

21 May 2020

ASX RELEASE

2020 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 10.30 am today.

Authorised for release by the Board of IMEXHS Limited.

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About IMEXHS

IMEXHS Limited [ASX: IME] is a leading imaging Software-as-a-Service (SaaS) and ancillary solutions provider with 227 customers 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

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**IMEXHS Limited
Annual General Meeting
21 May 2020**

Chairman's Address

2019 was our first full year as an ASX-listed company and it is an exciting time to become Chairman of IMEXHS.

Although IMEXHS is currently at the small end of the Australian market, it has a big story to tell and as an innovative and agile disruptor, it has the potential to become a major global player in medical imaging software.

Let me note two truisms of healthcare:

Firstly, at the macro level, despite decades of advances in digital technology, the cost of healthcare has continued to rise as a share of GDP around the world.

And secondly, at the coalface, no matter how skilful and well trained our medical practitioners are, their productivity is ultimately limited by the tools and processes around them.

The HIRUKO™ platform, as envisaged by German and his co-founders back in 2012, addresses real needs and delivers better outcomes for doctors and patients by improving productivity and reducing healthcare costs.

Slide 4 – Leading innovator in medical imaging

Turning to Slide 4, there are a number of factors that make IMEXHS's business model compelling.

To begin with, it has a highly recurring revenue base which limits earnings downside during tough times, such as those we are living through at the moment.

Secondly, HIRUKO™ is a critical system as shown by its customer retention rate of over 95% and the fact that IMEXHS has never been displaced by a competitor.

Finally, the cloud-based platform has multiple runways for growth whether it is via expansion in its core Latin American markets, the development of new markets in the US, Europe and Australia or the leveraging of its cutting-edge technology to create other medical imaging verticals.

Slide 5 – Expanding global footprint

Slide 5 provides an overview of IMEXHS's global footprint which currently extends across 15 countries.

Over 600 radiologists use our imaging solutions which are developed by software engineers who are based in Colombia, an emerging tech hub.

Slide 6 – Significant global opportunity

Slide 6 captures the significant global opportunity with the combined market for Radiology Imaging Systems and Picture Archive and Communications Systems expected to grow from \$2.7 billion in 2018 to over \$5 billion in 2027.

I should point out that this figure only includes radiology and does not capture the upside from the development of other verticals such as cardiology and pathology.

Slide 7 – Our board of directors

Turning to Slide 7, I wish to take this opportunity to thank the Board and Executive team for the warm welcome I have received over the past couple of months.

In addition, I would like to thank our outgoing director Howard Digby for the significant contribution he has made to IMEXHS and welcome Damian Banks, who was most recently CEO and Director of Konekt, an ASX-listed tech-focused health and employment business.

I would also like to acknowledge the dedication of our team who have rapidly adapted to remote working practices. We have an outstanding group of scientists, software engineers and business people who are rapidly growing in stature in Colombia.

As a shareholder and Board member I cannot thank them enough for the outstanding work they are doing.

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

CEO's Address

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

2019 was another important year for the company and we made good progress against our key objectives; developing new medical imaging verticals and business models and extending our footprint into new geographies with specialist distributors.

We attended the Radiological Society of North America or RSNA conference for the first time and received several international awards which recognised our unique tech offering.

Slide 9 – Built by physicians for physicians

Turning to Slide 9, we created IMEXHS in 2012 to solve a dilemma that combined a remote location and limited bandwidth with a global shortage for radiologists.

We had a contract to take images and scans at a clinic in the Amazon jungle but there was no radiologist to do the reporting or interpretation and the available bandwidth was only 250 kilobytes.

At the time, the only answer was to develop a teleradiology product ourselves that could be delivered over the Internet and which became the core of our HIRUKO™ platform.

As physicians, we had a clear idea of the sort of functionality we needed from both a business and clinical perspective and within 12 months, we had completed our first client deployment.

Seven years later, in 2019, our medical imaging software performed almost 26m studies at over 270 sites across 15 countries.

When we founded IMEXHS, it is fair to say that we did not expect to list one day on the Australian Stock Exchange. The Amazon is a long way from Sydney, but that journey reflects the early interest shown in IMEXHS by our director Carlos Palacio and other investors, as well as the ASX's support of innovative tech start-ups from around the world.

It is thanks to our shareholders that we have been able to make important investments in R&D and enter new markets since listing in 2018.

Slide 10 – FY19 Financial Highlights

Turning to our FY19 results, Slide 10 provides a financial summary which shows strong growth in all key metrics.

Total revenue of \$7.7m increased by 34% on the previous corresponding period or pcp, due to a number of new contract wins as well as the renewal or extension of contracts with existing customers.

The company remained focused on growing recurring revenue which was 136% higher on pcp and represented 85% of total revenue.

An EBITDA loss of \$4.6m reflected increased investment in R&D, sales & marketing and radiology services to develop AI tools.

In December 2019, we successfully completed a \$10m placement and received significant support from existing and new shareholders.

Slide 11 – FY19 Operational Highlights

Slide 11 shows that our FY19 result was underpinned by several operational achievements. These included strong revenue momentum in our core Latin American markets and the realisation of several milestones as we entered new markets.

In the key US market, we received FDA clearance and our debut at the world's leading annual radiologist event, the RSNA conference, generated significant interest and sales leads.

We also signed our first Australian contract with Countrywide Medical Ultrasound, and Tecnicas Medicas Milenium became our first European customer.

Finally, 2019 was a very successful year in terms of research and development and we achieved significant milestones - developing new medical imaging verticals and AI capabilities - which further improved our competitive position.

