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Chairman's Address

AGM 2022



**Pro Medicus Ltd
AGM
21 November 2022**

CHAIRMAN'S REPORT

Overview

The company has enjoyed another very successful year both from an operational and financial point of view. Each of our businesses in our principal markets (Australia, Europe and North America) contributed strongly to the outcomes.

The success of the company, despite the presence of COVID-19 in the markets that we serve, 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.

Pro Medicus, like most businesses, relies on its people to reach its goals and achieve overall success. Your company is fortunate to have a group of highly skilled professionals who are dedicated to meeting our clients' needs and that of their patients. The majority of our staff have been with the company for many years and the core management team for well over a decade.

The Company is well led by Dr. Sam Hupert and the management team, who have successfully navigated their way through another financial year. The company continued to deliver the highest level of service to all of our existing clients while at the same time securing a number of significant new contracts and also renewing several existing relationships for further terms. The company also implemented a number of large scale installations with new clients. COVID-19 has not had a material impact on the company's activities.

As a consequence the company has continued to deliver long term sustainable financial results by delivering on the milestones outlined in the company's 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. We continue to enhance our product offering through research collaboration agreements with some of our major clients, including development of AI algorithms and next generation products for enterprise imaging.

During the FY22 year the company announced three major new contract wins in North America (for periods of seven and eight years) and a key contract extension in Europe. We also renewed three major contracts with existing clients, all of which were renewed for contract periods of five or more years and at increased fees per transaction. (Details are included in the Annual Report).

On 29 August 2022 we announced the signing of three new contracts with a combined value of \$A16.5 million and the renewal of the University of Florida contract for a 7 year period for \$A15.5 million.

Each of these contracts will make a major contribution to our future revenues.

Despite the number of recently announced new contracts, new opportunities continue to present themselves and as a result our pipeline remains strong. In Australia our RIS product continues to be the undisputed market leader, with revenue increasing, due to the continued roll out to additional sites with some of our key contracts, during the period.

Financial Results

FY2022 was another record year for the company with revenue increasing by 37.7% to \$93.5 million and underlying net profit after tax increasing by 43.7% to \$44million.

The Company continued to be cash flow positive with retained cash and liquid investments increasing from \$62 million to \$90 million, after paying increased dividends.

The Board anticipates FY23 will be another strong year. The budget for the current financial year has been determined recognising anticipated continuing strong growth, from both existing and new clients.

I am pleased to advise that results to date are ahead of budget on a constant currency basis and further ahead with the impact of a lower Australian dollar, relative to the US dollar. We anticipate that the second half of the financial year will be stronger than the first half, as is traditionally the case.

Surplus cash and M&A

As I indicated earlier our cash and other financial instruments have continued to grow during the year. These funds are maintained to allow the company to continue to invest in the development of our product suite (including AI), to meet our dividend obligations and to take advantage of acquisition opportunities that might arise. The Board has considered a small number of acquisition opportunities during the course of the year but to date none have met our criteria. In the current circumstances, surrounding the technology sector, the Board anticipates that there may be an increasing number of opportunities arising that could meet our criteria.

Dividend Policy

The Board was pleased to increase dividend payments for the 2022 financial year to 22 cents per share fully franked. This represents an increase of 47% 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.

Review of global management structure

At last year's AGM I indicated that we were reviewing our current global management structure and had received external advice to assist the Board in that process. We are currently implementing the initial stages of our plan and have added a number of additional senior managers to assist in meeting our future growth strategies. This will be an ongoing process as we implement a new strategic plan which is in the process of development.

Strategic Plan

Earlier this month the Board and senior management met for three days to discuss the development of the company's next strategic plan. The previous plan expired last financial year and whilst we achieved most of the objectives of that plan, particularly our growth strategy, it is now time to look ahead to set goals for the next three years of the company's journey.

The meeting was extremely productive and I am very pleased to advise that the future looks very bright for the Company. The Board and senior management discussed the opportunities and the challenges we face and we developed the fundamentals of the plan. The group was unanimous in the desire to continue with our growth strategy and investment in our products and our people.

Notwithstanding the tremendous success of the Company to date, I want to assure our shareholders that the members of the Board and management team are by no means complacent. We are all committed to achieving further successful outcomes envisaged within the new strategic plan.

Closing

In closing, on your behalf, I would again like to thank all of our dedicated staff in Australia, North America and Europe for their contribution to the company during what has been another very successful year. 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

