

28 February 2023

## ASX ANNOUNCEMENT

### IMEXHS reports FY22 Financial Result

#### Financial Highlights

- FY22 Revenue of \$17.1m, up 28% vs pcg; up 34% on constant currency basis<sup>1</sup>
- FY22 underlying EBITDA loss of (\$0.1m) up \$1.3m versus pcg loss of (\$1.4m)
- Annualised Recurring Revenue (ARR)<sup>2</sup> of \$19.7m, down 4% vs pcg; up 8% on a constant currency basis
- Capital Raising of \$4.0m completed during 2022
- Closing cash balance of \$1.9m at 31 December 2022
- Debt of \$1.1m at 31 December 2022, down from \$2.4m at 31 December 2021

#### Operational Highlights

- Successful implementation of a cost reduction plan, reducing operating and software capex costs by \$250k per month. Results from this program have driven an increase of overall margin with no significant impact on the operations of the Company.
- Product development directed to those areas with a clear line to profit. While some longer-term product development projects have been deferred, the strategic vision and direction is on course to be realised.
- 3-year contract signed with Mexico's Social Security Institute for Enterprise Imaging Software including both AQUILA (radiology platform) and ALULA (pathology platform). The contract will commence in Q1 2023 and contribute between US\$230,000 and \$300,000 (currently A\$340,000 to A\$440,000) in ARR.
- Continued sales momentum for IMEXHS Cloud (formerly Aquila in the Cloud) standardised radiology solution with an ARR of \$3.5m from 169 active customers at 31 Dec-22.
- 449 IMEXHS Enterprise and IMEXHS Cloud installations worldwide by end of FY22.

<sup>1</sup> Constant currency basis assumes FY22 results are converted at the average foreign exchange rate for FY21.

<sup>2</sup> Annualised Recurring Revenue (ARR) is the value of monthly recurring contract revenue multiplied by twelve.

**IMEXHS Limited (ASX: IME) ("IMEXHS" or "the Company")** today released its financial results for the 12 months ended 31 December 2022. IMEXHS is an innovative provider of medical imaging software and radiology services across 15 countries.

IMEXHS CEO Dr German Arango said, 'During the year the Company took a definitive pathway to achieve profitability based on a cost reduction plan, maintaining existing recurrent revenues, and bringing new customers.

The Company had forecast to reach underlying EBITDA positive and monthly run-rate underlying cash break-even within the last quarter, and though those targets were narrowly missed the FY22 results confirm the direction the company is taking towards positive cashflow and profitability with the reduction in operating costs and capital expenditure through the cost-out program.

The improvements in the onboarding process plus the optimization of the post-sales support have been key objectives for the Company during the year, 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 three of the largest contracts, one with Colsubsidio and two with Colombia's National Police Force, building the foundations for a profitable stage for the company.

In 2023 we will prioritize high impact development, to increase margins, revenue, reduce cost and to deliver a competitive edge. 2023 will see the release of some significant and valuable software advances.

Finally, we have commenced the year with good sales momentum and prospects."

## Financial Performance

FY22 revenue of \$17.1m was up 28% vs pcp, up 34% on a constant currency basis. The Revenue result was at the lower end of our revenue guidance of \$17.0m to \$19.0m.

ARR of \$19.7m as at 31 December 2022 was down 4% vs pcp but 8% higher on a constant currency basis. ARR of \$19.7m consisted of \$10.5m (\$13.3m at 31 Dec-21) from Radiology services and \$9.2m (\$7.1m at 31 Dec-21) from Software. The software ARR includes \$3.5m from IMEXHS Cloud and \$5.7m from IMEXHS Enterprise. The increase in ARR reflects new contract wins in the high margin IMEXHS Cloud and Enterprise software businesses. The decrease in Radiology ARR largely reflects the company choosing to exit a customer on 1 July 2022 due to a poor payment record, which has been partially backfilled.

IMEXHS reported an EBITDA loss of (\$0.8m) and an underlying EBITDA loss of (\$0.1m) for the 12 months versus (\$3.0m) and (\$1.4m), respectively, in FY21.

The FY22 consolidated loss before tax was (\$2.9m) compared to (\$4.6m) in FY21.

The Company had a closing cash balance of \$1.9m and net assets of \$15.9m at 31 December 2022.

On 3 August 2022 IMEXHS announced a fully underwritten capital raising of \$4.0m. The Capital raising was completed by the end of September and was strongly supported by shareholders and Directors.

The net proceeds from the placement have been used to pay down existing high yield debt, fund working capital and for general corporate purposes and are expected to fund the Company through to run rate cashflow positive.

## Business Highlights

The pipeline of volume increase from current customers remains strong. There is a high priority to implement 'contracts not yet billing' and have them contribute as soon as possible.

Our high touch and customized enterprise solution, IMEXHS Enterprise, is the main source of our existing software revenues and continues to grow due to new contract wins and internal volume growth from existing customers. The new IMSS ~\$440k ARR high margin deal, is the first material contract with public hospitals outside Colombia and confirms the competitiveness of our enterprise platform for big-complex centres.

Our disruptive standardized offering, IMEXHS Cloud, continues to generate strong interest, addressing the underserved need for small to mid-size enterprises around the world. There were 169 active IMEXHS Cloud contracts across LATAM, US and Australia as of 31 December 2022.

During 2022 a strategic decision was made to focus on near-term opportunities in both geographic markets and product development. The key priority was the optimization of the implementation process for IMEXHS Cloud, which resulted in substantial improvements in all deployment related KPI's and contract to revenue times.

RIMAB continues to be a clear leader in the Colombian Radiology services market, now enhanced by the availability of IMEXHS technology and mature processes.

The renewal of our biggest contract with Colsubsidio and of the two contracts with HOCEN is a clear demonstration of the quality of our services and of the level of satisfaction of our customers, with the addition of improved pricing for all of them, the year ahead looks much more promising for us.

We have commenced operations in February 2023 under a new material radiology contract flagged earlier in the year. The contract has yet to be executed by the counter party and the details will be announced as soon as that is completed.

The opportunities for RIMAB with the IMEXHS contribution are exciting and will contribute to the company's growth in the near term.

## 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 **11am AEST tomorrow (1 March 2023)**.

To listen to the conference call, please register at:

<https://s1.c-conf.com/diamondpass/10028982-te59gd.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)*