last few months. After successfully listing on the ASX, we continue to attract significant interest from new distributors in Latin America and are progressing with new sales, research and development and obtaining relevant approvals."

About ImExHS Limited

ImExHS Limited [ASX: IME] is a leading imaging IT provider in Latin America. Founded in 2012, ImExHS has become one of the leaders in the Latin America imaging market, offering flexible and scalable imaging solutions. Hiruko™, the ImExHS solution, is comprised of its next generation Picture Archiving and Communications System (PACS) and integrated Radiology Imaging System (RIS). The system is completely cloud based, vendor neutral and zero footprint with no need for installed software. Enhanced features such as fully web-based voice recognition option and zero footprint DICOM viewer are some of its advanced features. In addition to the PACS and RIS, imaging technology and management systems can be provided to the customer on an annual Platform as a Service (PaaS) basis. The ImExHS products are designed for significant costs savings for the users, with a scalable platform that is configured for the future, while enhancing patient outcomes. www.imexhs.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

IMEXHS LIMITED

ABN

60 096 687 839

Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows (See Note 1a below)	Current quarter \$A'000	Year to date Nine months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	381	381
1.2 Payments for		
(a) research and development	(13)	(13)
(b) product manufacturing and operating costs	(169)	(184)
(c) advertising and marketing	(25)	(25)
(d) leased assets	-	-
(e) staff costs	(296)	(343)
(f) administration and corporate costs (See Note 1b below)	(667)	(1,054)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	20
1.5 Interest and other costs of finance paid	(6)	(8)
1.6 Income taxes paid	(19)	(19)
1.7 Government grants and tax incentives	-	498
1.8 Other – GST Received	4	40
1.9 Net cash from / (used in) operating activities	(808)	(707)

Note 1a: Cash flows for Imaging Experts and Healthcare Services Pty Ltd are included from the date of acquisition, being 28 August 2018 to 30 September 2018.

Note 1b: Item 1.2(f) administration and corporate costs include one-off payments related to the acquisition of Imaging Experts and Healthcare Services Pty Ltd resulting in the cash outflows being higher than was forecast at 30 June by \$230k.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(100)	(100)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(250)	(350)
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash acquired in acquisition (item 10)	97	97
2.6	Net cash from / (used in) investing activities	(253)	(353)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	5,501	5,501
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(370)	(370)
3.5	Proceeds from borrowings	9	9
3.6	Repayment of borrowings	(193)	(193)
3.7	Transaction costs related to loans and borrowings	(6)	(6)

3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	4,941	4,941

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	965	964
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(808)	(707)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(253)	(353)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,941	4,941
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	4,845	4,845

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,847	965
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (credit cards)	(2)	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,845	965

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	41
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of Director fees to Non-Executive Directors and salary payments to executive director.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	11
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Payments for services to Crosspoint for office services and to RIMAB for operating radiology facilities.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	235	235
8.2	Credit standby arrangements	NIL	NIL
8.3	Other (please specify)	NIL	NIL
8.4	The loan facilities are all unsecured loans from: 3 x Banco Davivienda (\$33k) average 25.2%; Banco Colpatría (\$145k) @ 17.9%; and BBVA Colombia (\$57k) @ 14.5%		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	32
9.2	Product manufacturing and operating costs	160
9.3	Advertising and marketing	10
9.4	Leased assets	-
9.5	Staff costs	520
9.6	Administration and corporate costs	353
9.7	Other (Refer note below)	1,415
9.8	Total estimated cash outflows	2,490

9.7: Other Estimated cash outflows include Cash flows from Investing Activities, which includes payments for PaaS capital expenditures required to support long term client receivables. The company also expects cash outflows for the purchase of equipment for one-off sales which are historically highest in the last quarter of the calendar year.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Imaging Experts and Healthcare Services Pty Ltd	N/A
10.2 Place of incorporation or registration	NSW	N/A
10.3 Consideration for acquisition or disposal	As detailed in the prospectus dated 23 July 2018	N/A
10.4 Total net assets	As detailed in the prospectus dated 23 July 2018	N/A
10.5 Nature of business	Development and Sale of Radiological Software as a Service and Platform as a Service	N/A

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.

Sign here:



Date: 31 October 2018

Company Secretary

Print name:

Peter Webse

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.