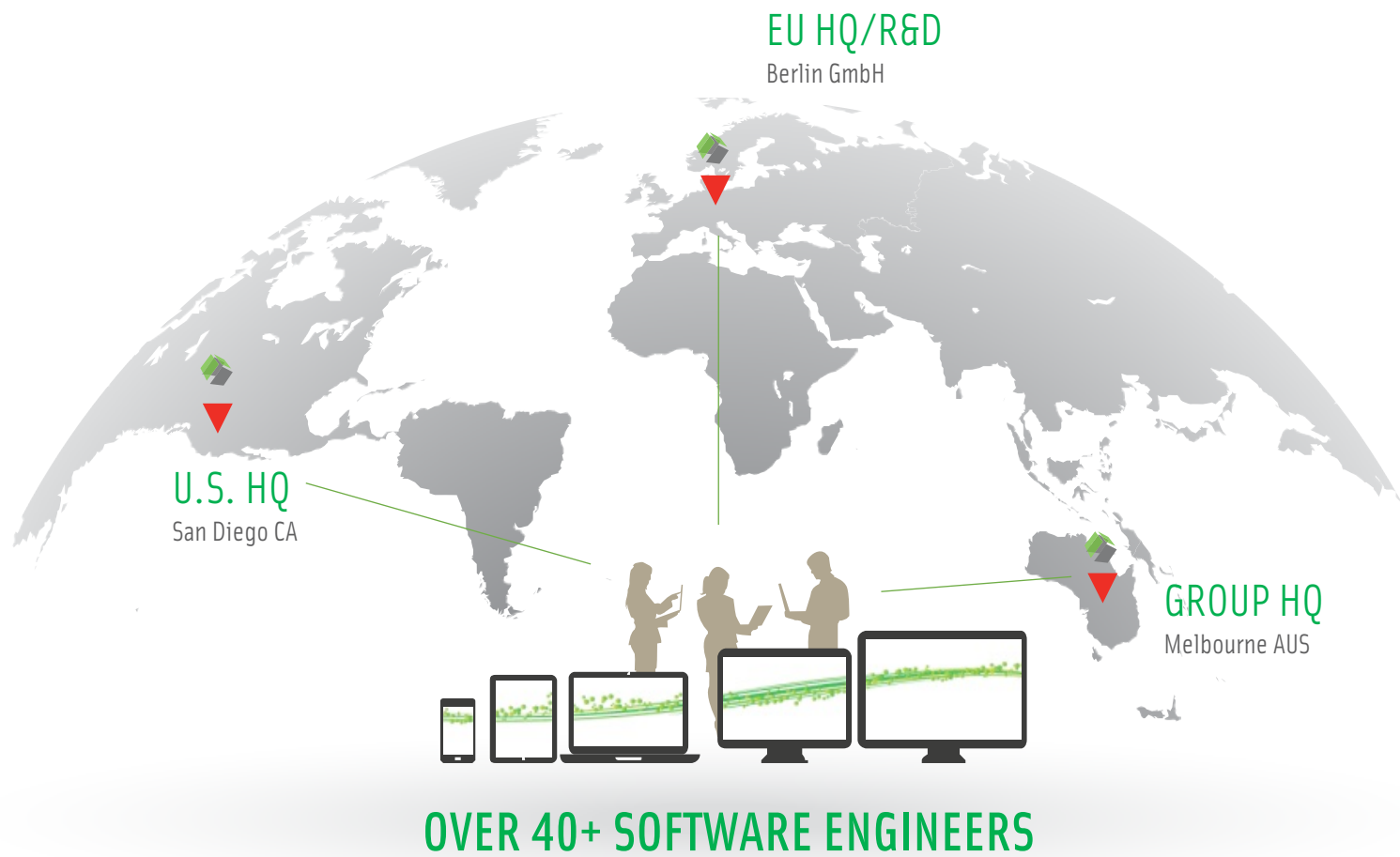
AGM 2022



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



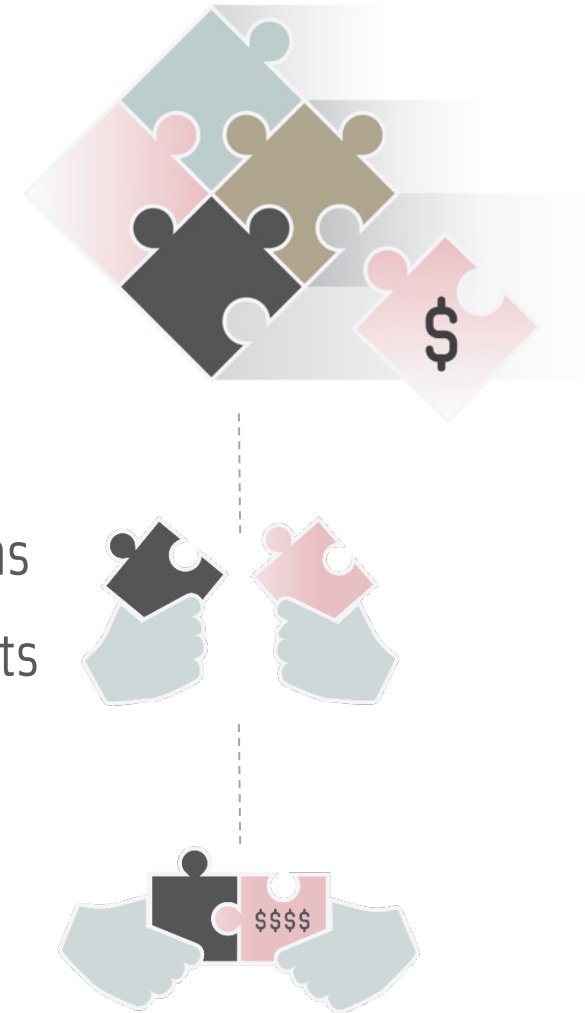
VISAGE 7
PRODUCT SUITE



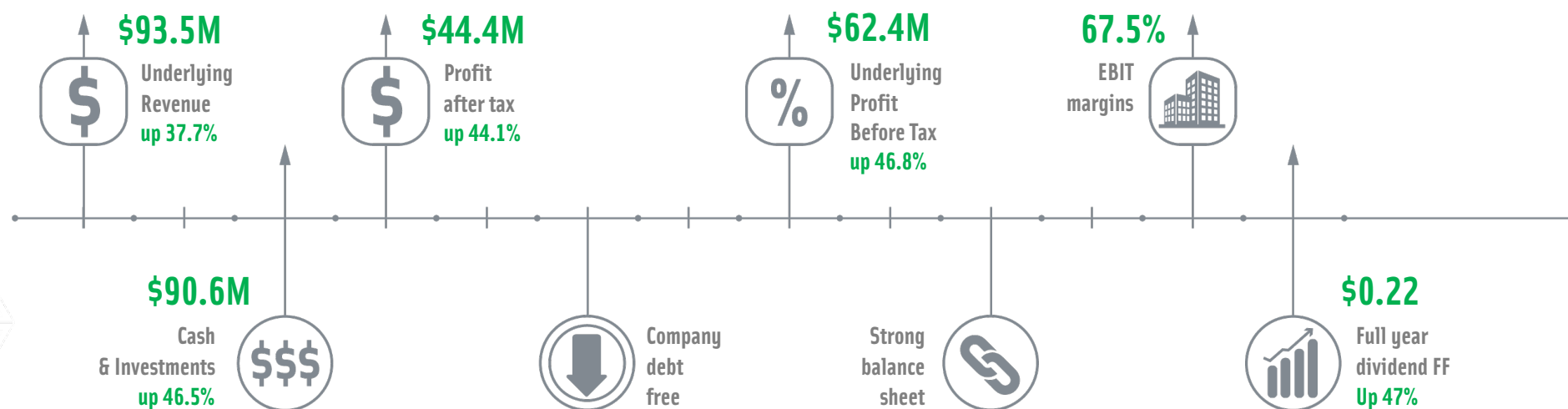
OEM

FY 22 – Results

- Record year financially
- Four major sales – 3 in North America, 1 in Europe
- Two key contract renewals – Sutter and Wellspan
- Completed several large-scale cloud implementations
- Good progress with research collaboration agreements with NYU Langone, Mayo Clinic and others



RESULTS FY 2022



FY 2022 REVENUE SPLIT

Full year revenue split

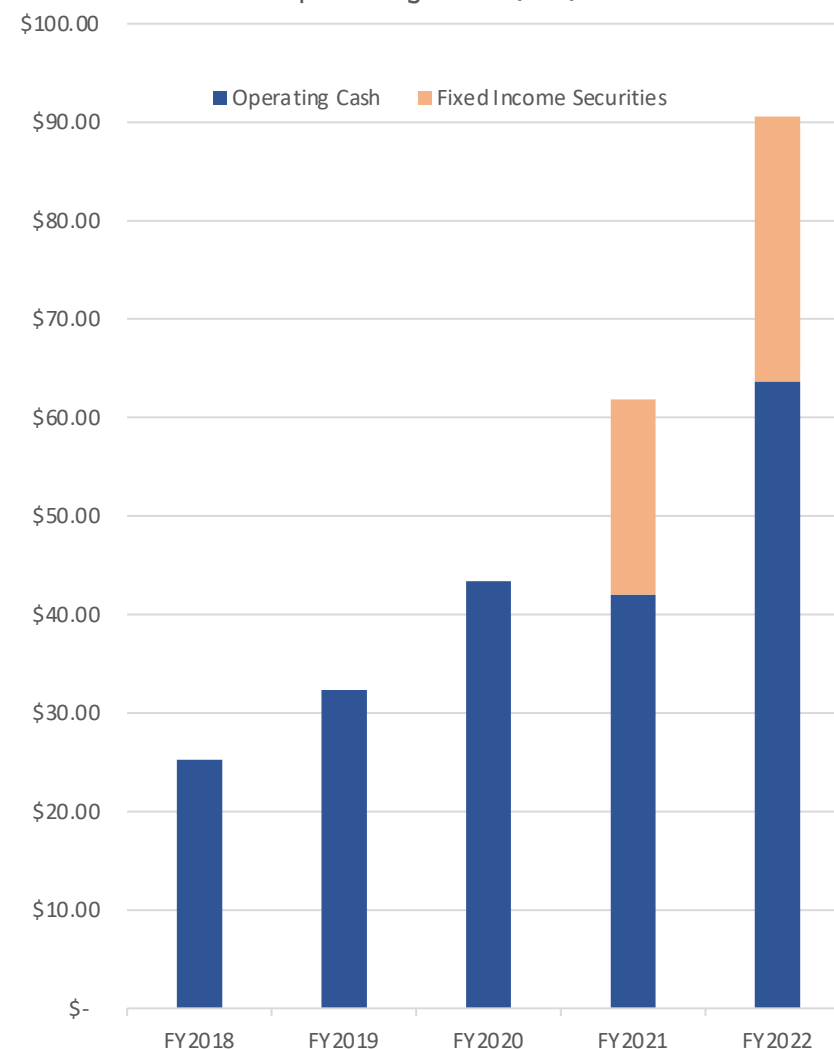


FY2022 HIGHLIGHTS – FINANCIAL RESULTS

Revenue by Geographic Segment



Operating Cash (\$m)



