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Chairman's Address

AGM 2020



CHAIRMAN'S REPORT

Overview

The company has enjoyed another very successful year coinciding with the 20th anniversary as a publicly listed entity. Each of our businesses in our principal markets (Australia, Europe and North America) contributed strongly to the result.

The Company, and in particular the management team ably led by Dr. Sam Hupert, has navigated its way through a very challenging time.

The success of the company, despite the challenge of COVID-19, has been due to the quality of the management team, the resilience of all of our staff, the flexibility of our leading edge technology and the robustness of our business model. It is worth noting that Visage PACS enabled our clients to seamlessly switch to remote reading during the COVID-19 crisis; something that was not possible with their previous legacy systems.

The global management team has remained constant throughout the year and has continued to deliver long term sustainable financial results by implementing the steps outlined in the previously determined strategic plan.

The group continues to invest in our best of breed suite of innovative products - to maintain market leadership, which we believe, is fundamental to your company's success.

Many of the goals the company set itself in the strategic plan of August 2018 have been achieved. In October of this year the Board met with the global management team to discuss the next phase of our strategic direction. A follow up meeting will be held before the end of the calendar year to reset our strategic goals and objectives.

During the FY20 year the company announced several new contract wins in North America, including Ohio State University (November 2019); Nines (December 2019) and our largest deal for the year, NorthWestern Memorial HealthCare (June 2019). Since the end of the financial year we have announced a number of other material contract wins including NYU Langone Health (September 2020); and Ludwig Maximillians University of Munich (October 2020). We also recently renewed the Zwanger Pesiri contract for a further five years.

Each of these contracts is significant in its own right and all will make a major contribution to our future revenues.

In Australia the expansion of our relationships with I-Med Radiology Network and Healius (formerly Primary Healthcare) are progressively contributing additional revenues as the respective roll outs continue.

Despite the number of recently announced new contracts, the management team is working on a significant number of new opportunities and our pipeline continues to be strong. The group remains in an excellent position to continue to capitalise on these opportunities as they present.

Financial Results

FY2020 was another record year for the company with revenue increasing by 13.4% and net profit after tax increasing by 21% (2020 \$23 million: 2019 \$19 million). Importantly, underlying profit before tax increased by 33% to \$30 million.

These results were achieved despite the impact of COVID-19 during the last quarter of the FY20 year (which we referred to in the Directors Report on page 2) and which we estimated to be approximately \$1.2 million after tax or 5% of underlying net profit after tax.

The Company continued to be cash flow positive with retained cash increasing from \$32 million to \$43 million, after paying an increased dividend.

The Board anticipates another strong year with the majority of growth occurring in the second half of the financial year. The budget for the current financial year has been determined recognising continuing strong growth, with examination volumes returning to more normal levels. I am pleased to advise that results to date are ahead of budget, notwithstanding the impact of the falling US dollar.

Dividend Policy

The Board was pleased to increase dividend payments for the 2020 financial year to 12 cents per share fully franked. This represents an increase of 14% over the previous year and a payout ratio of approximately 50%. The dividends were funded from the company's internally generated cash flow.

The Board anticipates that future dividends will continue to be fully franked. The Board will continue to determine an appropriate level of dividends having regard to the profitability of the business, its need for ongoing investment and the necessity to retain sufficient funds to pursue other growth opportunities.

Additional Director

As I foreshadowed at last year's AGM, the Board undertook a search for an additional director. We had hoped to have finalised an appointment early in the New Year. We were well progressed with the process when our efforts were hampered by the restrictions imposed following the outbreak of COVID-19 in Australia. However the Board persevered and I am delighted that the company was able to secure the services of Deena Shiff. Deena joined the Board in August 2020 and I am pleased to report that she is already making a strong contribution to our deliberations.

When we consider the formal business of the meeting, I will invite Deena to address you prior to consideration of the resolution for her election.

Corporate Social Responsibility

The Board and management recognises the importance of sound Environment, Social and Governance practices which provides the social licence for the company's operations. I would like to direct shareholders attention to page 15 of the

Annual Report where we have set out some of the activities that the company is undertaking in the communities that we serve.

Closing

In closing, on your behalf, I would like to thank all of our dedicated staff in Australia, North America and Europe for their contribution to the company during what has been one of the most challenging, but most successful, years. I would also like to thank my fellow directors who have also worked tirelessly and diligently to ensure that the company reaches its ultimate goals.

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CEO Address

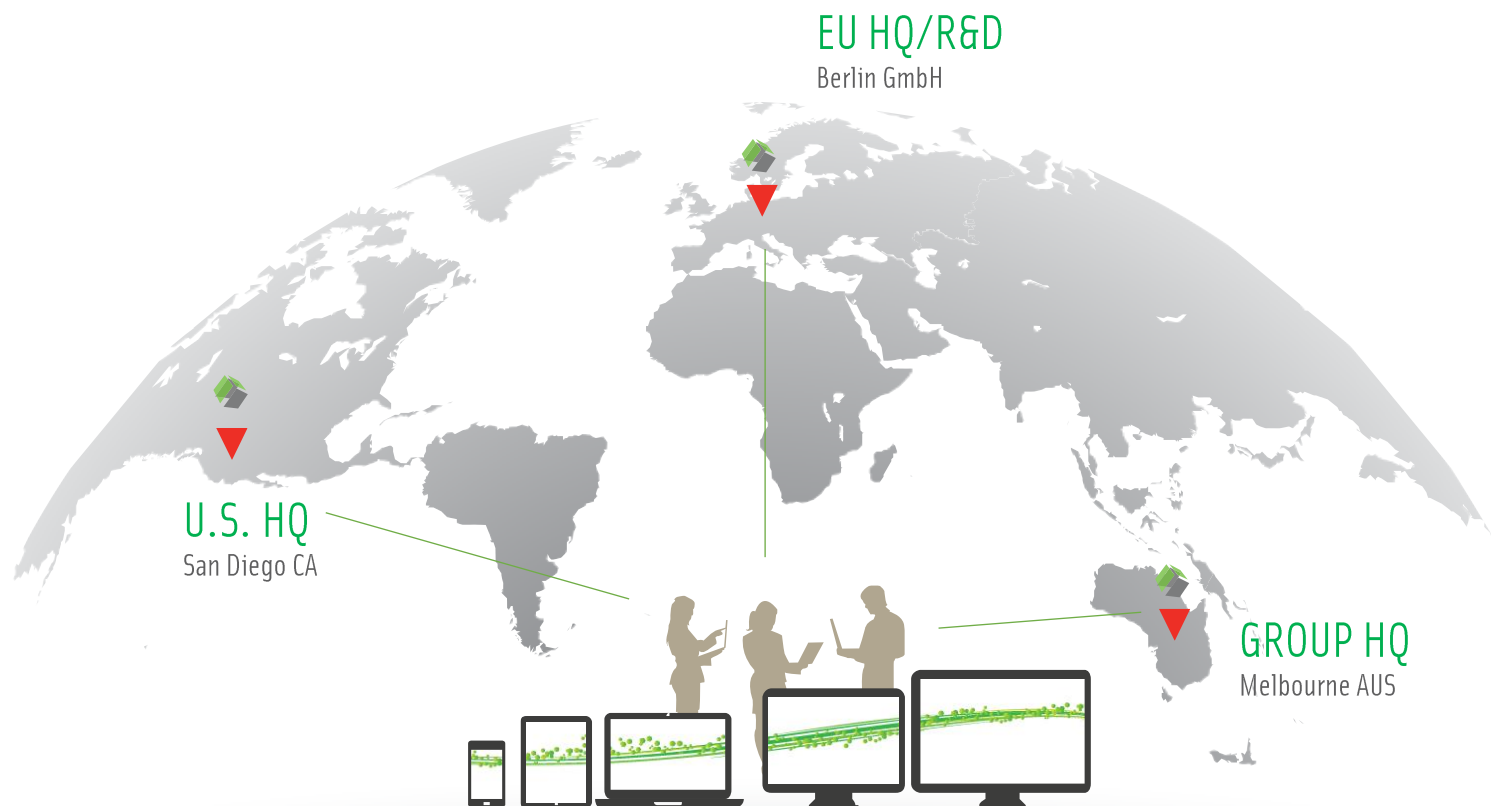
AGM 2020



PRO MEDICUS (ASX:PME)

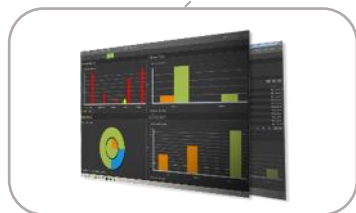
Healthcare IT company specializing in Enterprise Imaging and Radiology Information System (RIS) software.

