



imexHS

1H FY24 Results

30 August 2024

Agenda

1H FY24 Results



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Overview

One Company with two businesses aimed at democratising access to medical imaging expertise



Medical Imaging Software

Provider of innovative, cloud-based, AI medical imaging software solutions

Radiology Services

Outsourcing of imaging facilities and teleradiology to hospitals and medical facilities

Global footprint



Software

19 countries; 518 sites

3,326 radiologists

27 distributors in 16 countries

Radiology

Colombia, Spain and Mexico

36 radiology centres

160+ in-house radiologists



1H FY24 Results Highlights

Business Highlights



- The Company has demonstrated the scalability of the business across different geographies with an attractive product and disruptive business model and now is focused on generating positive earnings and cashflow.*
- Focus is on sales within Latin America and those product development projects that have a path to profitability in the near term. Sales on plan and pipeline for both IMEXHS Cloud and Enterprise radiology solutions remains robust.*
- Improvements in radiology services pricing, cost control, and recurring revenue growth are starting to deliver expected results, with margin improvement expected in H2 FY24.*

1H FY24 Revenue of \$13.8m, 57% up on pcg and 32% up on constant currency

1H FY24 Underlying EBITDA of \$0.3m, down \$0.2m vs pcg

Annualised Recurring Revenue of \$29.6m, up 21% vs pcg

Revenue growth consumed significant working capital with net cash used in operating activities of \$1.5m

1H FY24 Operational Highlights

- Enterprise software **contract renewal** with Colsubsidio with **improved terms and pricing**. The 3-year software contract is expected to contribute \$575,000 in ARR (up by \$150,000).
- New **one-off contract** secured in Colombia for \$790,000 to supply biomedical equipment and implement AQUILA Enterprise.
- **Sales pipeline** for both IMEXHS Cloud and Enterprise radiology solutions **remains strong**.
- IMEXHS Enterprise and IMEXHS Cloud finished the year with a total of **518 installations worldwide**.
- Good progress has been made with **existing software clients** in extending both the scope of services and additional sites.
- **Software prices increases** have been put in place during the first half for both existing and new customers.



- Software development program of Enterprise **New Value Proposition** remains **on time and on budget** with trials of the early-stage product underway.
- Early consequence of the software New Value Proposition development with **strong gains** in:
 - **software resilience** (uptime) and service response times
 - **contributing to** our own radiologists' **productivity**
- Radiology profit improvement program has seen the **renegotiation** of several contracts to **improve terms and pricing** while maintaining cost control policies.
- **New radiology services contract signed** with an existing customer in Colombia with expected ARR of \$564,000 and adopting improved margin objective.

1H FY24 Financial Highlights

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Sales Revenue

Up 57% yoy
Up 32% on a constant
currency basis¹

\$13.8m

Annual Recurring Revenue (ARR)²

Up 21% yoy
Up 21% on a constant
currency basis

\$29.6m

Underlying EBITDA³

vs \$0.5m in pcip

\$0.3m

Recurring revenue

95% of total revenue

\$13.1m

Closing cash

vs \$2.4m at 31
December 2023

\$1.9m

Debt

vs \$1.3m at 31
December 2023

\$0.9m

1. Constant currency basis assumes 1H FY24 results are converted at the average foreign exchange rate for 1H FY23 (P&L). This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.
2. Annual Recurring Revenue (ARR) is the value of contracted recurring revenue for one year.
3. Underlying EBITDA excludes the impact of FX, share based payments and the one-off impairment charge in FY23.

1H FY24 Business Unit Results

\$M	Software	Radiology	Corporate	Total
Revenue	4.9	8.9	-	13.8
Underlying EBITDA	2.6	(0.2)	(2.1)	0.3
ARR	9.9	19.7	-	29.6

