

**30 August 2022**

## **ASX ANNOUNCEMENT**

### **IMEXHS REPORTS 1H FY22 RESULTS**

#### **Financial Highlights**

- 1H FY22 revenue of \$9.5m, up 83% vs pcip; up 82% on a constant currency basis.
- 1H FY22 revenue up 41% vs pcip on a like-for-like basis excluding the incremental revenue from the RIMAB acquisition.
- Recurring revenue of \$9.3m represented 98% of total revenue in 1H FY22.
- 1H FY22 underlying EBITDA loss of (\$0.4m) up \$1.0m versus pcip loss of (\$1.4m).
- Annualised Recurring Revenue (ARR) of \$20.5m, up 61% vs pcip; up 60% on a constant currency basis.
- Closing cash balance of \$0.9m as at 30 June 2022.
- Capital Raising of ~\$4.0 million in progress.

#### **Operational Highlights**

- Continued sales momentum for IMEXHS Cloud (formerly Aquila in the Cloud) standardised radiology solution with an expected combined ARR of \$2.8m from 140 active customers at 30 June.
- Signed new Partner with over 30 years of experience and first IMEXHS Cloud customer in Brazil.
- IMEXHS Radiology Services awarded new contracts with Colsubsidio and Colombia's National Police Hospital.
- Appointment of a master distributor in the UK.
- IMEXHS Cloud beta product live with 3 IMEXHS Partners and used by 66 active customers.

#### **Strategic Refocus – Path to Profit**

- Cost-out program aimed at getting to cash positive at the Company level with both divisions profitable.
- Sales capability focused on near term profitable pipeline.
- Product development directed to those areas with a clear line to profit.
- Maintaining current high medical and customer service standards.
- While some longer-term product development projects have been deferred, the strategic vision and direction is on course to be realised.
- Cost-out program to be largely completed by the end of Q3.

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**IMEXHS Limited (ASX: IME)** (“**IMEXHS**” or “**the Company**”) today released its financial results for the six months ended 30 June 2022. IMEXHS is an innovative provider of medical imaging software and radiology services across 15 countries.

IMEXHS CEO Dr German Arango said, ‘The Company is taking a definitive pathway to achieve profitability based on a cost reduction plan, maintaining existing recurrent revenues, and bringing new customers. The improvements in the onboarding process plus the optimization of the post-sales support have been key objectives for the Company during the quarter, including the automation of the most time-consuming activities. The standardized product IMEXHS Cloud, keeps contributing to the geographical expansion and footprint. The radiology services business confirms the attractiveness of the outsourcing model after the renewal of two of the largest contracts with Colsubsidio and Colombia’s National Police Force, building the foundations for a profitable stage for the company.

The Company has demonstrated the scalability of the business across different geographies with an attractive product and disruptive business model and now if focused in generating positive numbers.

Revenue in 1H of FY22 was \$9.5m, 83% up on pcp and the underlying EBITDA was a loss of (\$0.4m), confirming the direction the Company is taking.’

### Financial Performance

1H FY22 revenue of \$9.5m was up 83% versus 1H FY21. Recurring revenues accounted for 98% of revenue. The increase is attributable to an increase in imaging volumes, contract wins and the incremental revenue from the RIMAB acquisition which was completed in October 2021. The software and radiology services split of Revenue is \$2.8m and \$6.7m respectively.

ARR of \$20.5m as of 30 June 2022, was up 61% vs pcp and 60% higher on a constant currency basis. On 1 July 2022, the Radiology business ceased to service a customer with a poor payment record, the associated ARR has been excluded.

ARR of \$20.5m consisted of \$12.0m (\$13.3m as at 31 Dec-21) from Radiology services and \$8.5m (\$7.1m as at 31 Dec-21) from Software. The software ARR includes \$2.8m from 140 active IMEXHS Cloud contracts and \$5.7m from IMEXHS Enterprise. The increase in ARR versus pcp reflects increasing volumes in radiology services, new contract wins in both customized solutions and the standardised software product offering offset by the customer that we have ceased to service.

IMEXHS reported an EBITDA loss of (\$0.5m) and an underlying EBITDA loss of (\$0.4m) for the six months versus (\$2.1m) and (\$1.4m), respectively, in 1H FY21.

The 1H FY22 consolidated loss before tax was (\$1.6m) compared to (\$2.8m) in 1H FY21.

The Company had a closing cash balance of \$0.9m and net assets of \$15.4m at 30 June 2022. On 3 August 2022 IMEXHS announced a fully underwritten capital raising of approximately \$4.0m. Further details are provided on the following page.

## Capital Raising

The Company announced to the ASX on 3 August 2022 that it had received binding commitments for \$2 million via a placement to sophisticated and institutional investors (Placement) and was undertaking a non-renounceable pro-rata entitlement offer to raise approximately a further \$2 million (Entitlement Offer). Both the Placement and Entitlement Offer are fully underwritten.

The first tranche of the fully underwritten placement to institutional and sophisticated investors was successfully completed on 9 August 2022 having issued 1,946,208 new fully paid ordinary shares (New Shares) at an issue price of \$0.48 per New Share.

The Directors have agreed to subscribe for an aggregate of 2,220,458 (\$1.07 million) New Shares under the Placement, subject to shareholder approval (Conditional Placement). The Conditional Placement will be subject to shareholder approval under ASX Listing Rule 10.11 at a Extraordinary General Meeting of shareholders to be held on 27 September 2022.

The Entitlement Offer is a pro rata non-renounceable entitlement offer under which eligible shareholders will be entitled to subscribe for 1 New Share for every 8 shares held at the record date for the Entitlement Offer at the Offer Price of \$0.48 per New Share. The Entitlement Offer Booklet and Entitlement and Acceptance forms were dispatched to shareholders on 11 August and the Entitlement Offer closed on 25 August with allocations due to complete by 31 August.

Approximately 4,114,816 New Shares will be issued under the Entitlement Offer and will rank equally with existing shares from their date of issue.

## Outlook

The company has a strong and growing pipeline of business in front of it and is in advanced negotiation on two material contracts expected to be concluded within Q3 FY22.

The Company provides the following guidance for FY22:

- **Revenue** between \$18.0m to \$20.5m (vs \$13.4m in FY21). This is a reduction from previous guidance of \$19.5m to \$22.0m due principally to the Company's decision to cancel a material contract for poor payment performance.
- **Underlying EBITDA** is expected to be positive for 2022 (vs loss of \$1.4m in FY21).
- **Monthly run-rate underlying** cash breakeven during 2H FY22.

## Investor Conference Call

IMEXHS Co-Founder & CEO Dr German Arango and CFO Reena Minhas will host a conference call with the investment community including a Q&A session at **1030am AEST today (30 August 2022)**.

To listen to the conference call, please register at:

<https://s1.c-conf.com/diamondpass/10024709-3mlf67.html>

Upon registration, the dial in details will be sent to participants via email.

Authorised for release by the Board of IMEXHS Limited.

-ENDS-

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**About IMEXHS**

*IMEXHS Limited (ASX: IME) is an innovative provider of medical imaging software and radiology services in 15 countries including Colombia, the US and Australia. Founded in 2012, IMEXHS develops software as a service (SaaS) imaging solutions that includes a Picture Archiving and Communications System (PACS), a Radiology Information System (RIS), a Cardiology Information System (CIS) and an Anatomical Pathology Laboratory Information System (APLIS). Its solutions are 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 enhances patient outcomes. For more information, [visit www.imexhs.com](http://www.imexhs.com)*