Leading edge products, growing global presence.





ASX:PME



VISAGE RIS



pro+medicus.net

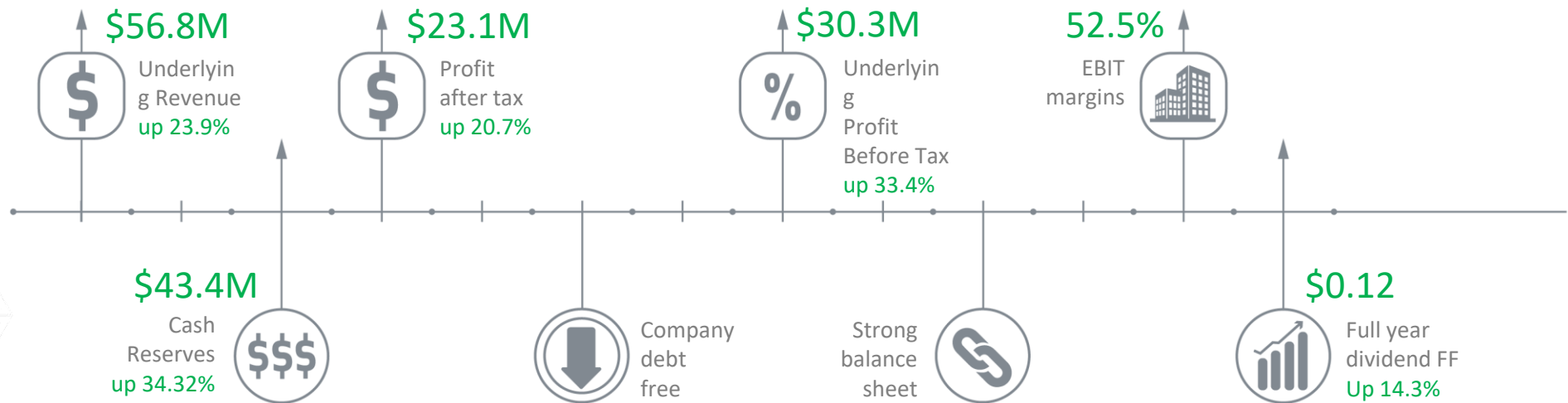


VISAGE 7
PRODUCT
SUITE



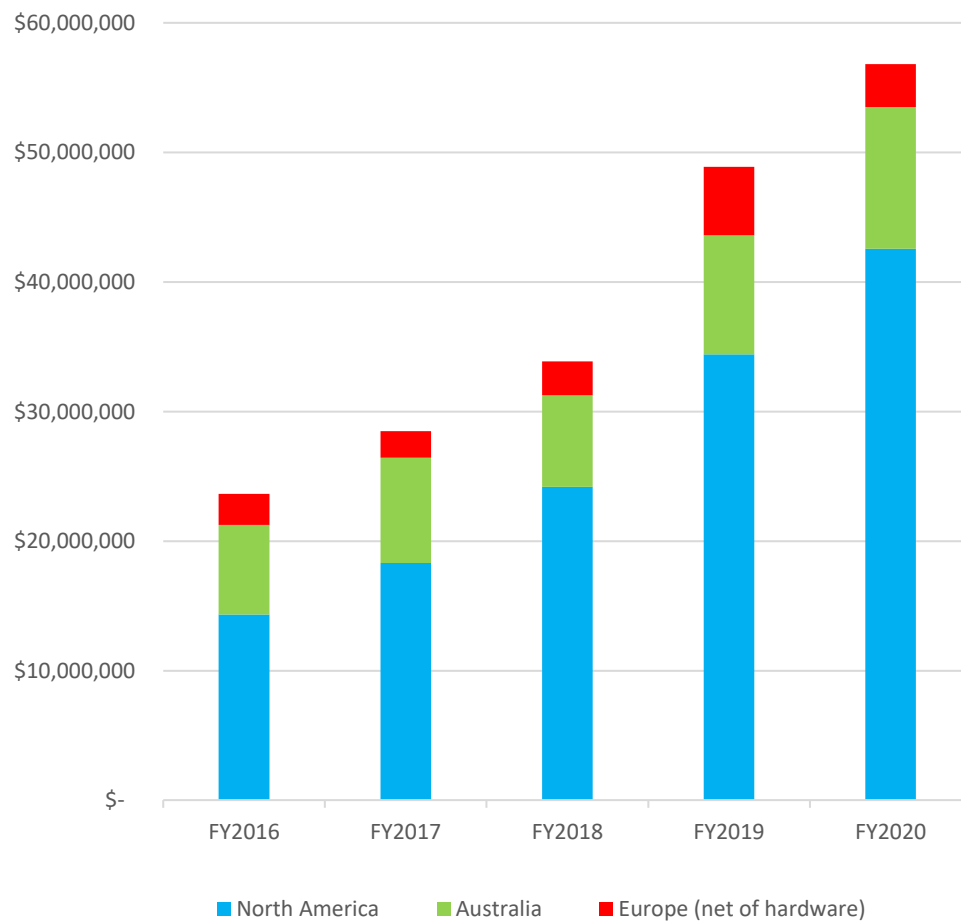
OEM

RESULTS FY 2020



FY2020 HIGHLIGHTS – FINANCIAL RESULTS