OPERATONAL (TRANSACTION) MODEL

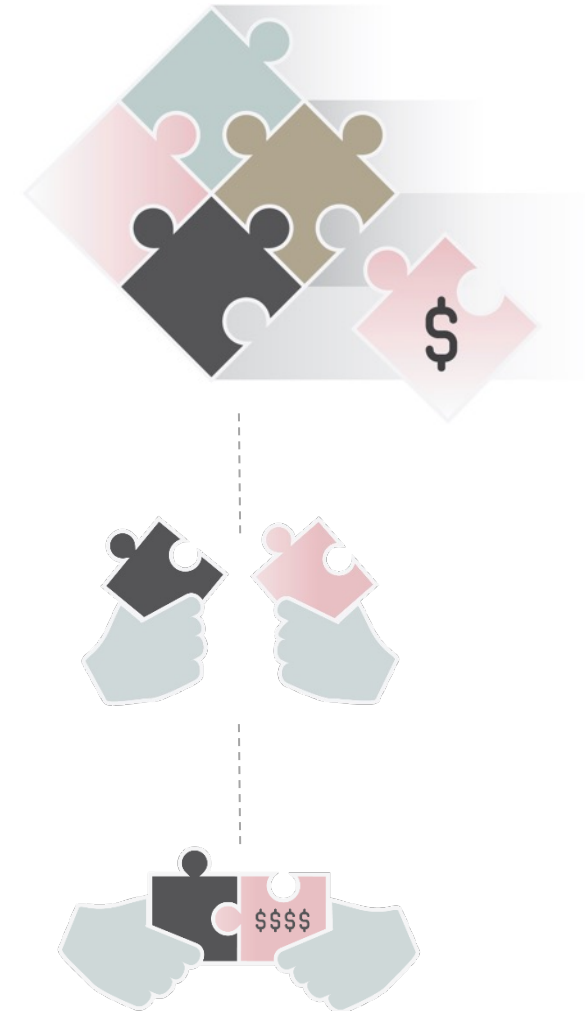
- Used in vast majority of US contracts
- Delivered as SaaS model
- Now used in RIS contracts in AUS
- Model based on transaction minimums
- Forward revenue > A\$450M/5 years*
- Upside as client examination volumes grow
- Annuity style revenue stream – greater predictability

* Assumes key contracts up for renewal are renewed

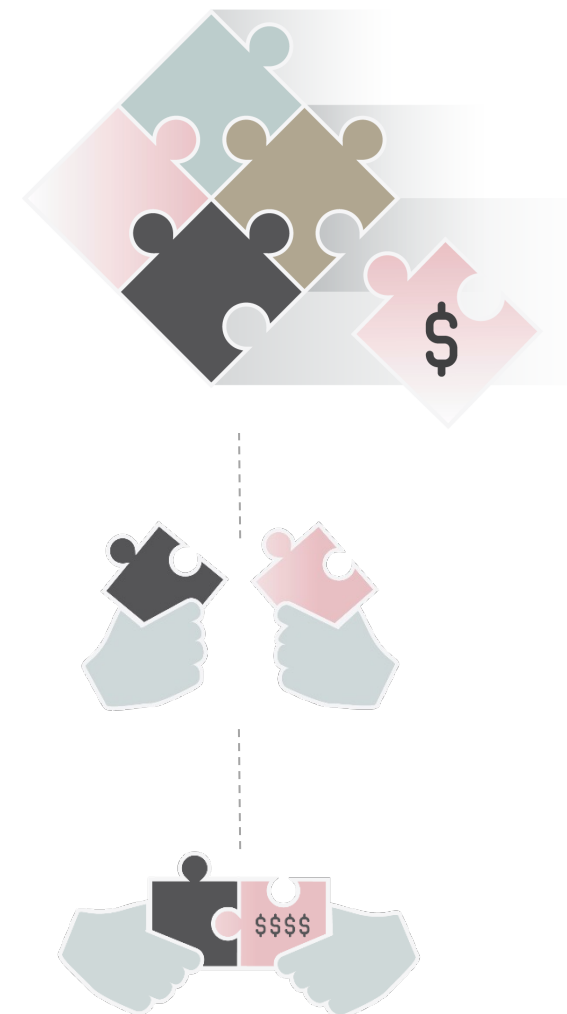
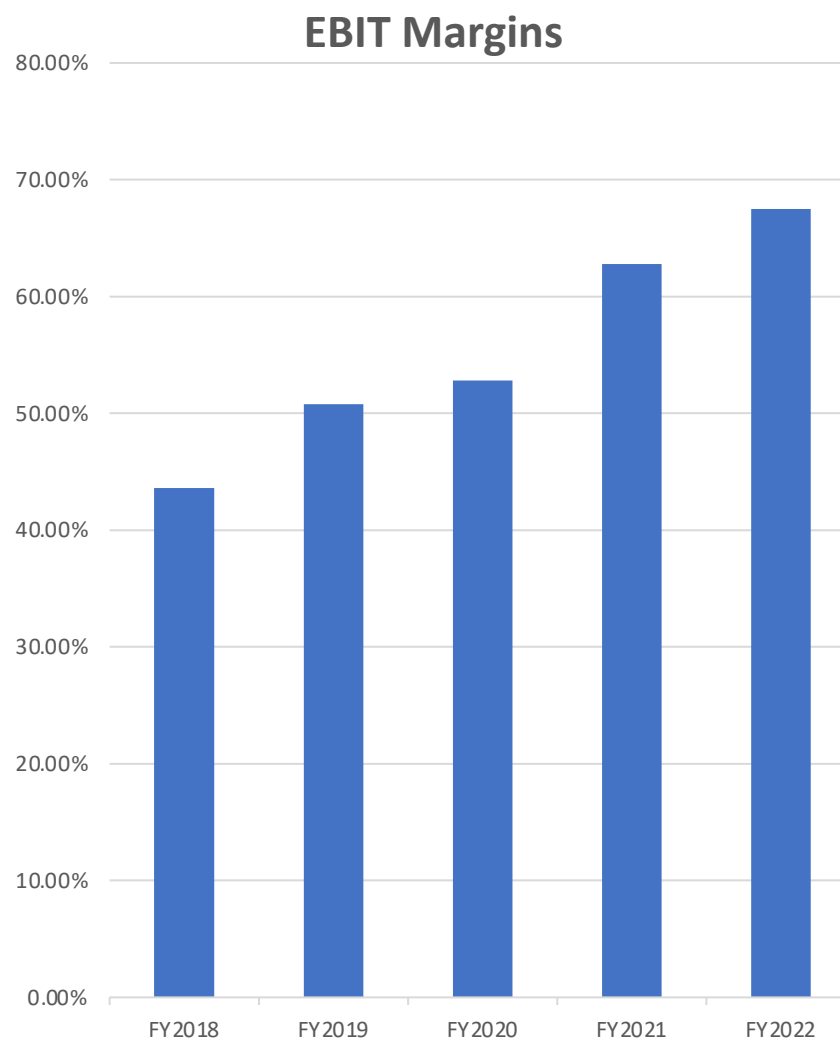


OPERATING LEVERAGE

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



MARGIN EXPANSION













Highlights FY22



In Review 2022 Top Hospitals

9 out of the top 20
Hospitals Use Visage® 7 for PACS.