Slide 12 – Targeted investment in R&D

Slide 12 shows our R&D priorities in 2019 which enhanced our product offering and revenue opportunities, and delivered better outcomes for customers and patients.

Slide 13 – Executive team

Slide 13 shows our executive team and we are extremely fortunate in the talent we have assembled across the company.

Most of our highly qualified engineers trained in North America and are based in Colombia, which provides us with a competitive advantage in terms of development costs.

We also have a close relationship with the largest university in Bogota which gives us access to the best and brightest PhD students.

Slide 14 – HIRUKO™ medical imaging platform

Slide 14 shows our HIRUKO™ platform which consists of three key components.

Our core platform is made up of;

- A picture archiving and communication system or PACS which enables healthcare organisations to capture and store images for viewing and sharing by radiologists and other medical professionals.
- This has been combined with a vendor neutral archiving system or VNA which can receive images from all sources. This is important because the ability to archive images from different verticals on a single platform is a growing requirement of healthcare organisations.
- We have a universal web viewer which allows doctors to diagnose images from any device on any web browser.
- Web portals for patients and physicians which ensures easy access to images and results.

- Multi-tenant architecture which is critical to delivering a cost-effective solution via the cloud and online marketplaces.
- The core platform also integrates Nuance's 360 voice recognition solution which is fully web and we are one of the few medical imaging software providers in the world that are entirely web-based.

Next I would like to talk about our enterprise imaging system which customises specific workflows for different clinical departments or specialisations; Aquila for radiology, Alula for pathology and Anteros for cardiology.

Finally, we have our advanced post-processing elements which are the most sophisticated layer and include Stella, an AI tool for chest x-rays, as well as advanced visualisation tools from third parties in Alma and Vital.

One of our recent additions to the platform is Braviz, which stands for brain visualisation. As a Professor of Neuroradiology, I am extremely proud of the work our engineers have done to develop advanced post processing for neurological images including automatic brain segmentation, volumetry, tractography and embedded statistical analysis for research.

Slide 15 – End-to-end modular imaging solution

Slide 15 shows that HIRUKO™ integrates all the steps of a radiology imaging workflow into a single platform which means it can also measure the metrics of the business and produce statistics in real time. The core of the platform is radiology reporting, visualisation, post-processing and voice recognition but it also provides practice management functions such as scheduling and billing.

Slide 16 – Advanced Streaming Technology

Slide 16 outlines our unique streaming technology. Our experience with bandwidth limitations meant that our technology uses server-side rendering to stream the pixels to any web-enabled device, resulting in fast and efficient image delivery.

Slide 17 – Our competitive advantage

Turning to Slide 17, our competitive advantage is based on three factors which together enable us to scale the business around the globe.

1. Accessibility – we are fully cloud-based and can be deployed rapidly and accessed from any browser or location. Teleradiology is at the core of our platform.
2. Capability – our tech is state of the art with a single platform and archiving system, expanded medical imaging portfolio, as well as innovative AI tools and multi-tenant architecture.
3. Flexibility – our modular platform provides great flexibility as we meet the different needs of our customers whether they are a single clinic or a network of large hospitals.

Slide 18 – Our customers

Slide 18 shows some of our customers who vary enormously in terms of size and complexity. Several have approached us, such as Tecnicas Medicas Millennium in Spain who wanted a teleradiology

solution and AG Mednet in the US, who are using our PACS in clinical trials that are being carried out in 40 countries.

Slide 19 – Replacing a major competitor

Turning to Slide 19, one of our important clients, Clinica Las Americas needed a new solution because their software provider was unable to process the new breast tomosynthesis modality. The hospital network ultimately decided to replace their entire solution with HIRUKO™ and have since extended their contract to include the new medical imaging verticals for pathology and cardiology.

Slide 20 – Focused on recurring revenue growth

Slide 20 shows that recurring revenue accounted for 85% of total revenue in 2019 and customer retention remained extremely high at over 95%. Some customers have recently renewed or extended their contracts in advance, illustrating the ‘stickiness’ of our platform.

Slide 21 – Strong track record of growing ARR

Turning to Slide 21, we have a proven track record of growing ARR which has increased by a compound growth rate of 124% since inception. At the end of March 2020, ARR was A\$9.2m.

We have a strong pipeline across all markets and our inclusion on cloud marketplaces will also support future growth.

Slide 22 – Multiple distribution channels

The diagram on Slide 22 shows that IMEXHS’s distribution model is based on a combination of direct sales and exclusive partnerships with specialist distributors in overseas markets. These distributors form part of a low risk go-to-market strategy as their experience in selling similar products reduces the sales cycle. The reasons these distributors cite for choosing us over a competitor is that our technology is better, more affordable and flexible, and we offer teleradiology and AI tools.

In April, 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.

Slide 23 – Developing AI capabilities

Turning to Slide 23, we are providing radiology services for a small number of contracts to access images for training algorithms and AI data sets.

IMEXHS has also developed an AI tool for detecting faulty pathology on a chest x-ray and are working on another that would split a radiologist’s worklist to improve productivity.

There is more than just imaging on the AI development front and we recently released non-imaging AI tools in natural language processing. Other projects on our AI roadmap address administrative workflow and include improving the scheduling process and technician workflow.

Slide 24 – Industry trends: Healthcare IT sector

Slide 24 shows that we are well placed to benefit from a number of macro trends in the healthcare sector. Our focus will remain on growing sales from existing customers through the provision of additional verticals and AI tools; and attracting new customers in our core markets, new geographies and cloud marketplaces.

Slide 25 – FY20 Outlook

Turning to Slide 25, we have had a positive start to the 2020 financial year. Our first quarter activity report showed cash receipts of \$2.3m which were 62% higher than the first quarter of 2019 and a closing cash balance of \$6.9m.