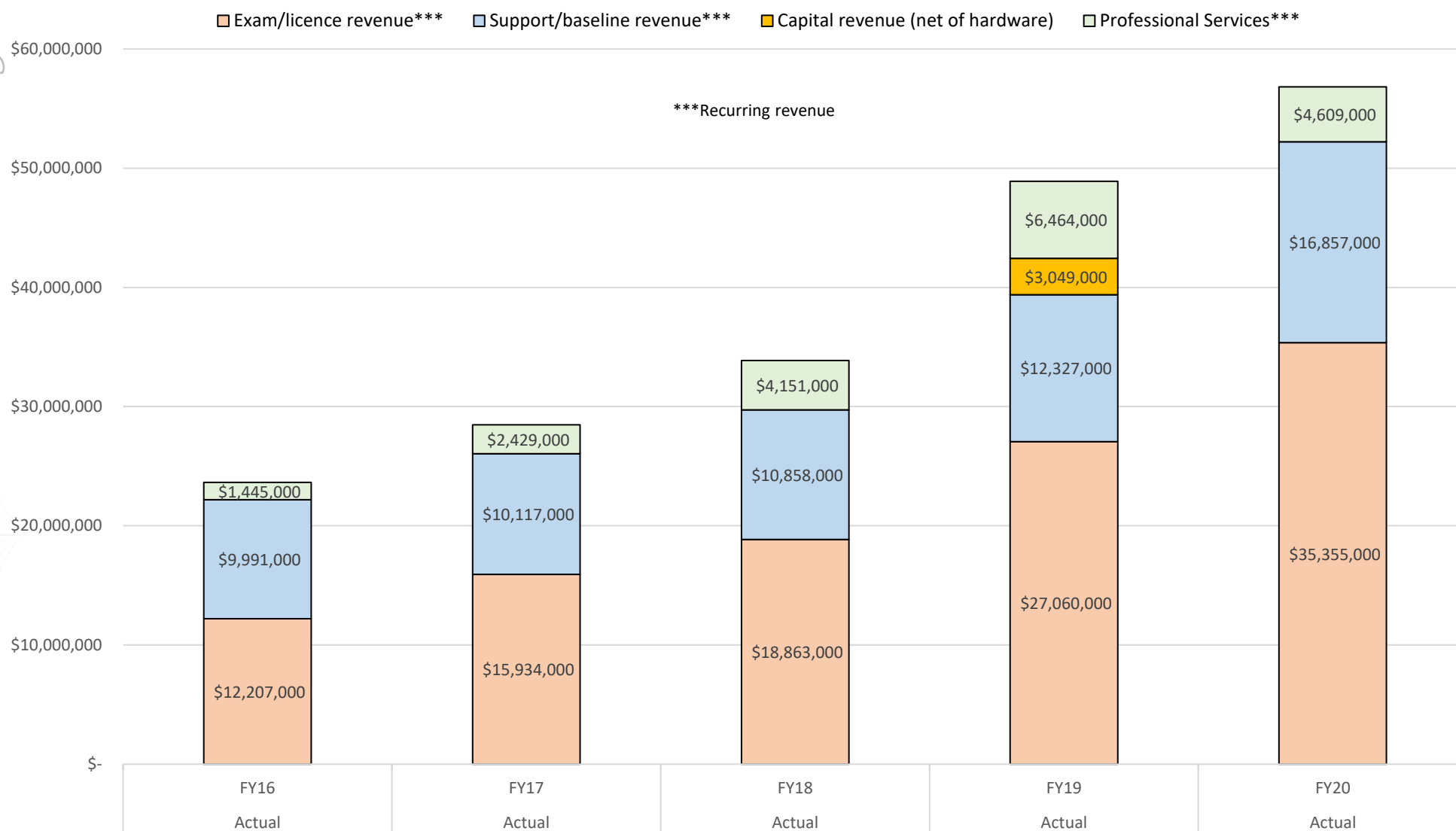
Revenue by Geographic Segment



Cash Balance

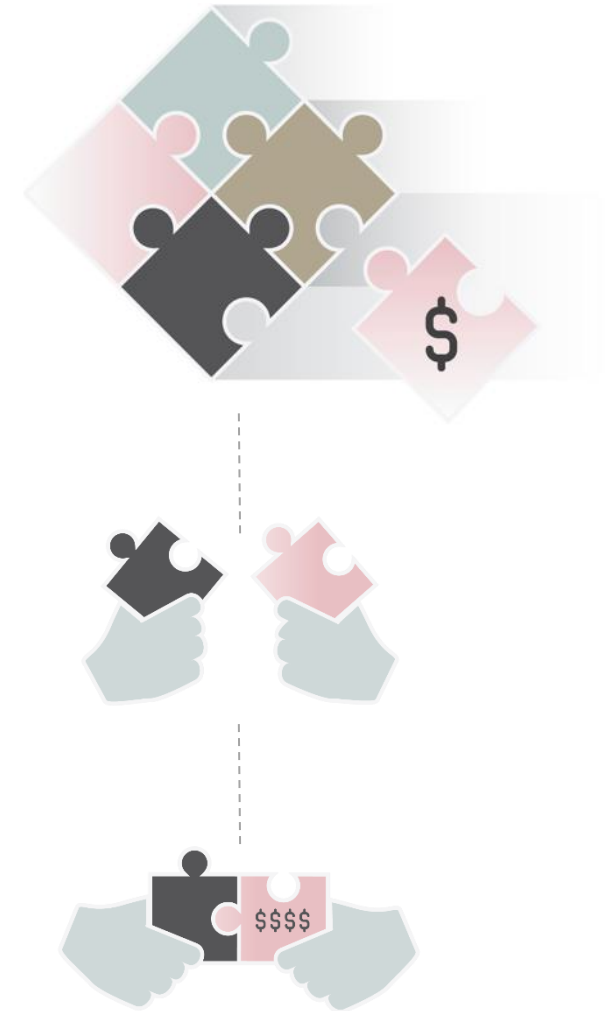


FY 2020 Revenue Split

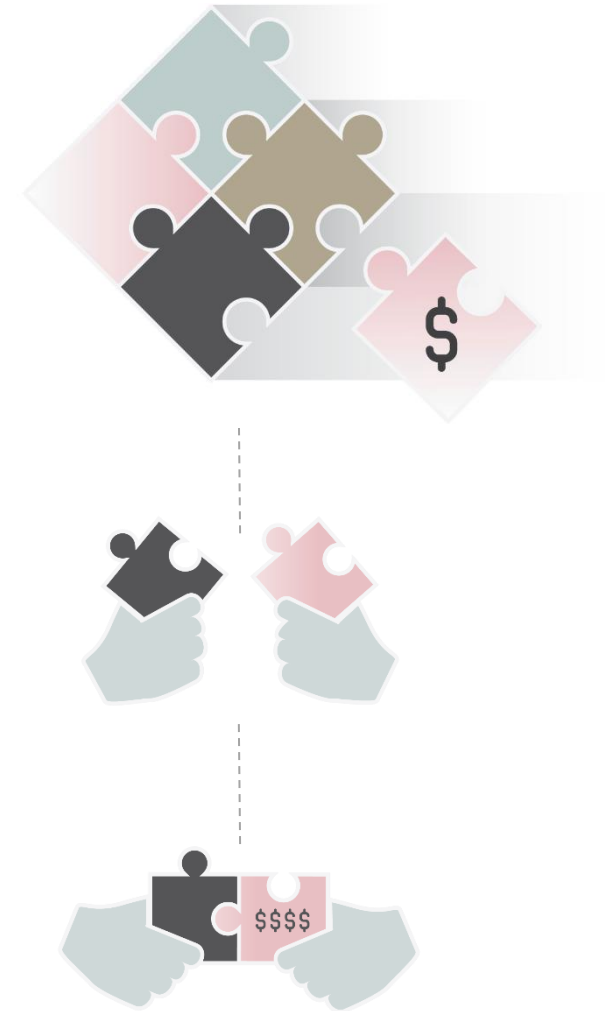
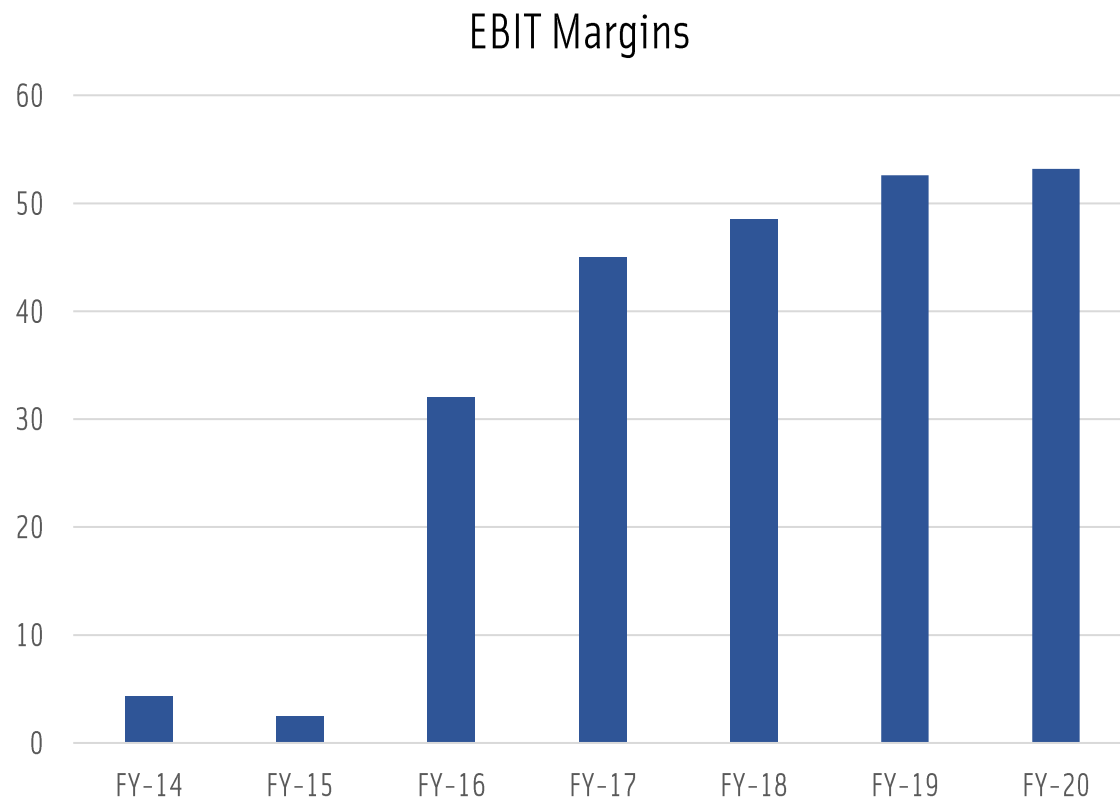