1	 MAYO CLINIC	Rank #1 Mayo Clinic Rochester - Live Full PACS
2	 NYU Langone Health	Rank #3 NYU - Live Full PACS
3	 UCLA Health	Rank #5 UCLA - Implementation
4	 MASSACHUSETTS GENERAL HOSPITAL	Rank #8 Mass General - Live Full PACS
5	 Northwestern Medicine	Rank #9 Northwestern - Live Full PACS
6	 UCSF Health	Rank #12 UCSF - Live Full PACS
7	 BRIGHAM AND WOMEN'S HOSPITAL	Rank #14 Brigham & Women's - Live Full PACS
8	 MAYO CLINIC	Rank #18 Mayo Clinic Phoenix - Live Full PACS
9	 RUSH	Rank #20 Rush - Breast Imaging PACS



Increasing our footprint in the IDN space



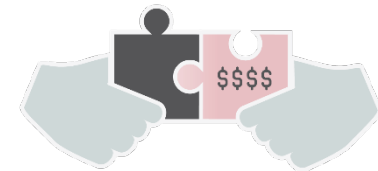
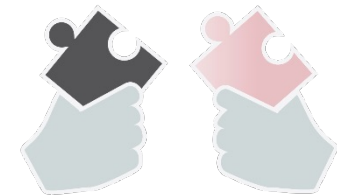
- Existing IDN clients – Mercy, Sutter Health, Intermountain Allegheny, Medstar etc
- 3 large IDN sales in the last year, Novant, Inova & Allina
- All 3 sales for more than one Visage product
- All 3 opportunities Cloud deployed
- Increasing network effect in this very large market segment.



Allina Health

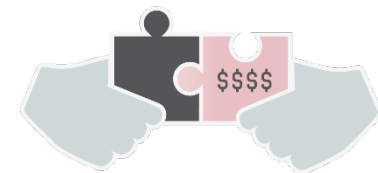
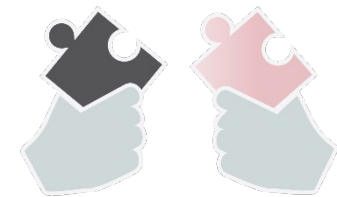
FY23 -Year to Date

- Tracking ahead of budget
- Transaction volumes above pre COVID levels
- Addressing mid market - Bay, CHOP and Montage.
- 15.5M 7- year U Florida renewal
- 3 major implementations in 1st half FY23 – Inova and Allina (completed) with Novant scheduled for December.
- Several smaller implementations completed including Montage.
- Stronger 2nd half – increased transactions from recent installs



FY23 -Year to Date

- Two strategic hires –People and Culture director and Chief Strategy Officer – July 2022
- In person company wide Management and Strategy meeting in Melbourne – October 2022
- Sets base for future growth



VISAGE RIS



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

RECEPTION TECHNOLOGIST DOCTOR TRANSCRIPTIONIST SEARCH OFFICE CLAIMING SETUP

Recent Dr R Simpson

Appointments Requested Arrival Billing Banking

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

Visage X-ray	Visage CT	Visage US Room 1	Visage US Room 2	Visage US Room 3	Visage Mammo
<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>08:45 AM Blocked</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM Blocked</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM Blocked</p> <p>11:00 AM</p> <p>11:15 AM</p> <p>11:30 AM</p> <p>11:45 AM Blocked</p> <p>12:00 PM</p> <p>12:15 PM</p> <p>12:30 PM</p> <p>12:45 PM ADAMS, Mrs ROSE ...</p> <p>01:00 PM</p> <p>01:15 PM</p> <p>01:30 PM</p> <p>01:45 PM</p> <p>02:00 PM</p> <p>02:15 PM</p> <p>02:30 PM</p> <p>02:45 PM</p> <p>03:00 PM</p> <p>03:15 PM</p> <p>03:30 PM</p> <p>03:45 PM</p> <p>04:00 PM</p> <p>04:15 PM</p> <p>04:30 PM</p> <p>04:45 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>09:00 AM</p> <p>09:30 AM</p> <p>10:00 AM</p> <p>10:30 AM SMITH, Mr John: C...</p> <p>11:00 AM</p> <p>11:30 AM</p> <p>12:00 PM Lunch</p> <p>12:30 PM Lunch</p> <p>01:00 PM</p> <p>01:30 PM</p> <p>02:00 PM Non Contrast</p> <p>02:30 PM</p> <p>03:00 PM</p> <p>03:30 PM</p> <p>04:00 PM</p> <p>04:30 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:00 AM TEST, Mr Roger: U...</p> <p>08:15 AM Test 43.607...</p> <p>08:30 AM</p> <p>08:45 AM</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM</p> <p>11:00 AM</p> <p>11:15 AM</p> <p>11:30 AM</p> <p>11:45 AM</p> <p>12:00 PM</p> <p>12:15 PM</p> <p>12:30 PM</p> <p>12:45 PM</p> <p>01:00 PM</p> <p>01:15 PM</p> <p>01:30 PM</p> <p>01:45 PM</p> <p>02:00 PM</p> <p>02:15 PM</p> <p>02:30 PM</p> <p>02:45 PM</p> <p>03:00 PM</p> <p>03:15 PM</p> <p>03:30 PM</p> <p>03:45 PM</p> <p>04:00 PM</p> <p>04:15 PM</p> <p>04:30 PM</p> <p>04:45 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>09:00 AM</p> <p>09:30 AM</p> <p>10:00 AM</p> <p>10:30 AM</p> <p>11:00 AM</p> <p>11:30 AM</p> <p>12:00 PM</p> <p>12:30 PM</p> <p>01:00 PM</p>	<p>Tue, 17-Oct-2017</p> <p>08:30 AM</p> <p>08:50 AM</p> <p>09:10 AM</p> <p>09:30 AM Urgent</p> <p>09:50 AM Urgent</p> <p>10:10 AM Urgent</p> <p>10:30 AM Urgent</p> <p>10:50 AM Urgent</p> <p>11:10 AM Urgent</p> <p>11:30 AM</p>	<p>Tue, 17-Oct-2017</p> <p>09:00 AM</p> <p>09:15 AM</p> <p>09:30 AM</p> <p>09:45 AM</p> <p>10:00 AM</p> <p>10:15 AM</p> <p>10:30 AM</p> <p>10:45 AM</p> <p>11:00 AM</p> <p>11:15 AM</p>

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 Referrer Dr Doogie Howser 0000000Y

