

30 August 2021

## ASX ANNOUNCEMENT

# IMEXHS reports 1H FY21 Financial Result

## Highlights

- Sales revenue of \$5.2m, up 15% (25% on constant currency basis)
- Annualised Recurring Revenue (ARR)<sup>1</sup> of \$12.7m, up 44% (57% on a constant currency basis), including \$2.0m from Aquila in the Cloud
- EBITDA loss of \$2.1m vs loss of \$1.3m due to increased investment in sales and marketing
- Strong financial position with closing cash balance of \$8.3m at 30 June 2021
- Announced acquisition of radiology service provider RIMAB SAS for ~\$8.5m less purchase price adjustments with an EGM at the end of September 2021

\* All figures compare 1H FY21 to 1H FY20 unless otherwise indicated / unaudited financial information

**IMEXHS Limited (ASX: IME) (“IMEXHS” or “the Company”)** today released its financial results for the six months ended 30 June 2021. IMEXHS is an innovative provider of cloud-based, AI medical imaging software across 15 countries.

IMEXHS Co-Founder and CEO Dr German Arango said: “We are pleased with the growth in our annual recurring revenue as well as our expansion into key markets such as Australia and the US. Aquila in the Cloud (AiC), our standardised radiology solution launched in May 2020, is showing great momentum with 84 deals signed to date, including six in the US and four in Australia, and an ARR contribution of \$2.0 million. Our focus is now on implementing these deals in order to recognise the associated revenue and cash flow.

“To expand into new markets, particularly the US, we have increased our investment in sales and marketing. We now have three salespeople in Florida, including our most recent hire who is focusing on north Florida. The imaging market in Florida is about three times as large as the market in Colombia and we have seen encouraging growth from that one state since we opened our office in Miami.

“Aquila Custom, our customised medical imaging offering aimed at the high end of the market, is also showing strong demand although decision-making among larger operators has been slower-than-normal as a result of the pandemic. We have won a number of small Aquila Custom contracts during the half

<sup>1</sup> Annual Recurring Revenue (ARR) is the value of monthly recurring contract revenue multiplied by twelve.



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and have seen good growth in imaging volumes and revenue from our existing customer base. Our imaging technology is now being used by over 2,100 radiologists and almost 300,000 referral physicians.

### Financial Performance

IMEXHS reported total revenue of \$5.2m, up 15% and up 25% on a constant currency basis compared to 1H FY20. Recurring revenue contracts accounted for 94% of revenue. Total expenses were also up 16% compared to 1H FY20 reflecting an increased investment in sales and marketing, expanding operations in Australia and the US and acquisition related costs of \$0.4m. As a result, the EBITDA loss increased by \$0.8m to \$2.1m with an underlying loss of \$1.4m and a consolidated loss after tax of \$2.7m.

IMEXHS remains in a strong financial position with closing cash of \$8.3m and net assets of \$13.7m at 30 June 2021, reflecting the \$8.3m capital raising in October 2020.

### Business Highlights

A key highlight in 1H FY20 continues to be the strong demand for Aquila in the Cloud (AiC) which validates the need for a standardised radiology solution for small to medium-sized operators. IMEXHS is using this product offering to expand into new markets evidenced by the fact that 85% of AiC deals signed were outside Colombia. Partners have been an effective channel to selling the product (they generated 65% of AiC sales in Q2), and are working with IMEXHS to speed up the implementation process which has been slower than expected. Key initiatives to help onboard customers include automating the development process and ensuring the customer has the correct equipment in place to install and run the software.

### RIMAB SAS

On 26 July 2021, IMEXHS announced the proposed acquisition of radiology service provider, RIMAB SAS, for ~\$8.5m less estimated purchase price adjustments. This acquisition strengthens IMEXHS's customer offering and provides a test bed for developing AI tools. It also removes related party transactions and improves transparency. For the six months ended 30 June 2021, RIMAB reported revenue of ~\$5.3m and EBITDA of ~\$0.7m (unaudited). The business renewed key contracts in the half and showed revenue and EBITDA growth of 40% and 25% (constant currency basis and unaudited), respectively, compared to the first half of 2020.

The Extraordinary General Meeting to approve the acquisition is scheduled for the end of September 2021 with Closing expected in October 2021.



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## FY21 Outlook

The operating performance year to date is in line with the Company's expectations as a result of strong demand for Aquila Custom's large customised solutions, and building momentum for Aquila in the Cloud.

The Company will continue to expand its software development to create the world's first pathology marketplace and will further enhance its Aquila radiology platform. In addition, it will further build its AI capabilities and develop other medical verticals.

The company is continuing to invest in its capability and growth and is recruiting some senior executives together with an expansion in the numbers of software development and operational engineers. The cost of which will impact the second half.

For FY21, management expects revenue to be in the range of between \$11.5m and \$13.0m<sup>2</sup>. The company guided towards achieving monthly run rate EBITDA breakeven by December 2021. Given the continued investment in growth there is a risk that run rate EBITDA breakeven may not be achieved in 2021. This guidance excludes RIMAB's contribution in Q4. Excluding one-offs, management expects the Q4 FY21 contribution from RIMAB for both revenue and EBITDA to be above the prior year's Q4 results of \$2.0m and \$0.3m, respectively.

## Investor Conference Call

IMEXHS Co-Founder and CEO Dr German Arango and CFO Reena Minhas will host a conference call with the investment community including a Q&A session at **11am AEST today (30 August 2021)**.

To listen to the conference call, please register at:

<https://s1.c-conf.com/diamondpass/10015914-i26sbz.html>

Authorised for release by the board of IMEXHS Limited.

**-ENDS-**

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<sup>2</sup> Guidance based on current spot exchange rate.



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## About IMEXHS

IMEXHS Limited (ASX: IME) is a leading imaging Software-as-a-Service (SaaS) and ancillary solutions provider with 310 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 AQUILA 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 AQUILA™ 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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