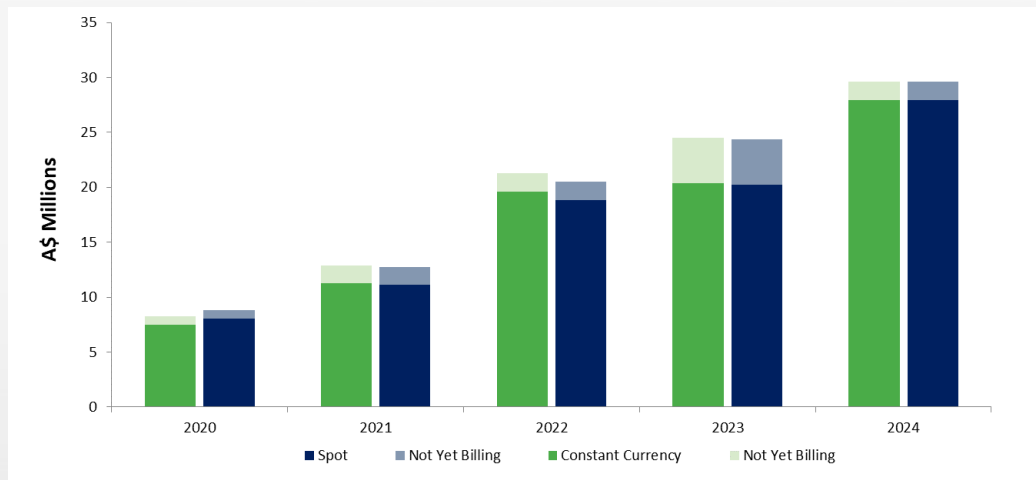
- Software primarily relates to sales of IMEXHS Enterprise and growing IMEXHS Cloud business
 - Revenue up 40% vs pcp
 - ARR up 9% from \$9.1m revised* at 31 Dec-23
- Radiology includes RIMAB along with other services related to outsourcing radiology on-premise or remotely using IMEXHS software
 - Revenue up 70% vs pcp
 - ARR up 36% from \$14.5m at 31 Dec-23

**Software ARR revised at 31 Dec-23 to remove hardware revenue previously reported as software.*



1H FY24 Financials

Progress in ARR



ARR as at 30 June 2024

- \$29.6m, up 25% vs 31 Dec-23:
 - Software - \$9.9m, up 9% vs \$9.1m at 31 Dec-23; and
 - Radiology services - \$19.7m, up 36% vs \$14.5m at 31 Dec-23.

(1) Constant currency basis assumes that historical results at each year end are converted at the 30 Jun-24 exchange rate. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

(2) Adjustments to ARR are made as contracts move from estimates to actual volumes and as estimates are removed for any older contracts which are assessed as unlikely to proceed. Software ARR revised at 31 Dec-23 to remove hardware revenue previously reported as software.

Income Statement

\$'000	1H FY24	1H FY23	Var	Var %
Revenue	13,785	8,804	4,981	57%
Other revenue	105	76	29	38%
Total revenue	13,890	8,880	5,010	56%
Expenses	(15,351)	(11,076)	(4,275)	39%
Net profit before tax	(1,461)	(2,196)	736	(33%)
Depreciation & amortisation	1,145	1,045	100	(10%)
Net finance expenses	348	108	240	222%
EBITDA	32	(1,044)	1,076	(103%)
FX & share-based payment expenses	235	269	(34)	(13%)
One-off costs/impairment	-	1,277	(1,277)	(100%)
Underlying EBITDA	267	502	(236)	(47%)

- Revenue of \$13.8m, up 57% yoy and 32% on a constant currency basis
- Underlying EBITDA of \$0.3m down \$0.2m versus pcg profit of \$0.5m
- Underlying EBITDA excludes the impact of FX, share-based payments and one-off impairment charge

Balance Sheet

\$'000	Jun 24	Dec 23	Jun 23
Cash	1,893	2,362	1,966
Trade & other receivables	7,863	6,443	7,467
Inventories	234	112	112
Current assets	9,990	8,917	9,545
Trade & other receivables	477	540	674
PPE	3,226	4,618	4,388
Intangible assets	8,145	8,579	8,317
Non-current assets	11,848	13,737	13,378
Total assets	21,838	22,653	22,923
Trade & other payables	3,326	3,421	3,340
Other current liabilities	3,045	3,209	2,223
Current liabilities	6,371	6,630	5,563
Non-current liabilities	375	297	653
Total liabilities	6,747	6,927	6,216
Net assets	15,092	15,726	16,707

- Closing cash balance of \$1.9m as at 30 Jun-24 and Net Assets of \$15.1m
- Intangible assets of \$8.1m include Goodwill of \$4.5m, Software of \$2.7m, \$0.8m of customer contracts and \$0.1m of Licenses
- Receivables include delayed outstanding payments from a customer. The debt is confirmed by the customer and is not in dispute and management expects to receive the full balance. Whilst the customer has reduced their overall outstanding amounts over the past 12 months, the company has taken the prudent decision to take an expected credit loss provision of \$0.3m for this customer.