For the year to date, we are tracking in line with expectations across our key financial measures of revenue, ARR and cash.

We are in a strong financial position and there has been no material impact from the COVID-19 outbreak as the reduction in non-essential imaging has been offset by increased demand for radiology protocols related to COVID-19 diagnosis and treatment.

The pandemic has reinforced the advantages of our teleradiology platform which has resulted in increased sales leads. While there has been some slowing of decision making in relation to new projects, the pipeline has not reduced and there has been no decrease in the success rate or size of deals.

I want to thank the Board and our team for their hard work and dedication. In particular, I would like to thank Howard Digby for his efforts over the last few years.

In the two months since coming aboard, our new Chairman, Doug Flynn has provided valuable counsel and guidance, and I look forward to working with him and our new director Damian Banks in the years ahead.

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

2019

Annual General Meeting

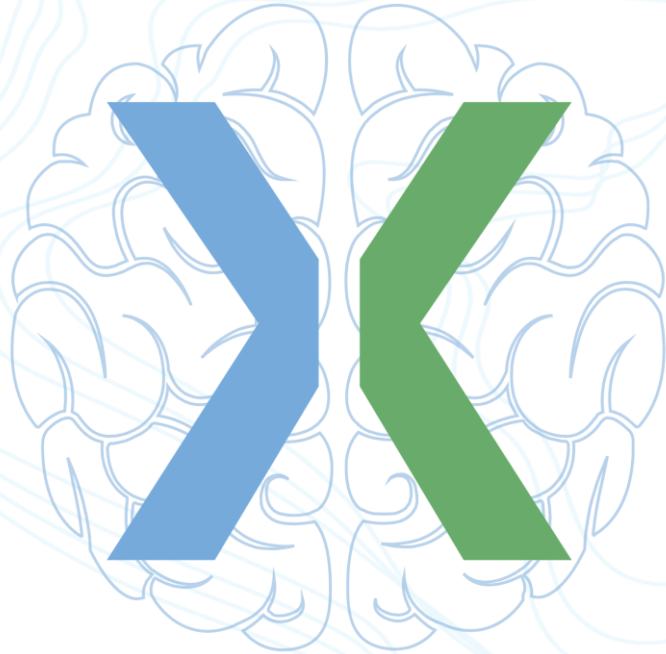
21 May 2020

imeXHS

Built by physicians for physicians

Chairman's Address

Doug Flynn



Innovative provider
of cloud-based
medical imaging
software solutions

Leading innovator in medical imaging



- **Next Generation multi-modality cloud-based** medical imaging software with 227 customers globally
- **Subscription model** with >85% of revenue recurring from multi-year contracts
- **Multiple distribution channels** across 15 countries including Australia, USA & Spain
- **Scalable, modular HIRUKO™ platform** provides solutions for all complexity levels
- **Teleradiology** design allows radiologists to view and distribute images from any device and location
- **Developing AI tools** from our large proprietary image database (>200m stored images)

Expanding global footprint



15 countries

>270 sites

>600 radiologists

23 distributors

1/3 of team in R&D

Significant global opportunity



RIS/PACS

2018 **US\$2.7bn**

2027 **US\$5.0bn**

7.4% CAGR

- Global market is valued at US\$2.7bn
- Estimated to grow at 7.4% CAGR
- Projected global RIS/PACS market of \$5.0bn in 2027
- This only captures Radiology Imaging Systems
- Further upside from other medical specialities

Our board of directors



Doug Flynn
Non-Executive
Chairman



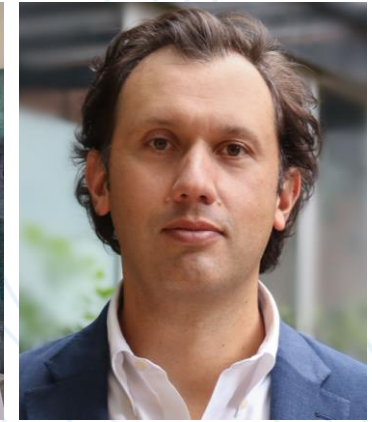
Carlos Palacio
Non-Executive
Director



Dr Doug Lingard
Non-Executive
Director



Damian Banks
Non-Executive
Director
(from 22 May 2020)