OPERATING LEVERAGE

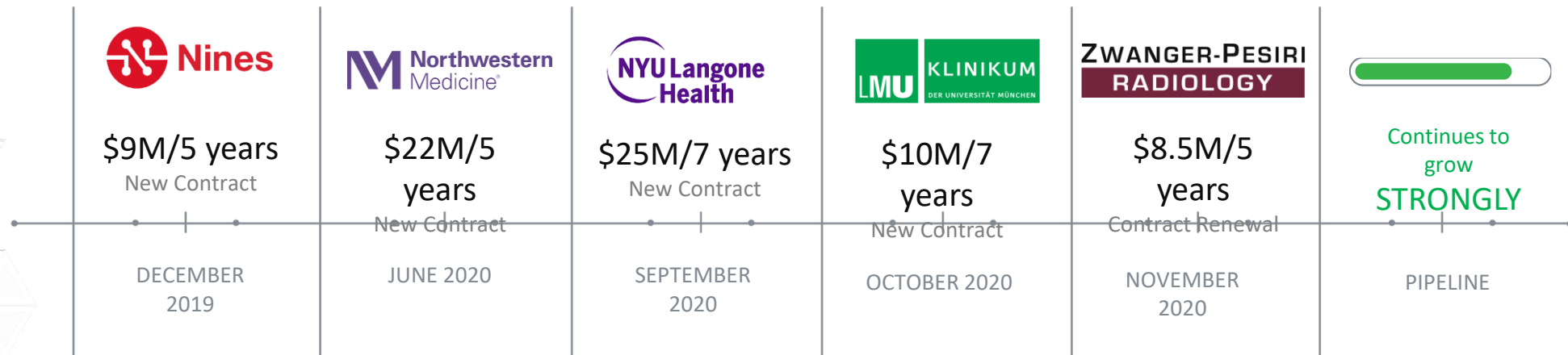
- Highly scalable offering
- No capex (HW) – SW only model
- Training & Installation – charged as professional services
- Contained cost base
- High operating leverage
- Margin continues to grow as footprint increases



MARGIN EXPANSION

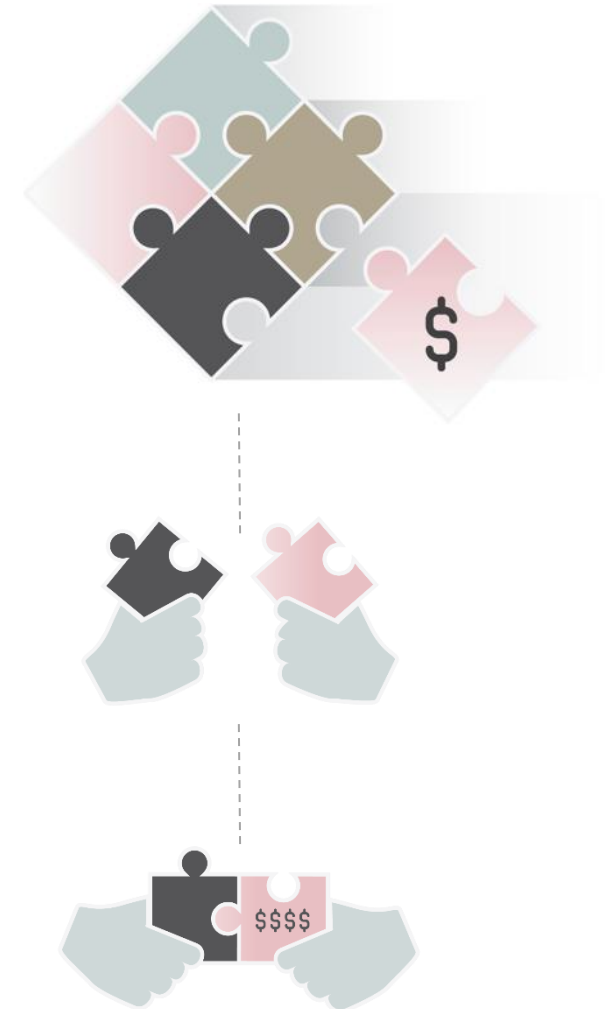


Year in Review



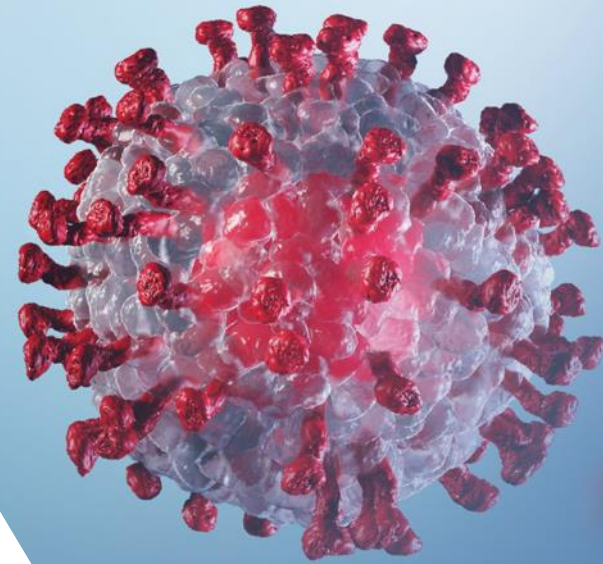
Year to Date

- Tracking ahead of budget notwithstanding impact of lower USD
- Client volumes back to normal despite COVID
- Growth to continue in 2nd half
- Existing clients – organic growth and new sites
- 3 large contract wins to come online in 2nd half – Northwestern, NYU and LMU Klinikum
- Possibility of additional sales implemented within period



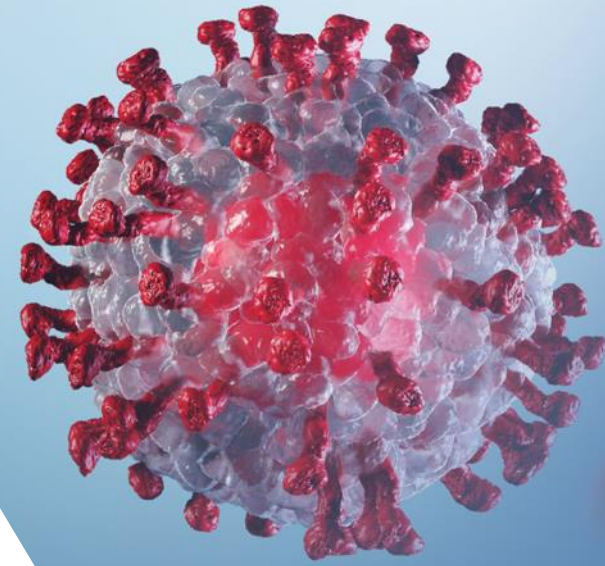
COVID-19 - Operational

- PME/Visage transitioned to WFH in mid-March
- Able to operate at 100% capacity
- Sales and marketing efforts continued throughout
- "Thinness" of the technology enabled large scale remote demonstrations
- New opportunities despite COVID restrictions.