Summary Cash Flow

\$'000	1H FY24	1H FY23
Net cash (used in)/from operating activities	(1,476)	1,410
Net cash (used in)/from investing activities	120	(1,026)
Net cash (used in)/from financing activities	975	(383)
Net cash movement	(381)	1
Cash at the beginning of the year	2,362	1,911
Effects of exchange rate	(89)	54
Cash at the end of the period	1,892	1,966

- Closing cash balance of \$1.9m as at 30-Jun-24 vs pcip of \$2.0m
- Revenue growth in the half consumed significant working capital leading to Net cash used in Operating activities of \$1.5m.
- Net cash from investing activities of \$0.1m included \$0.8m the sale of an MRI scanner, which was partially offset by payments for intangible assets of \$0.6m.
- Net cash from investing activities was \$1.0m with \$1.5m raised via a placement to strengthen the Company's balance sheet and to support growth offset by repayment of borrowings of \$0.4m and transaction costs of \$0.1m.



Strategy & Outlook

New Value Proposition

Radiologists with Superpowers

1

Product.

“The most **advanced, contemporary** and **secure radiology AI enhanced software solution.**”

Current status:

- New multitenant cloud-native RIS developed.
- Ready for ISO 27001 and HIPPA Certification.



2

Customer Service & Support.

“**Unparalleled customer support,** setting a new industry standard.”

Current status: All service and support KPIs on top-tier levels for the industry. E.g.: SLA above 97%, Uptime above 99.9%, NPS Patient Portal: 54.

3

Implementation, Training & Updates.

“The most **efficient, user-friendly** and **swiftly implementable product** in the **market.**”

Current status: DevOps strategy implemented, with bi-weekly delivery of new features and versions.

Product and Software Updates

- Radiology Information System
 - Wide range of new features and functionalities developed for the enhanced iteration of AQUILA (the RIS-PACS system).
 - Multitenant, cloud-native, fully distributed (DBaaS, instant deployment, etc) and ISO 27001 / HIPPA native compliant.
 - Fully integrable with third-party PACS.
 - Base teleradiology use case implemented in 8 different sites.
- Universal Viewer v6.3.2 Enhancements
 - New MR series subdivision based on DICOM tags to facilitate diffusion series display by temporal order, echo time, gradient, etc.
 - New user preferences features to enable persistent customization on displayed tags, series subdivision activation, individual
- Universal Viewer v6.3.2 Enhancements (cont.)
 - New authentication service, standard for log storage, improvement on loading speed of the first image displayed and redesign of DICOM Gateway to significantly reduce implementation costs for customers.
- IMEXHS Patient Portal v3.2.0 Improvements
 - New feature to enable notifications via WhatsApp, so patients can receive a link and access their studies and images. This feature complies with local regulations regarding the sharing of medical information.

Focus for FY24

Software

- 1) Rolling out New Value Proposition
 - Enhanced digital security: Get ISO 27001 certification.
 - Service levels: Create a "wow" factor.
 - Integrated AI: Viewer and PACS integration with AI DeepC tools.
 - Unique tools for Radiologist: Roll out 5 new and innovative features.
- Develop and imbed software sales capability in hard currency economies like Mexico
- 2) Develop marketing and sales plans around NVP capability for Q4 and 2025.
- 3) Solid renewal price increases in H2 FY24.



Radiology Services

- 1) Profit improvement efforts have led to the renegotiation of several contracts, resulting in better terms and pricing
- 2) New deals with higher margins
- 3) Focus and growth in Ideal Client Profile
- 4) Tighten working capital management

FY24 Outlook

February 2024 Guidance

- **Revenue of \$24.0 – \$27.0m**
(22% – 37% up vs FY23)
- **Underlying EBITDA of \$1.5 - \$3.5m** (up vs \$0.5m in FY23)

Guidance update

- Confirm **Revenue** Guidance
- **Underlying EBITDA** towards the bottom end of the range

1. Underlying EBITDA excludes the impact of FX, share based payments and goodwill impairment charge in FY23.

Key drivers for revenue and earnings growth:

- Annualised Recurring Revenue recently contracted and contracted but not yet billing.
- Current pipeline of opportunities.
- Further opportunities anticipated as the New Value Proposition Software is rolled out for Enterprise customers.
- Improvement in Radiology Services pricing, cost control and recurring revenue growth are delivering expected results.



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Q&A

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