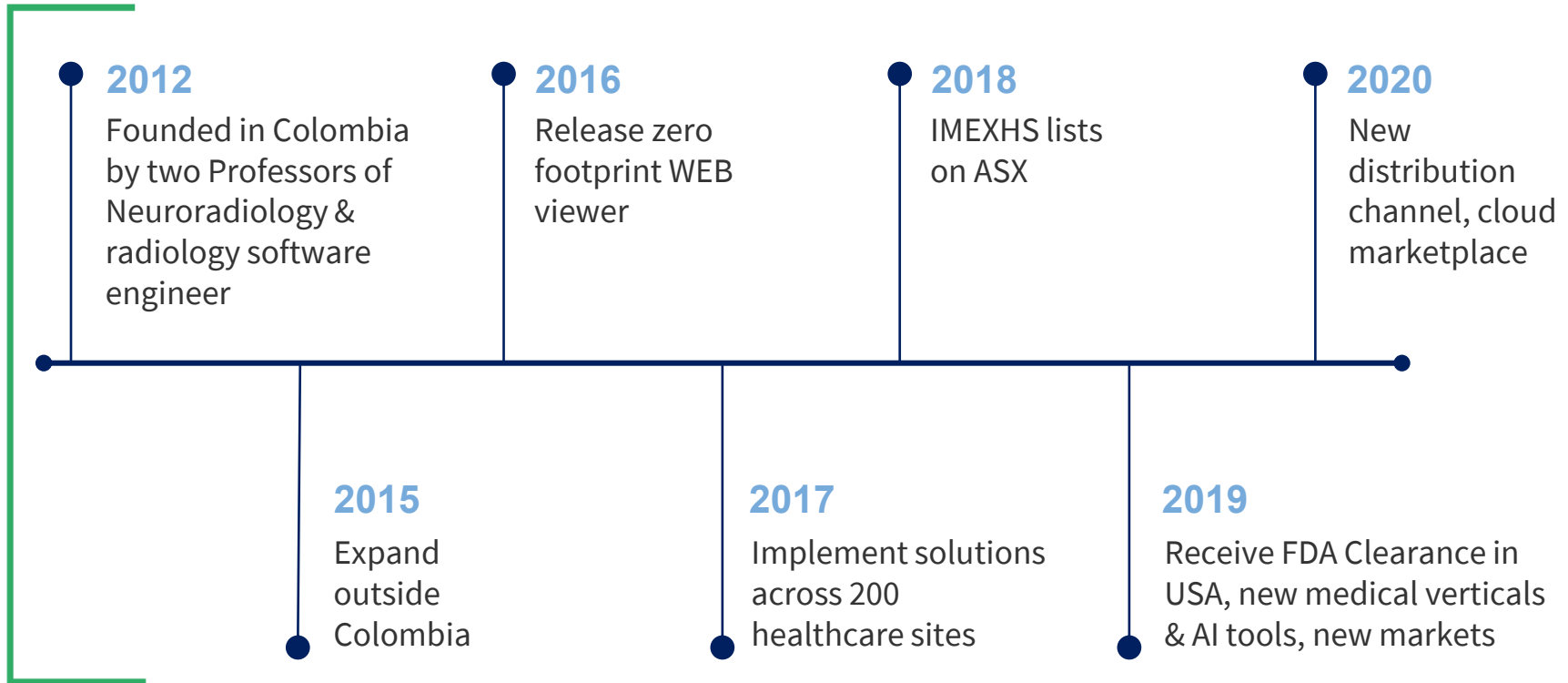


Dr German Arango
CEO and Managing
Director

CEO's Address

Dr German Arango

Built by physicians for physicians



FY19 Financial Highlights



Revenue of

\$7.7m

Up 34% on pcp, new contract wins & renewals

Gross margin of

70%

In line with prior year

Recurring revenue of

\$6.6m

Up 136% on pcp, 85% of total revenue

EBITDA of

(\$4.6m)

Investment in R&D, radiology services

ARR of

\$8.5m

Up 94% on pcp

Closing cash of

\$7.1m

Up 192% on pcp

FY19 Operational Achievements



STRONG MOMENTUM IN CORE MARKETS

- Key contract wins with new and existing customers
- Continue to displace competitors
- Positive momentum in sales pipeline