COVID-19 – Impact

- All elective imaging deferred late in March/early April
- Some regions affected more than others
- Worst affected – volumes declined by up to 75%
- 2nd half April onwards – steady recovery in image volumes
- Most clients now at normal volumes – some >100%
- Deferred examinations still need to be done – in catch-up period



VISAGE RIS



Visage RIS - Dr R Simpson (rsna) visage2 (2) @ Visage General Hospital (ris.promed.com.au)

RECEPTION TECHNOLOGIST DOCTOR TRANSCRIPTIONIST SEARCH OFFICE CLAIMING SETUP

Recent | Dr R Simpson | Settings

Appointments Requested Arrival Billing Banking

Region: Northern Book: Visage General Hospital Tue, 17-Oct-2017 AM PM Patient Procedure Cancelled Blocked 1 2

Visage X-ray Visage CT Visage US Room 1 Visage US Room 2 Visage US Room 3 Visage Mammo

Edit Appointment

APPOINTMENT Mr John SMITH FOLIO 10.645 ACCESSION 10.1270
 Tue, 17-Oct-2017 10:30 AM - 11:00 AM
 Male 05-Oct-1977 (40y) H: (03) 1212-1211 Visage General Hospital Visage
 450 Swan Stree... Dr Doogie Ho (03) 9800-1231 Appointment[s] Medium

SUMMARY

Patient SMITH, Mr John 10.645
 Born: 05-Oct-1977 (40y)
 Male
 Address 450 Swan Street RICHMOND VIC 3121
[View all details](#)

Referrer Dr Doogie Howser 0000000Y
 Practice
 Address 23 Hollywood lane ThePlace RICHMOND VIC 3121 Australia
 Referral date 09-Oct-2017
 Referral period 12

Accession 10.1270
 Order Status Arrived (1/1)

Save Cancel

VISAGE RIS



- Long term (5 year) contracts with Primary Healthcare and I-MED, the 2 biggest radiology providers in AUS
- Combined additional revenue of \$4.4M pa once fully deployed
- HIS (Healix) rollout nearing completion
- Upside via organic and M&A growth (i-med)
- Increased market interest – new opportunities
- PME undisputed market leader



Visage 7.0

Continues to be #1 in Speed, Functionality and Scalability.



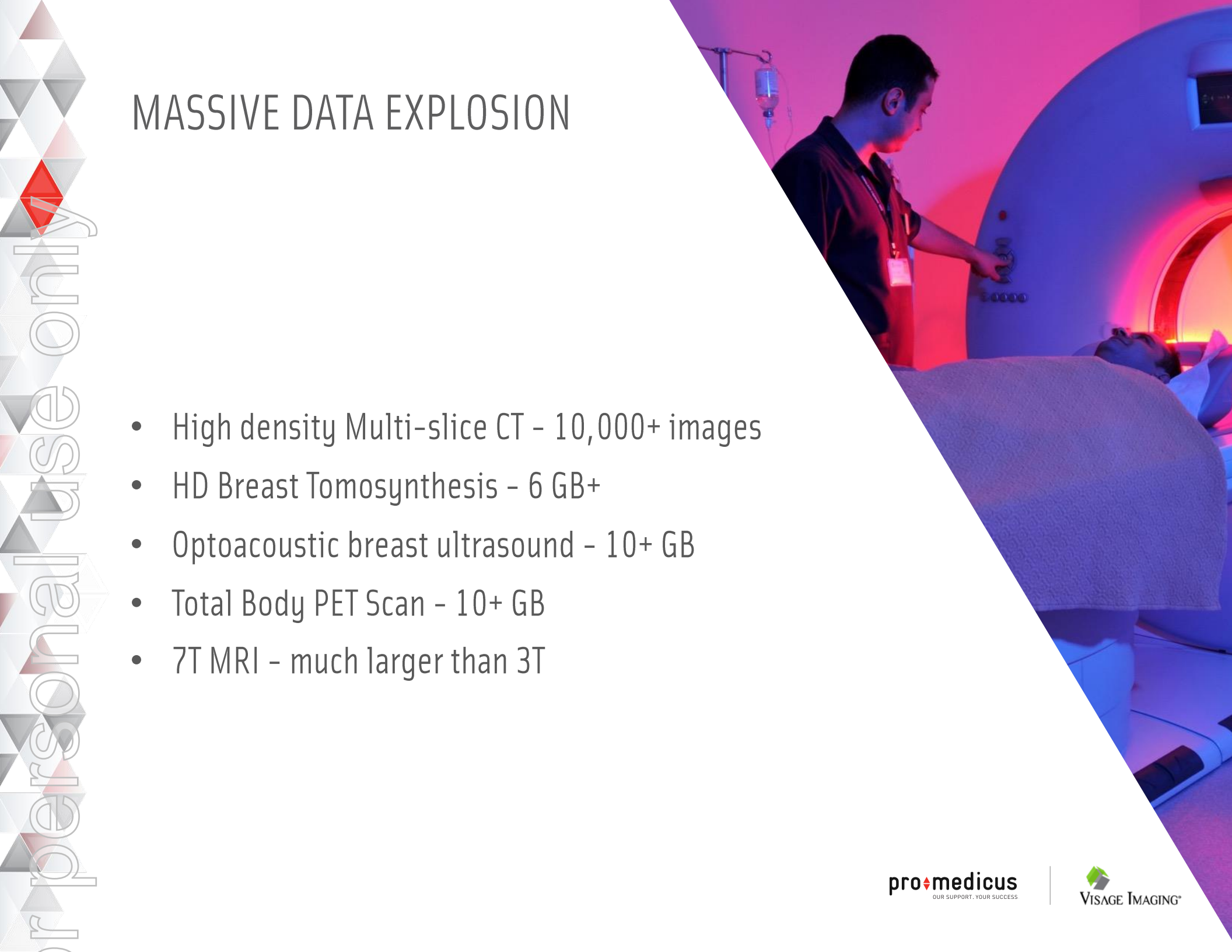
SPEED



FUNCTIONALITY



SCALABILITY

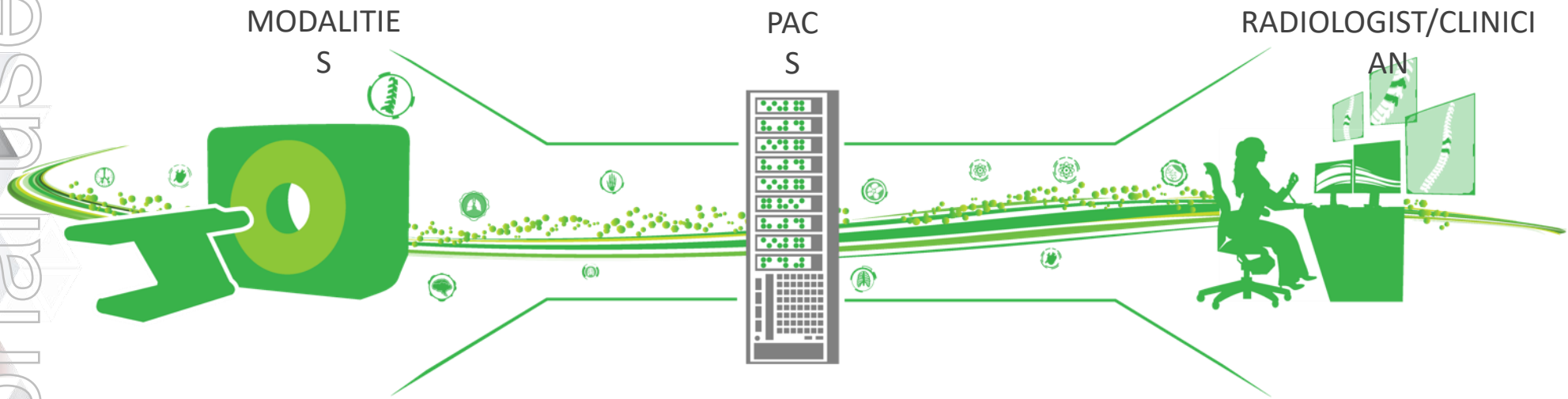


MASSIVE DATA EXPLOSION

- High density Multi-slice CT - 10,000+ images
- HD Breast Tomosynthesis - 6 GB+
- Optoacoustic breast ultrasound - 10+ GB
- Total Body PET Scan - 10+ GB
- 7T MRI - much larger than 3T