Born: 05-Oct-1977 (40y) Practice

Male Address 23 Hollywood lane ThePlace RICHMOND VIC 3121 Australia

(03) 1212-1211 Referral date 09-Oct-2017

Address 450 Swan Street RICHMOND VIC 3121 Referral period 12

View all details

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
- HIS (Healix) rollout now complete
- 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



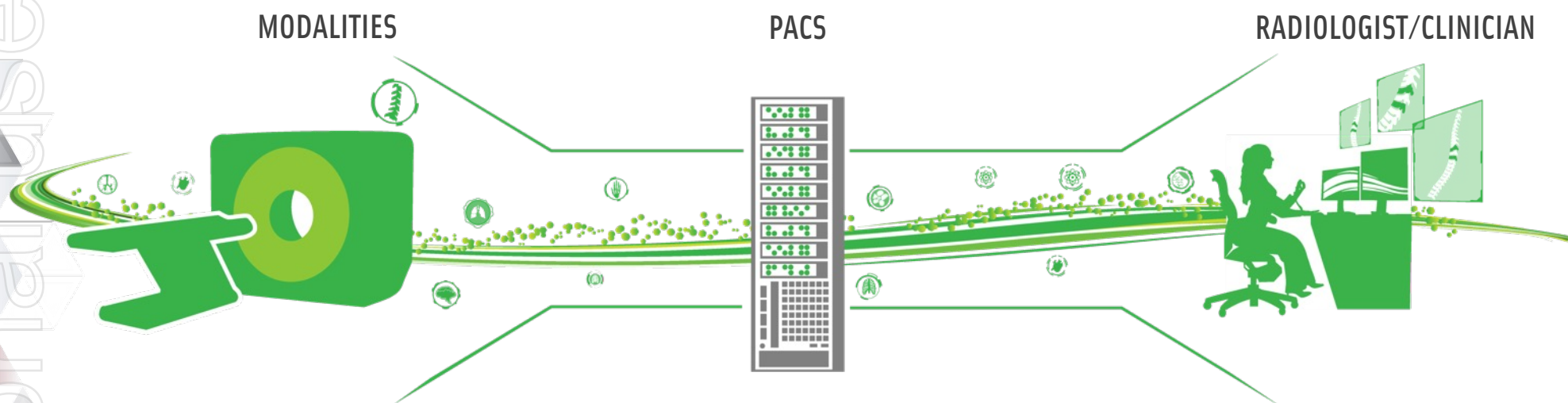
FUNCTIONALITY



SCALABILITY

LEGACY TECHNOLOGY

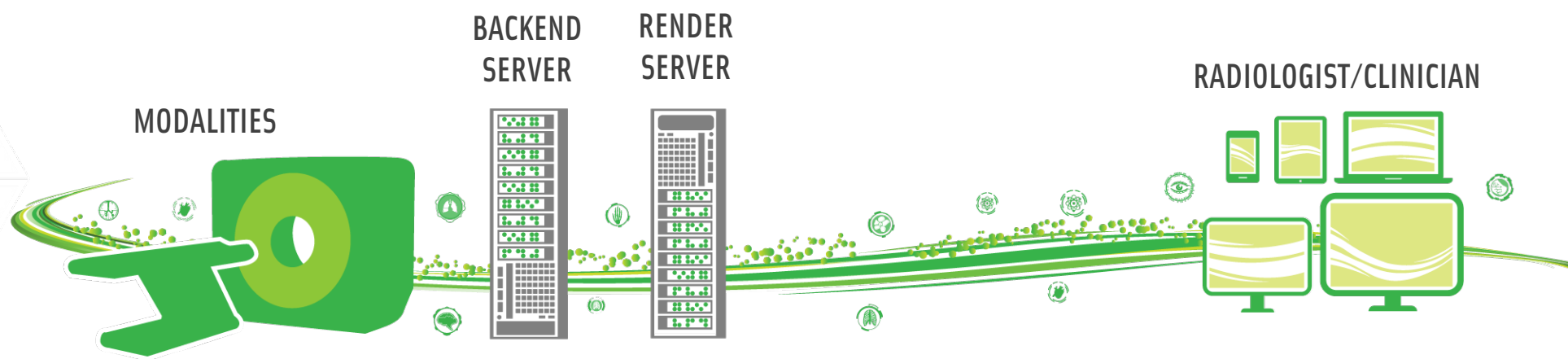
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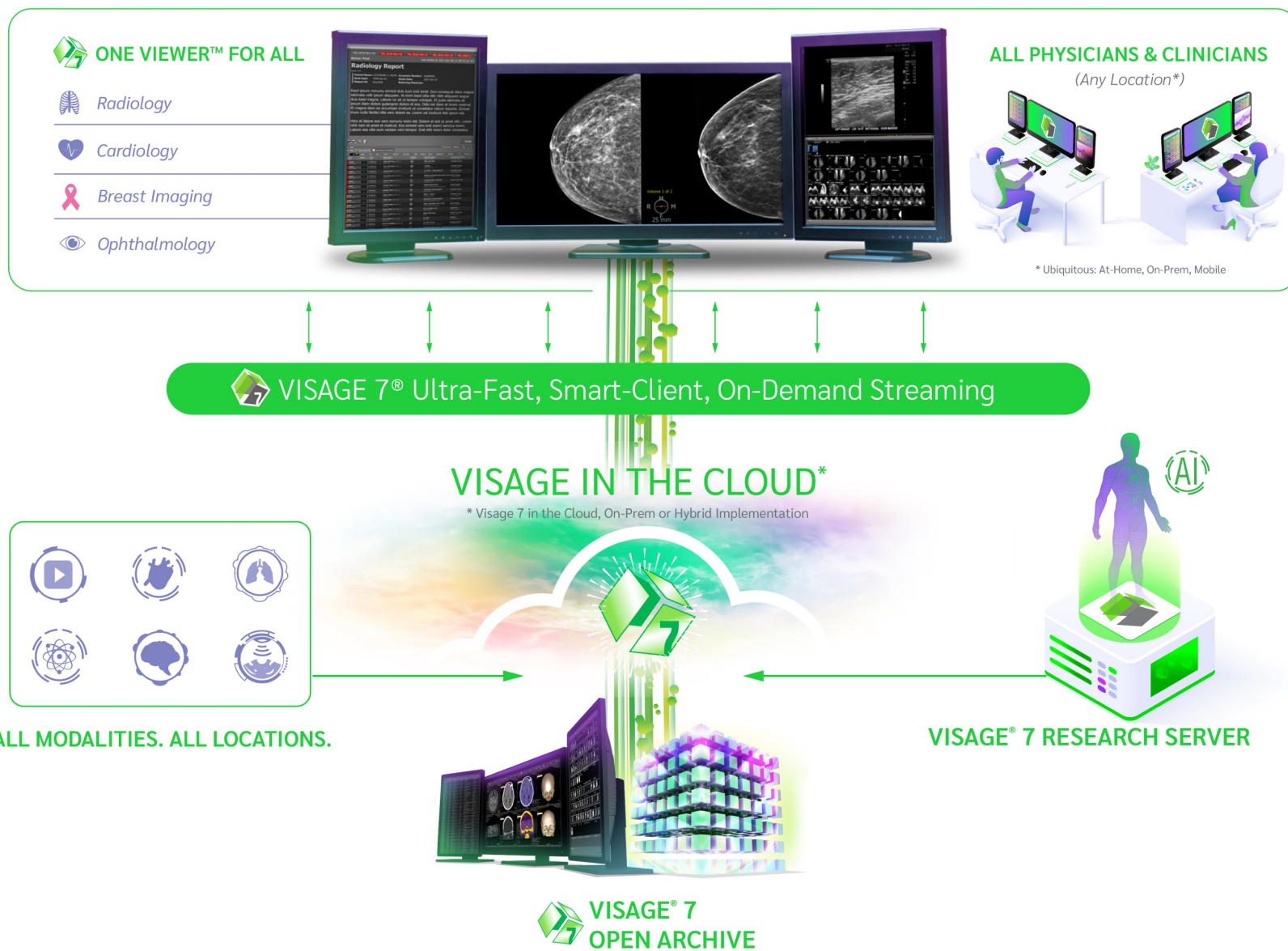
SOLUTION:



VISAGE 7 Streaming Technology



SOLUTION: Visage 7 Streaming Technology



NOVANT HEALTH



- \$40M – 7-year deal
- Visage to replace multiple legacy PACS systems
- Visage to deploy Visage 7 Workflow and Visage 7 Viewer
- Extends PME's rapidly growing footprint in NA IDN Market
- Transaction-based model with potential upside

INOVA HEALTH



- \$32M – 8 -year contract
- Cloud based implementation
- Includes INOVA's hospitals and Fairfax Radiology practices
- Visage to replace 2 key competitor systems
- Extends PME's rapidly growing footprint in IDN Market
- Transaction-based model with potential upside

ALLINA HEALTH



- \$28M – 7 -year contract
- Cloud based implementation
- Includes Visage 7 Workflow
- Visage to replace legacy PACS systems
- Extends PME's rapidly growing footprint in IDN Market
- Transaction-based model with potential upside

WELLSPAN / SUTTER HEALTH RENEWALS

- Combined minimum contract value of \$47M
- Sutter Health 7-year renewal
- Wellspan Health 5-year renewal
- Increased per-transaction fee
- Shows high level of confidence in Visage technology



3 Contracts – 3 different market segments



- Montage Health – regional IDN
- Bay Imaging consultants – private radiology group
- CHOP – Tier 1 academic children's hospital
- Visage 7 suitable to different market segments – increases PME's total addressable market (TAM).
- Combined minimum contract value of \$16.5M
- All three to be deployed in public Cloud

UNIVERSITY OF FLORIDA RENEWAL

Gainesville / Jacksonville



- 7 Year - \$15.5M contract renewal
- Both sites now on transaction-based model
- Increase in per transaction fee
- Demonstrates confidence in Visage as a technology leader

FAST TRACK IMPLEMENTATION

- All 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
- New highly optimized hybrid model (onsite + remote)
- A key differentiator of Visage offering

KEY IMPLEMENTATIONS

FY22



June/July 2021
Hybrid Remote &
Onsite



October 2021
Hybrid Remote &
Onsite



December 2021
Onsite



January 2022
Onsite

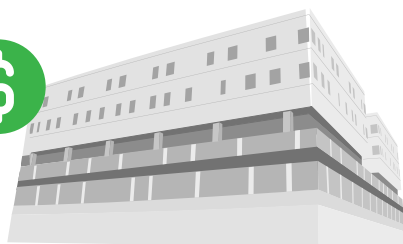


February 2022
Hybrid Remote &
Onsite



March 2022
Onsite

VISAGE – PROVEN ROI



Significant IT & Infrastructure Savings



Unparalleled Increase in Radiologist Efficiency



Greater Clinical Accuracy



Improved Physician Engagement



Delivers Superior Value Proposition

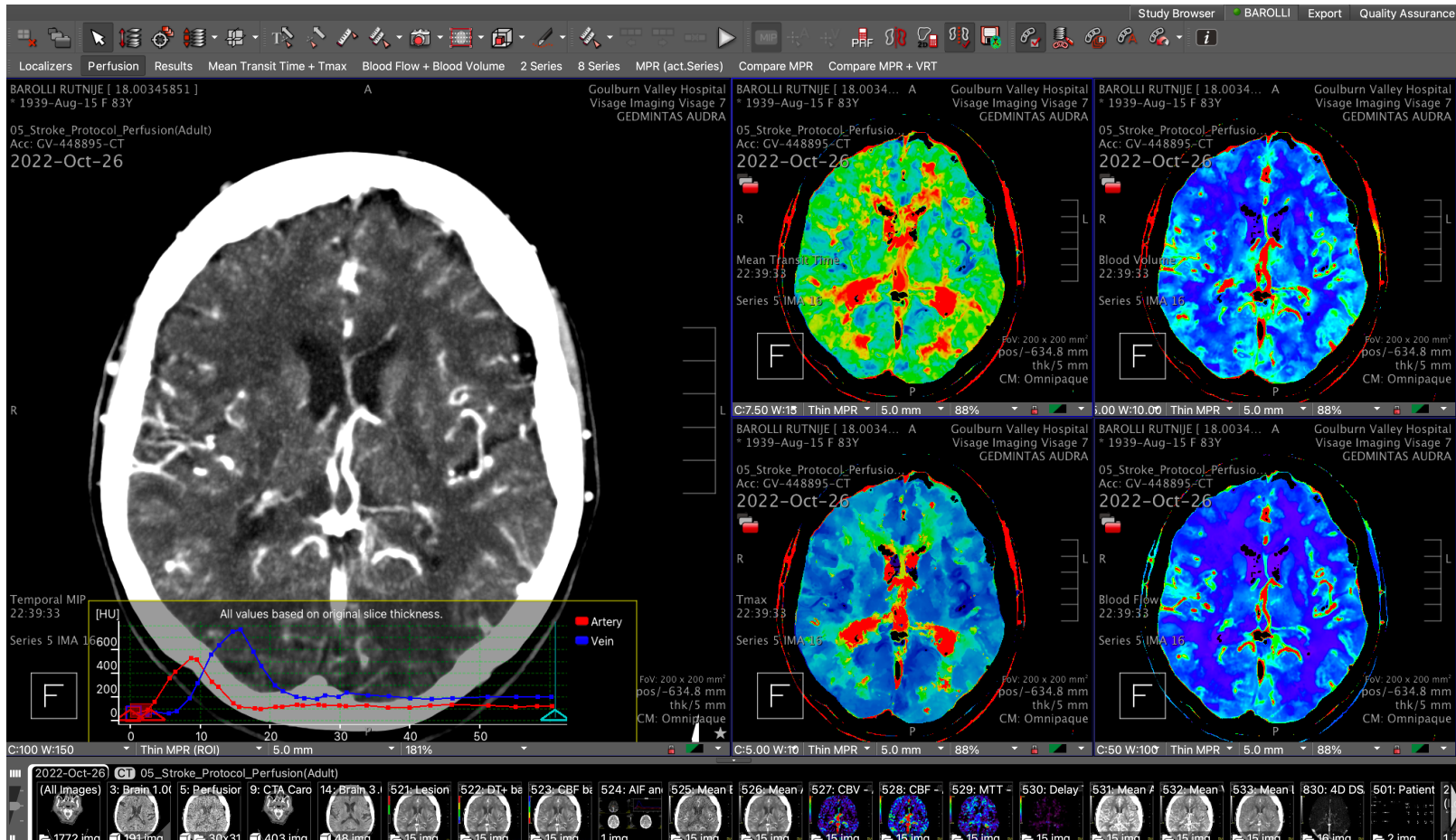
Clinical Outcomes



Moving the Needle




VST - Visage Brain Perfusion



Performed by software gifted to VST

Background of Victorian Stroke Telehealth (VST)