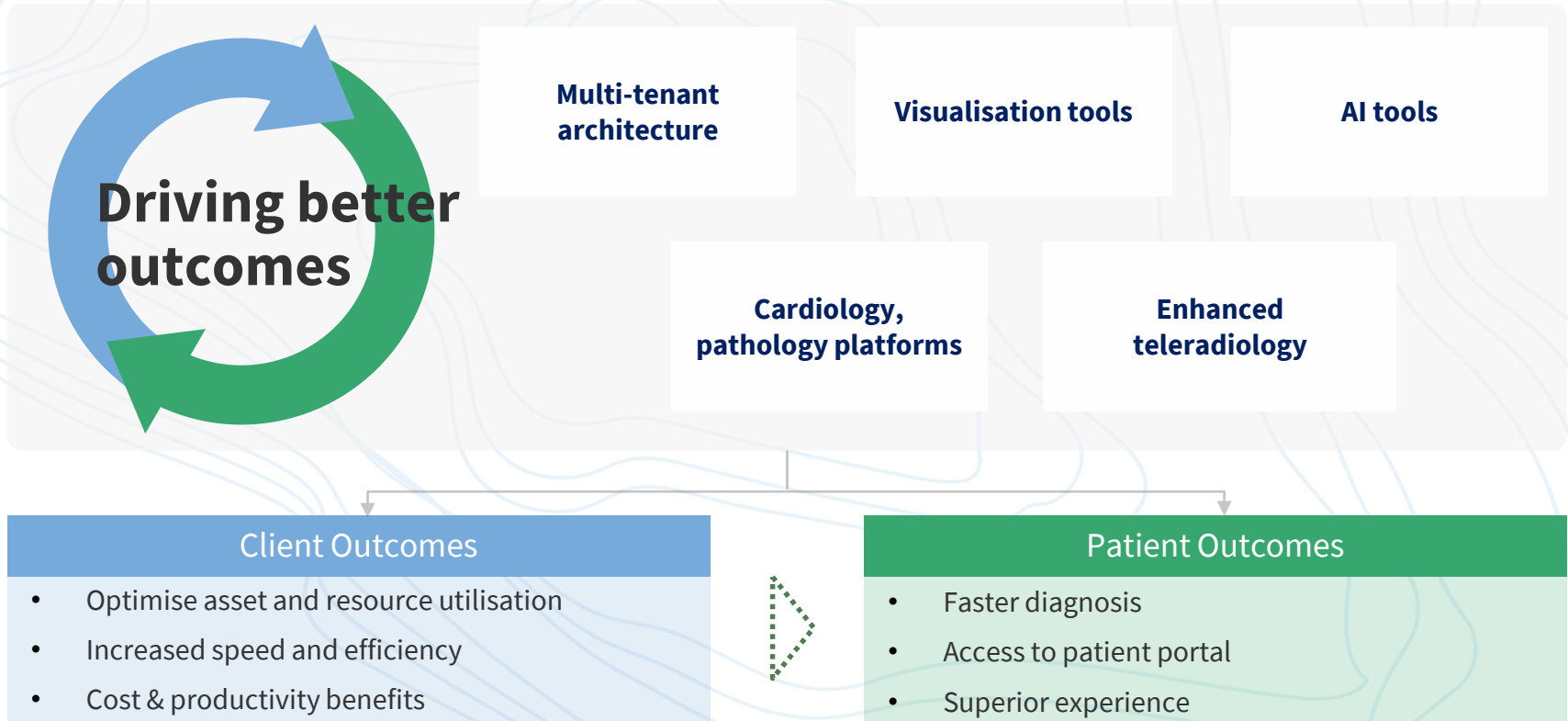
GEOGRAPHIC EXPANSION ON TRACK

- FDA clearance in USA, 1st RSNA appearance
- Won first contracts in Australia, Spain and Puerto Rico
- Expanded distribution in other LATAM markets

ONGOING INVESTMENT IN R&D, AI

- New medical verticals, cardiology, pathology
- Provide interpretation services to enhance AI image library, develop new AI capabilities
- New tools and features