LEGACY TECHNOLOGY

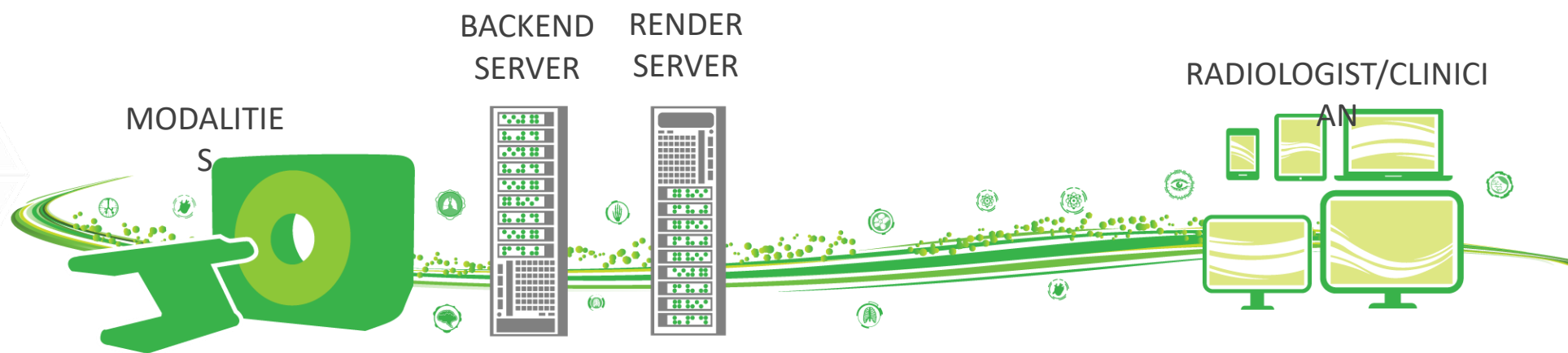
"Compress and Send"



SOLUTION:



VISAGE 7 Streaming Technology



NINES



- 5 year - \$6 Million platform deal
- Transaction based model – volumes to step up YoY
- SaaS offering based on Visage in the Cloud
- Nines team – highly respected in machine learning, AI, and radiology circles
- Leveraging the power of modern AI to clinical settings
- Opens up new market segment for PME

NORTHWESTERN



- Minimum \$22 Million over 5 years
- Transaction-based licensing model with upside
- Voted in the top 10 Hospitals in North America
- Teaching hospital for the Feinberg School of Medicine
- Adds to PME growing base of Tier-1 Healthcare institutions
- Implementation scheduled for Q3 FY21

NYU LANGONE



- \$25 Million over 7 Years
- Voted in the top 10 Hospitals in North America
- Transaction based licensing model with upside
- Teaching hospital for the Grossman School of Medicine
- Implementation scheduled for Q3/Q4 FY21
- 2nd Tier 1 academic contract win in 3 months
- 7 out of the top 20 hospitals in the US have standardized on Visage

LMU KLINKUM – Munich



LUDWIG-
MAXIMILIANS-
UNIVERSITÄT
MÜNCHEN

- \$10M – 7-year Deal
- One of Europe's largest teaching hospitals
- 2nd major hospital contract in Germany
- Visage 7 Viewer and Visage Open archive
- Breaks the mold of "one-stop-shop" modality vendor systems
- Paves the way for further European sales

ZWANGER PESIRI

ZWANGER-PESIRI RADIOLOGY

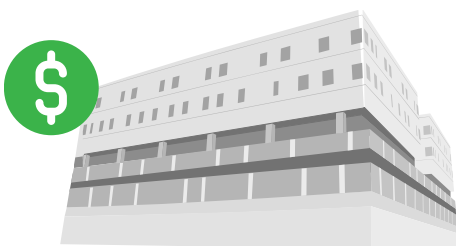
- \$8.5M -5-year renewal contract
- One of the largest private outpatient groups in the US
- Increased minimum contract value by 70%
- Visage technology key enabler of practice growth
- Validates Visage's unique value proposition

FAST TRACK IMPLEMENTATION

- Implementations on or ahead of schedule
- Fast track methodology continues to deliver
- Large scale projects completed in under 1/4 the time of industry norm
- Delivers huge savings for client
- Frees PME staff for other jobs
- Reduces barrier to change
- OSU first 100% remote implementation
- A key differentiator of Visage offering

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VISAGE – PROVEN ROI



Significant IT & Infrastructure Savings



Unparalleled Increase in Radiologist Efficiency



Greater Clinical Accuracy



Improved Physician Engagement



Delivers Superior Value Proposition

VISAGE – Clinical ROI

 **Bharti Khurana, MD** @KhuranaBharti

#radres please use bone window and multiplanar reformations to distinguish a stent from ureteral calculus
#easytomiss #EMRad #bodyrad #Urology
#emergencymedicine @ASER_ERad




10:52 AM · Aug 12, 2020 · Twitter Web App

12 Retweets 74 Likes


 **Eric Pepin PhD MD** @ericwpepin · Aug 13
Replying to @KhuranaBharti and @ASER_ERad
On some PACS (eg @Visage_Imaging), making a curved reformat of ureteral stents takes just a few seconds.


 **Daniel Ortiz, MD** @danortizmd · Aug 12
Replying to @KhuranaBharti and @ASER_ERad
Great tip! I always confirm no stones on coronals on all my cts because can be easy to blow by 1-2 mm stones on axials.