- Operational since 2013; Ambulance Victoria 2018
- Hospitals: 17 Victoria + 2 Tasmania
- 24/7 access to stroke specialists via
- Treatment advice for suspected acute strokes
- **>4000 patients treated each year – all with advanced CT brain imaging (CT/A/P)** 1300 

Virtual workforce – 25 neurologists located in every State, and in New Zealand, and all using Visage



AmbulanceVictoria

STROKE
TELEMEDICINE

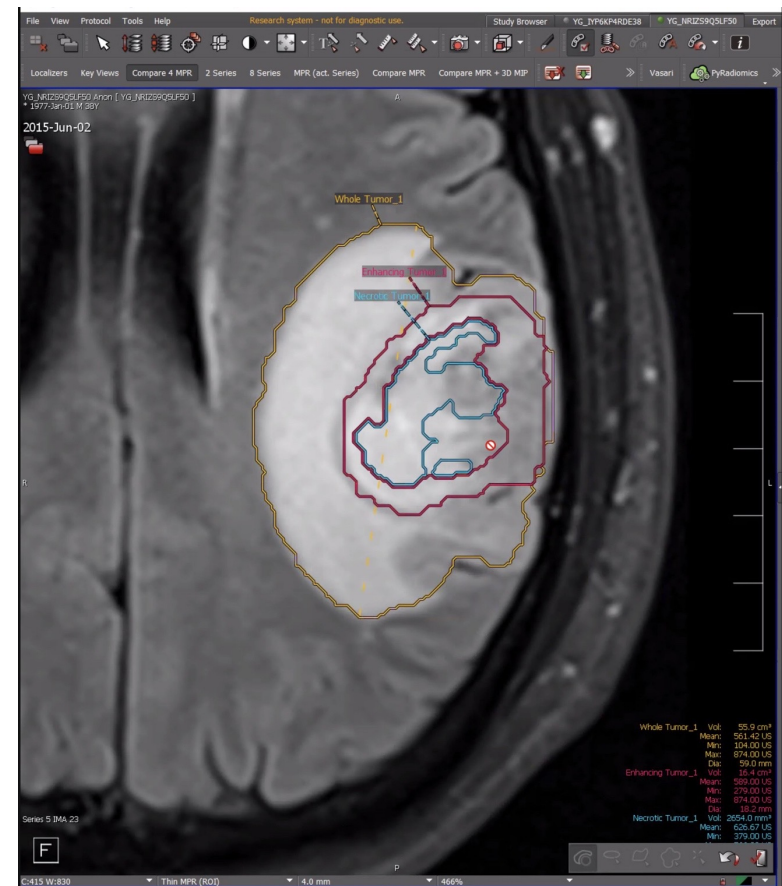
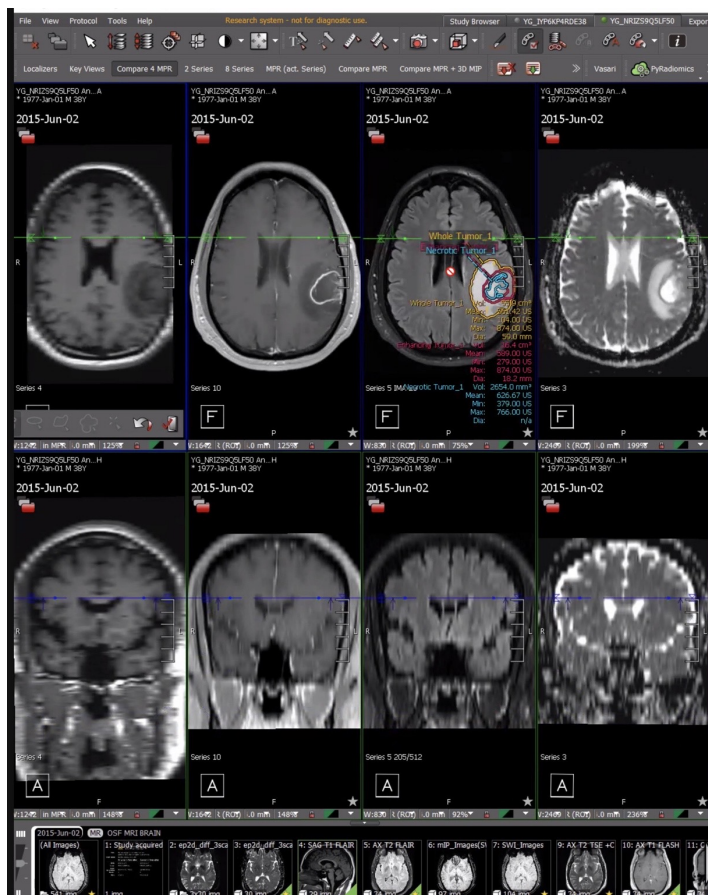
Glioma Segmentation



Mariam Aboian, MD, PhD
Assistant Professor
Radiology & Biomedical
Engineering
Yale School of Medicine

"PACS is our clinical world for Radiologists.
Incorporation of AI into PACS, gives us clinical
value."

"This is what AI based segmentation of gliomas
in PACS looks like! Advanced image processing
at your fingertips is our next frontier!"



Glioma Segmentation



Mariam Aboian, MD, PhD
Assistant Professor
Radiology & Biomedical
Engineering
Yale School of Medicine

- Multiple abstracts and papers published
- Neuro-Oncology paper showing workflow efficiency gains using the lesion tracking tool
- What used to take 3 to 4 hours now takes a few minutes if not seconds
- Studies to show that 3D segmentation more accurate than current axial measurements
- Will be in multiple posters and presentations at RSNA

Burnout – the new epidemic ?

☰ Has Burnout Become an Epidemic in Radiology?

April 22, 2022

Jeff Hall



Review: Diagnostic radiologists at higher risk of burnout

What You Need to Know About Radiologist Burnout and How to Keep It in Check

By Rosil Sinha | December 2, 2019



February 2022, Volume 218, Number 2

Policy, Quality, and Practice Management
Clinical Perspective

« Previous Article | Next Article »

Physician Burnout in Radiology: Perspectives From the Field

Cheri L. Canon, MD¹, Jeffrey Forris Beecham Chick, MD, MPH², Ivan DeQuesada, MD³, Richard B. Gunderman, MD, PhD⁴ ... Show all

Burnout – the new epidemic ?





Up to
50%
Increased Efficiency



Reduce Burnout

Work Faster, Smarter. Achieve PACS Nirvana.