Targeted investment in R&D



Our executive team



Dr German Arango
Managing Director &
CEO



Dr Jorge Marín
Chief Medical Officer



Alejandro Varettoni
Chief Sales Officer

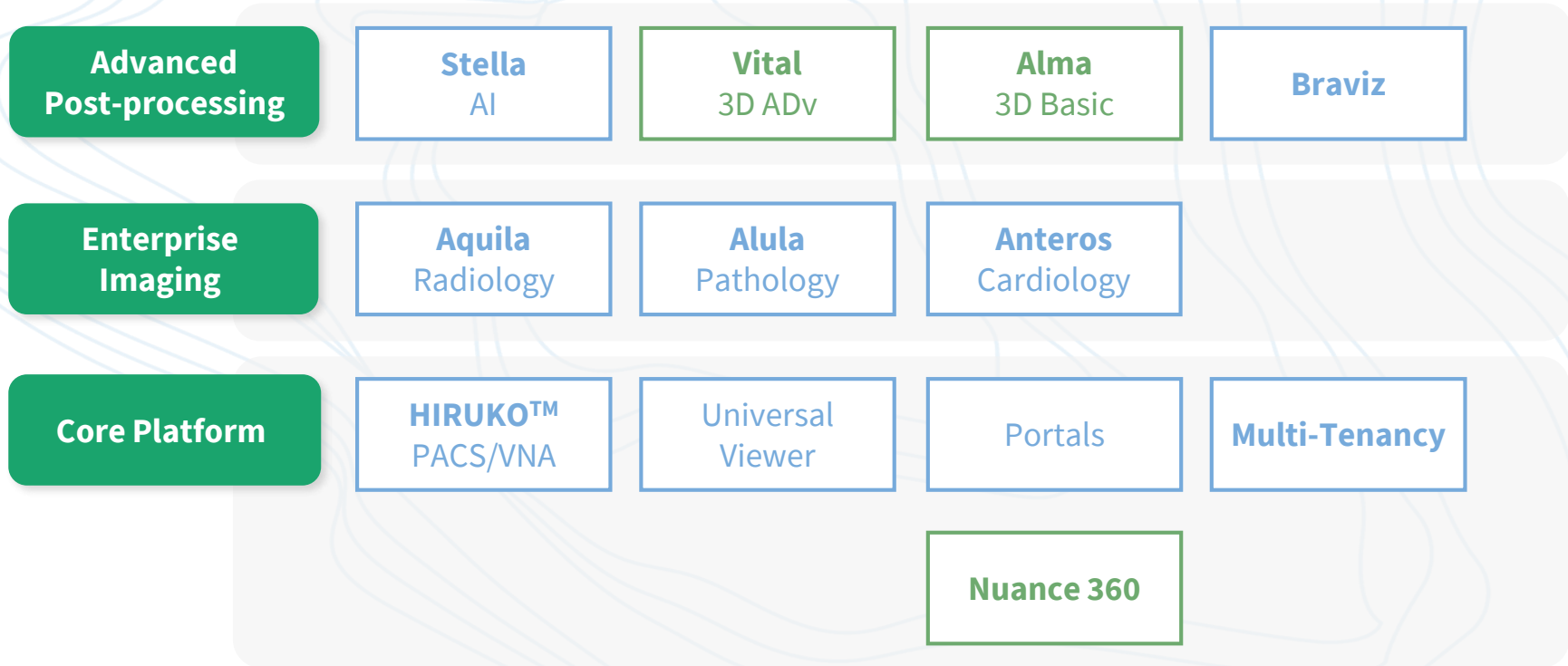


Alexander Sanz
Chief Technology
Officer

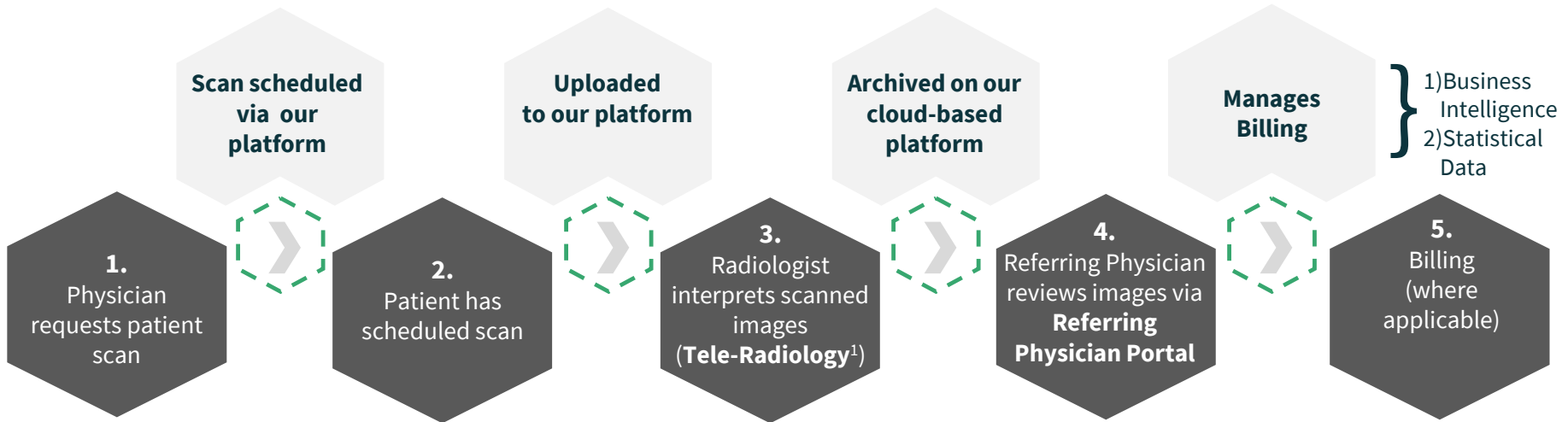


Tony Thomas
Chief Financial Officer

HIRUKO™ medical imaging platform

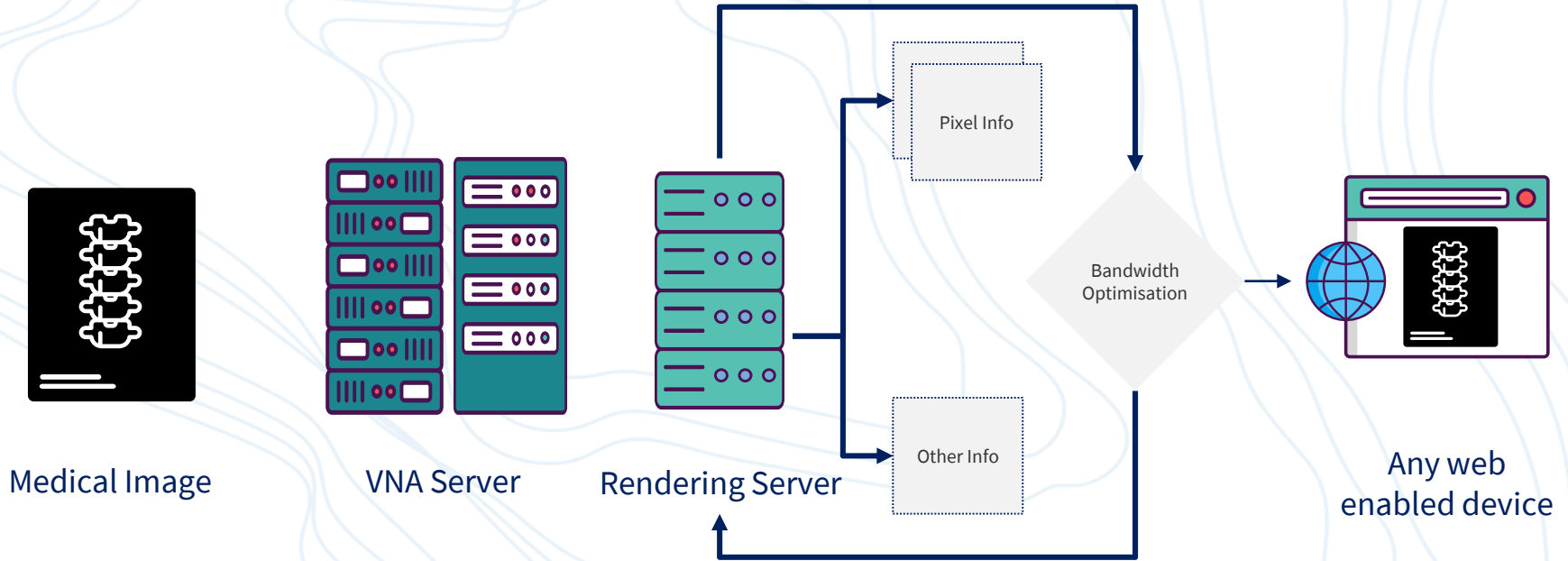


End-to-end modular imaging solution



¹ Tele-Radiology - radiology concerned with the transmission of digitised medical images (as X-rays, CT scans, and sonograms) over electronic networks and with the interpretation of the transmitted images for diagnostic purposes

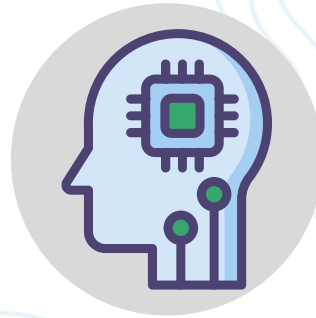
Advanced streaming technology



Our competitive advantage



ACCESSIBILITY



CAPABILITY



FLEXIBILITY

Our customers



Replacing a major competitor



Clinica Las Americas

- Incumbent unable to provide a high-tech imaging modality
- IMEXHS appointed to provide this as well as entire end-to-end medical imaging solution
- Replaced incumbent with no disruption to service
- Now also receive new medical verticals of cardiology and pathology



One of the top 23 hospitals in LATAM



25 Modalities (including Digital Breast Tomosynthesis)



380 concurrent users and 3 additional sites.