 **Visage Imaging** @Visage_Imaging · Aug 13

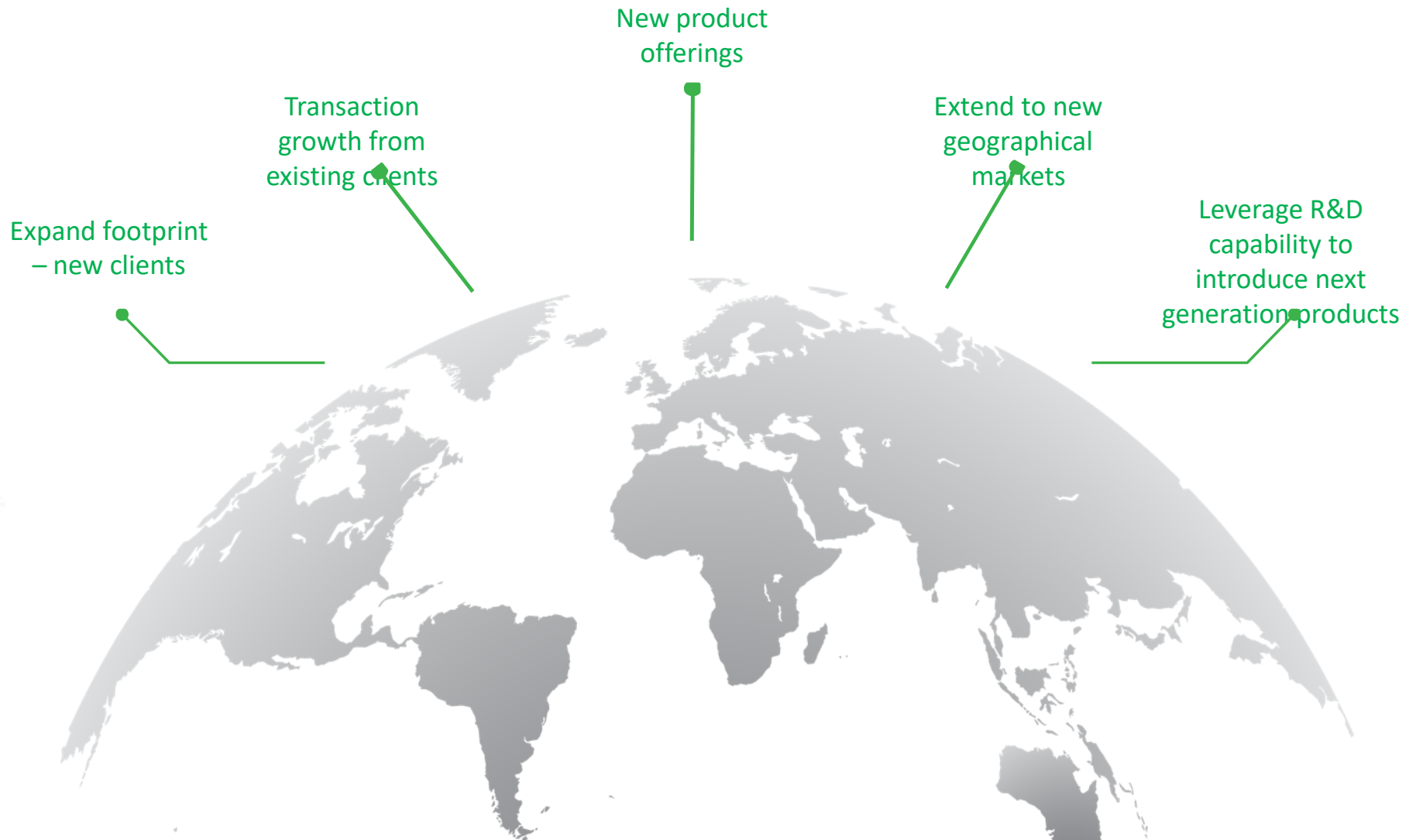
Thank you @ericwpepin! @KhuranaBharti and @BrighamRad
@MassGenBrigham use #Visage7 and can quickly & easily create CPRs.
Ex. Curved Planar Reformat (CPR) generated on-the-fly for better visualization of Rt. Urethra Obstruction @ASER_ERad

