

ASX ANNOUNCEMENT

COMPANY ANNOUNCEMENT

IMEXHS announces A\$10m Capital Raise to fund accelerated expansion in international markets and AI capabilities

HIGHLIGHTS

- Firm commitments received for a \$10m Placement
- Strong institutional demand with a range of new investors
- Company has a strong performance record, exceeding its objectives in just over 12 months since listing
- Funds used to accelerate expansion into US, Australia, Brazil and Spanish markets as well to step up AI product development

SYDNEY — 24 October 2019 — Australian medical imaging company **IMEXHS Limited [ASX: IME]** ("**IMEXHS**" or "**the Company**") is pleased to announce that it has firm commitments to complete a Two Tranche Placement ("Placement") to raise \$10m before costs.

The Company has received significant demand from domestic institutions and from a range of new sophisticated investors through a placement of 250 million fully paid ordinary shares ("Placement Shares") at an issue price of \$0.04 per Placement share to raise \$10m before costs ("Placement").

Canaccord Genuity Patersons Ltd¹ ("Canaccord") acted as Lead Manager to the Placement and Forrest Capital Pty Ltd acted as Co-Manager to the Placement.

The Placement will be completed in two tranches as follows:

- Tranche 1 of the Placement will raise \$5.0m via the issue of 125 million new shares pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1
- Tranche 2 of the Placement will raise a further \$5.0m via the issue of 125 million new shares (including Shares to Directors) subject to shareholder approval to be sought at a general meeting of the Company, expected to be held on or around 3 December 2019

The Company will also issue Forrest Capital 5 million options exercisable at 5.4c on or before 30 September 2022 as part of its fee.

Placement shares will rank equally with existing fully paid ordinary shares.

¹ On 22 October 2019, Canaccord Genuity Group Inc. through its Australian subsidiary Canaccord Financial Group (Australia) Pty Ltd completed the acquisition of Canaccord Genuity Patersons Ltd (previously Patersons Securities Limited, ACN 008 896 311).

Use of Funds

Funds raised from the Placement will be used to bring forward the development of target markets, accelerate research and development and for general working capital purposes.

The Company intends to capitalise on the extensive distribution network and client base it has built in Latin America and speed up its campaign to break into the lucrative US market with a RIS PACS market expected to reach approximately US\$2.5b in 2027. After announcing its first Australian customer, the Company is also in an ideal position to benefit from the expertise and reach of some of its stakeholders including Director, Dr Doug Lingard.

The strength of the Company's Latin America business is reflected in its strong business pipeline and remains a core focus for income generation while new markets develop.

In order to ensure that its HIRUKO suite of products remain at the forefront of medical imaging technology, the Company will continue to expand its range of cutting-edge AI tools and increase penetration of its cardiology and pathology modules into existing and new customers. For the 4th year in a row, the growth of AI and Machine Learning was voted the Most Significant News Event in "Radiology" (20th annual *AuntMinnie.com Awards*, the most respected web community for medical imaging professionals worldwide).

Strong Record of Performance

The Company has achieved numerous milestones since listing and has exceeded many of its objectives outlined in the Prospectus. These achievements underline the potential for future business success and include:

- Increasing Total Contract Value (TCV) from ~\$11.1m just before listing to a high of \$25m in June 2019 and Annual Recurring revenue from \$2.9m to a high of \$8.2m over the same period
- Expanded distribution into Latin American markets including Mexico, El Salvador, Costa Rica, Ecuador, Peru, Bolivia, Honduras, Nicaragua, Panama, Brazil, Uruguay & Chile
- Completed and launched new Cardiology and Pathology product suites
- Continues to win competitive deals against the leading incumbent providers in the market
- Has built a robust, qualified pipeline of new business valued at over \$46.5m
- Licensed Hiruko to AGMednet for use in global clinical trials
- Achieved FDA clearance in the USA
- Renewed major customers in Latin America with significant contract increases
- Announced first distributor in the USA
- Launched its first AI product
- Signed first customer in Australia after a detailed period of evaluation and localisation

"We are pleased to have worked with Canaccord and Forrest Capital to raise this additional capital for IMEXHS", said CEO and cofounder, Dr German Arango. "We are excited about the opportunities that this capital will enable, in allowing IMEXHS to more aggressively pursue its next chapter of growth and new product development. We welcome a broad range of new investors to the register and we look forward to implementing our vision of creating a major force in international medical imaging markets".

Indicative Timetable*

Event	2019
Announcement Placement to ASX	24 October
Settlement of Tranche 1 Placement	30 October
Allotment of Tranche 1 Placement Shares	31 October
Dispatch Notice of Meeting for shareholder approval of Tranche 2	5 November
Shareholder Meeting	3 December
Settlement of Tranche 2 Placement	9 December
Allotment of Tranche 2 Placement Shares	10 December

* The timetable is indicative only and subject to change.

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ABOUT IMEXHS

IMEXHS Limited [ASX: IME] is a leading imaging Software as a Service (SaaS) and ancillary solutions provider. 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 Radiology Imaging System (RIS). The Hiruko system is completely cloud based, vendor neutral and zero footprint with no need for installed software. Enhanced features such as a fully web-based voice recognition option and a zero footprint DICOM viewer are some of its advanced features. In addition to PACS and RIS, imaging technology and management systems can be provided on a Platform as a Service (PaaS) basis when packaged with equipment. The IMEXHS products are designed to increase productivity and save money for the users, with a scalable platform that is configured for the future, while enhancing patient outcomes. Please see www.imexhs.com