LAS AMERICAS CLINIC

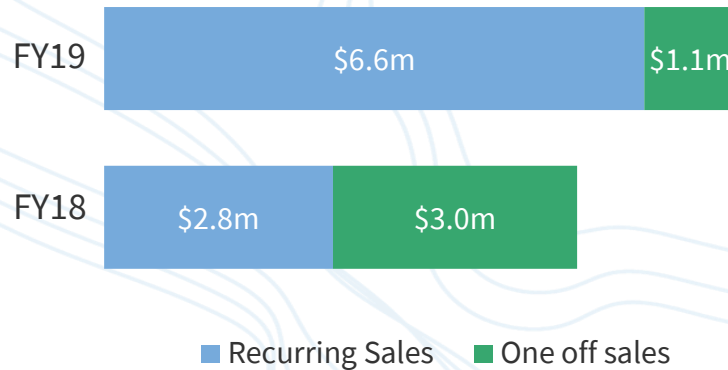
- Group consists of 8 different companies
- Third level complexity clinic
- More than 500 health professionals
- 340 hospital beds.



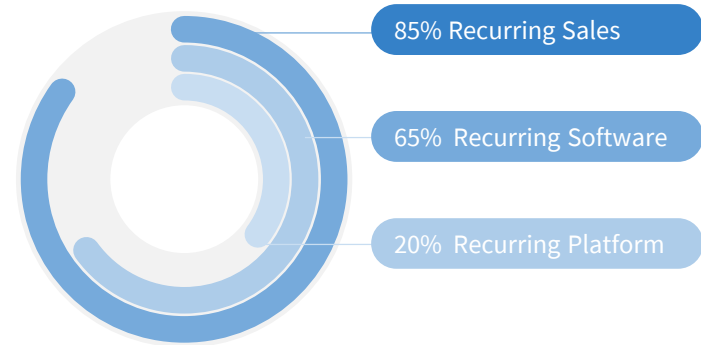
Radiology Platform	INCUMBENT	IMEXHS
Large Initial Fee	YES	NO
Total Processed Studies	Maximum 20,000	Unlimited
Software Technology	Client Server	WEB Based
Voice Recognition	SpeechMagic 5.1 – Client Server	Speech Anywhere – WEB (Superior)
Modalities Supported	All, except Digital Breast Tomosynthesis	All Modalities
Tele Radiology	NO	YES
HIS Platform	YES	YES, KPI & Real Time Control

Focused on recurring revenue

Two revenue models - recurring and one-off sales



- Monthly subscription fees
- Average 5-year contracts
- Customer retention >95%
- 85% of FY19 revenue is recurring
- FY19 recurring revenue up 136% on pcp

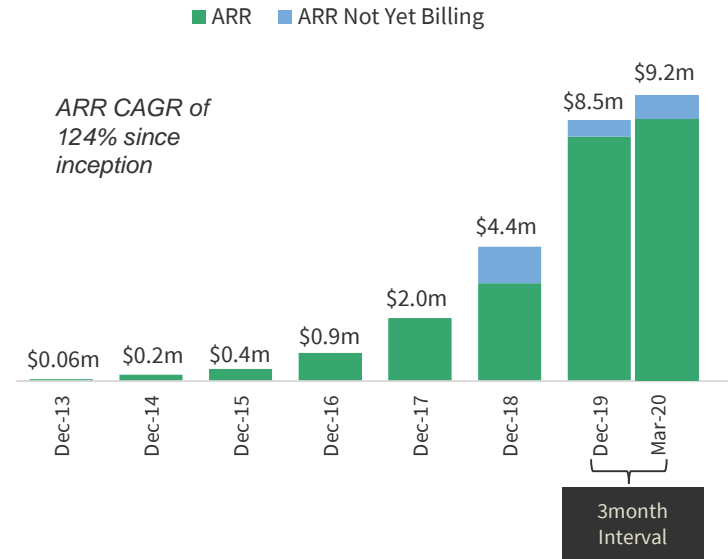


Strong track record of growing ARR



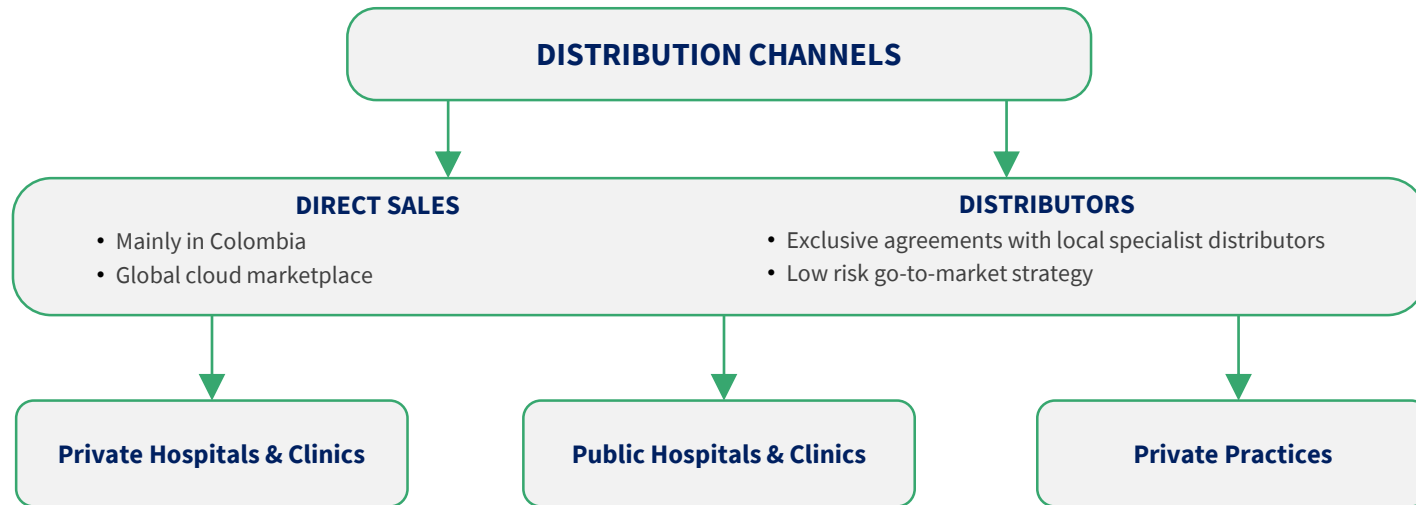
- Annual Recurring Revenue (ARR) of A\$8.5m in December 2019 (A\$9.2m in March 2020)
- Recent contract wins include: Hospital Policia, Al-RAD, Tecnicas Medicas Millennium S.L, Centro Medico Buenos Aires
- Strong sales pipeline across all markets
- Distribution agreement with IGMC Medical Technology Group supports entrance to US