Type a message

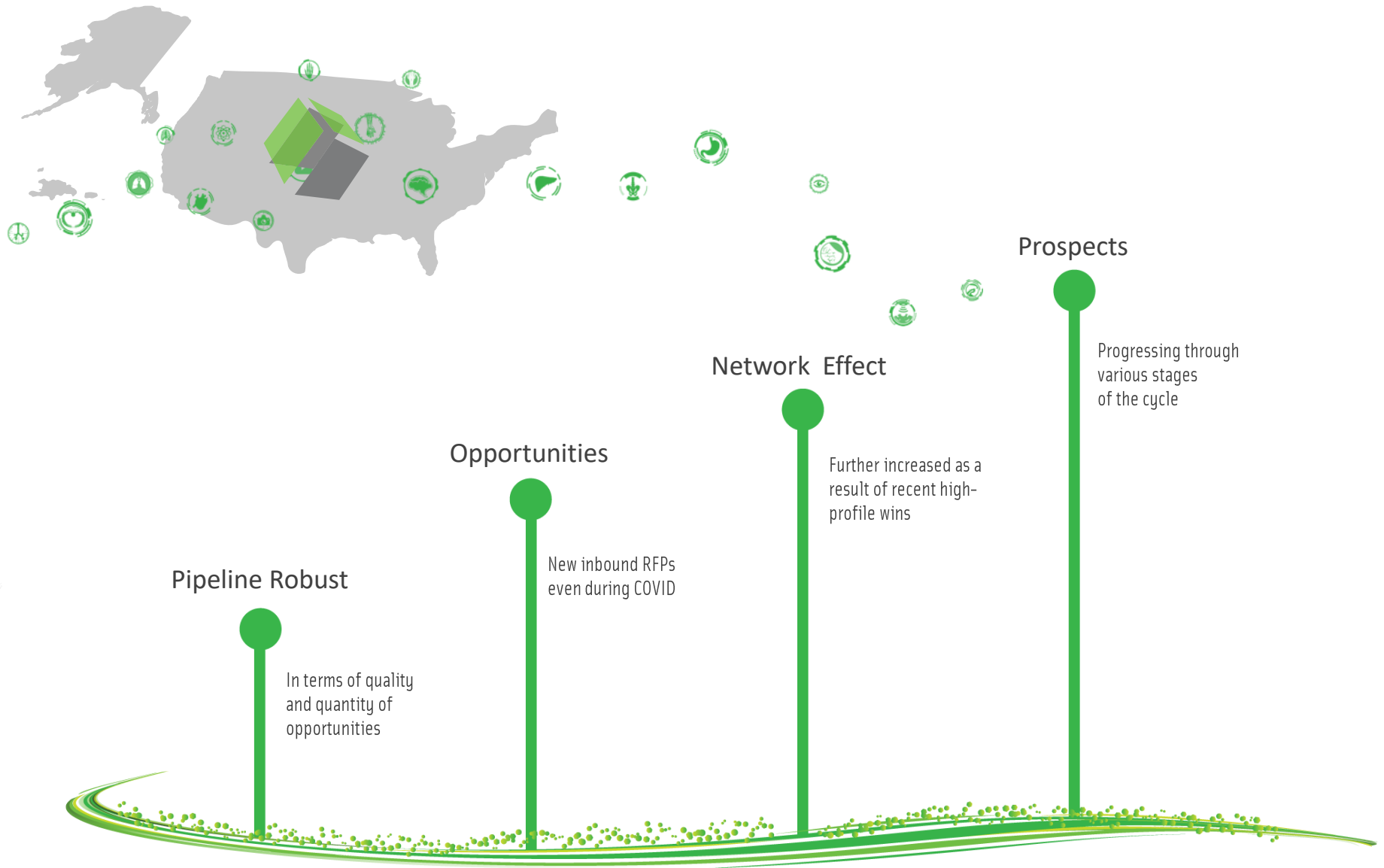


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GROWTH STRATEGY



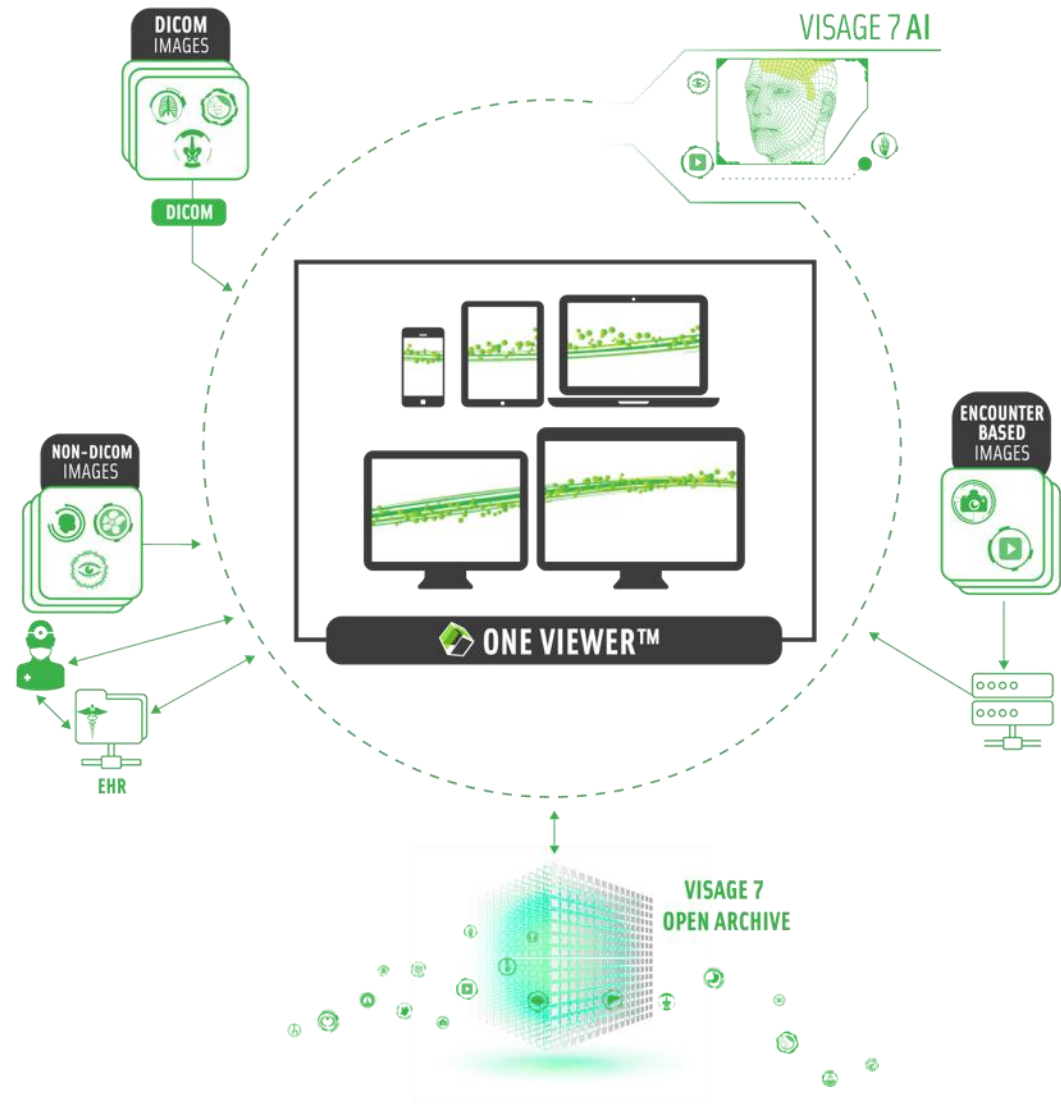
NORTH AMERICAN PIPELINE



NEW PRODUCTS

- One Viewer for **ALL** images
- Radiology/Cardiology (DICOM format)
- Non-radiology– reflected light – hi-res photos & videos
- VISAGE 7 technology ideally suited
- Increases Visage value proposition
- Growth opportunities within existing contracts

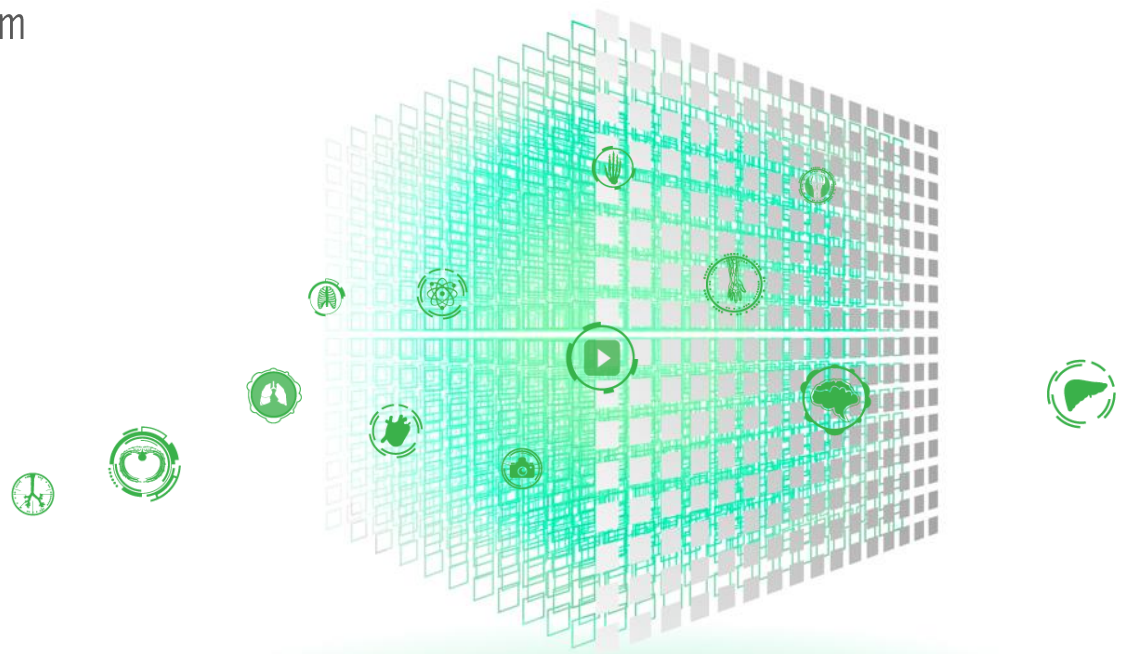
ENTERPRISE IMAGING



NEW PRODUCTS

VISAGE 7 OPEN ARCHIVE

- Based on same highly scalable platform as VISAGE 7
- Interoperable – works in complex environments
- Enables Visage to offer choice of modular or single vendor solutions
- Pipeline includes opportunities for Viewer and Visage Open Archive
- Well placed for North American archive market



Visage 7 Workflow Manager

- Adds to V7 Viewer and Open Archive modules
- Based on over 30 years experience in Worklist SW
- Allows PME to offer single-vendor solution
- Integral part of Visage in the Cloud SaaS solution
- Ability to interface with broad range of AI algorithms



VISAGE in the CLOUD

- Visage 7 - highly optimised for Cloud deployment
- Same ultrafast performance as on-premise
- Full Visage 7 functionality
- Security and scale of the cloud
- Full PACS deployment or as backup/disaster recovery
- Suitable for all size implementations
- Opens new market opportunities

AI in Radiology

AI

ACCELERATOR

- Imbedded in SW or imaging equipment
- Prioritisation of cases – eg head trauma
- Screening – eg early-stage lung nodule detection
- Aid to diagnosis – 2nd opinion, incidental findings
- Automated diagnosis

Visage AI Accelerator

AI

ACCELERATOR

- Unique end to end solution
- Research and production environments on a single platform
- Based on market leading Visage 7 technology
- Enables Visage clients to fast-track AI as part of their imaging strategy

Visage 7

AI

ACCELERATOR

- Research Server – streamlines AI algorithm development
- Optimised for AI data curation and validation
- Open API enables native integration
- AI Ecosystem – 3rd party and Visage developed algorithms
- Joint development/commercialisation opportunities – 3rd parties and academic clients.

Breast Density - AI

AI

ACCELERATOR

- 1st diagnostic AI algorithm produced by Visage
- Developed in collaboration with renown breast imaging team at Yale
- Provides "on the fly" AI assessment of breast density
- Pending FDA approval
- A model for future collaboration with other academic institutions

NYU LANGONE – Joint R&D



- Multi Year research collaboration agreement
- NYU to be part of the Visage AI Accelerator program
- Joint R&D to develop next generation imaging products
- Visage to have onsite access to NYU Langone radiologists and imaging scientists.
- Visage to setup new R&D hub in NYC starting July 2021
- Leverage R&D and commercialization opportunities

AI Research Leadership



Malte Westerhoff
Chief Technology Officer



Detlev Stalling
Head of Development



Ming De Lin
Clinical Research Manager
North America

AI

ACCELERATOR

SUMMARY

- North American footprint continues to grow
- Transaction revenue up 31% YoY
- Market leading technologies
- Growing product portfolio – single vendor or modular
- Proven implementation & support capability
- Unparalleled value proposition (Clinical and Financial ROI)
- Pipeline Continues to grow strongly.
- Visage AI-Accelerator – strategically positioned to leverage AI

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THANK YOU