ANNUALISED RECURRING REVENUE



Multiple distribution channels

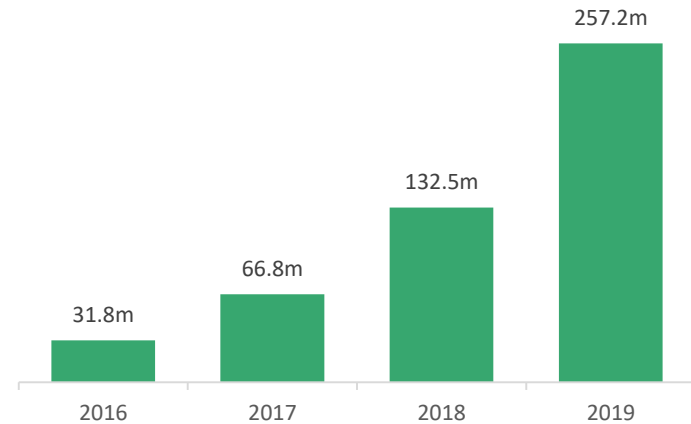
- Established new distribution channel in April 2020 with acceptance of IMEXHS on Ingram's Micro Cloud marketplace
- Local specialist distributors have switched from major competitors to sell HIRUKO™ on an exclusive basis



Developing AI capabilities

- Access to over 257m images and 5 petabytes of data for AI development
- Provide interpretation services to enhance AI image library
- Create test bed for the development and training of AI tools
- Developed Stella AI which identifies normal and pathological radiological patterns in chest x-rays
- Released non-imaging AI tools in natural language processing

IMAGES



INDUSTRY TRENDS: Healthcare IT sector

Large, rapidly growing but highly fragmented global medical imaging sector

Increasing use of radiological techniques in wider clinical applications, demand for central storage of images

Chronic global radiologist shortage driving demand for teleradiology

Increased proportion of the value chain coming from AI

Shift from client server architecture to fully web-based cloud solutions

STRATEGIC PRIORITIES: Benefiting from industry tailwinds

'Land & expand' strategy with multiple verticals including cardiology and pathology, VNA capability

Teleradiology solution allows radiologists to access images from any device or location

Geographic expansion across multiple markets, leverage specialist distributors

Large AI image library and radiology services drive development of AI tools

Low touch deployment model for small clinics

FY20 Outlook



- **Strong Q1 FY20** with cash receipts of \$2.3m, up 62% on pcp and closing cash balance of \$6.9m
- **Remote-working capabilities** of HIRUKO™ teleradiology highlighted by COVID-19 pandemic resulting in increased sales leads
- **Drive sales growth** by converting strong sales pipeline and expanding into new markets, especially USA, Australia, Spain and Brazil
- **Continued product innovation** to deliver higher value tools and AI capabilities
- **New distribution channel** with Ingram Micro Cloud, world's largest marketplace provides access to global customer base
- **No material impact to date from the COVID-19 pandemic** with reduction in non-essential imaging largely offset by greater demand for radiology protocols related to COVID-19 diagnosis and treatment

Glossary



Artificial intelligence (AI) tools aid the interpretation of radiological images which require access to large image databases and digital workflows

Cloud-based usually refers to an application or service available via the internet, hosted by any major public cloud provider

Cloud marketplace is an online channel that allows Cloud Service Providers (from different industries) to offer their business solutions to potential customers

DICOM is an international standard used to transmit, store, retrieve, print, process and display medical imaging information & allow interoperability between manufacturers

Medical verticals are market segments that refer to specific diagnostic departments within hospitals (e.g. radiology, pathology, cardiology)

Multi-modality refers to the support of multiple types of medical images such as CAT Scan, MRI, X ray, Ultrasound

Multi-tenant architecture is a manner in which an application can be deployed in a cloud-based environment to offer multiples instances of a product within a single service

Non-DICOM are clinically significant patient records such as jpeg, pdf, video

Streaming technology transfers medical images from our VNA to our Web Viewer, reducing the waiting time of the radiologist or referring physician

Teleradiology refers to scanned images (readings) which are managed digitally allowing interpretation to be performed by radiologists in other locations

Vendor Neutral Archiving (VNA) allows PACS systems to store all patient records (DICOM & non-DICOM)

Web viewer is built on top of web technologies to run on major web browsers

Zero footprint allows radiologists to diagnose images from any device (Mac, PC, tablet, smart phone), anywhere & on any web browser