Patient Engagement – Video Reports

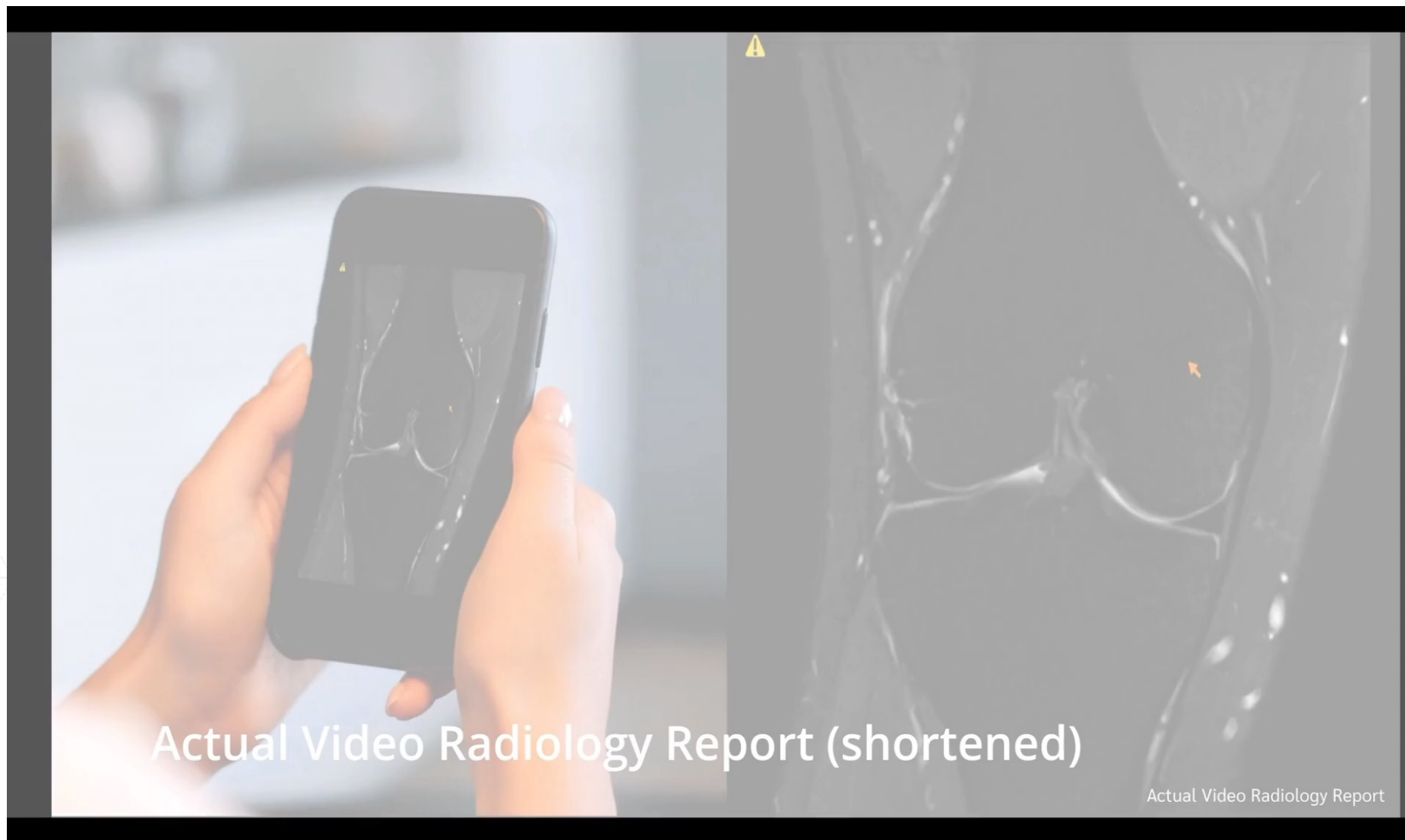


“Your Radiologist Is the Most Important Doctor You’ve Never Met—Until Now”

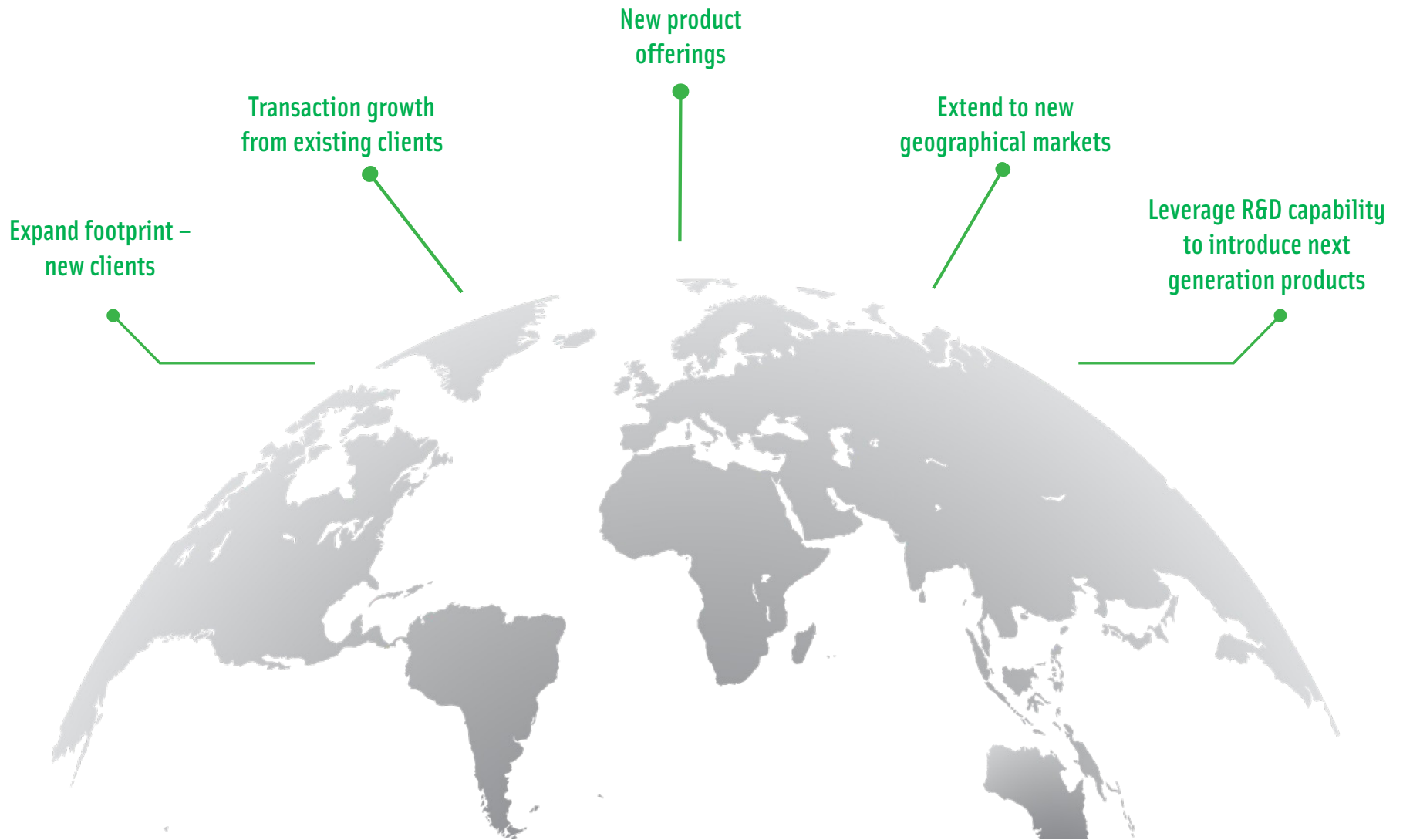
NYU Langone debuts the First Video Radiology Reports in a U.S. Hospital to Help Patients Understand the Results of Their Imaging Exams

For the study, 105 clinical radiologists at NYU Langone Health created 3,763 video radiology reports over 4 months, between September 2021 and January 2022.

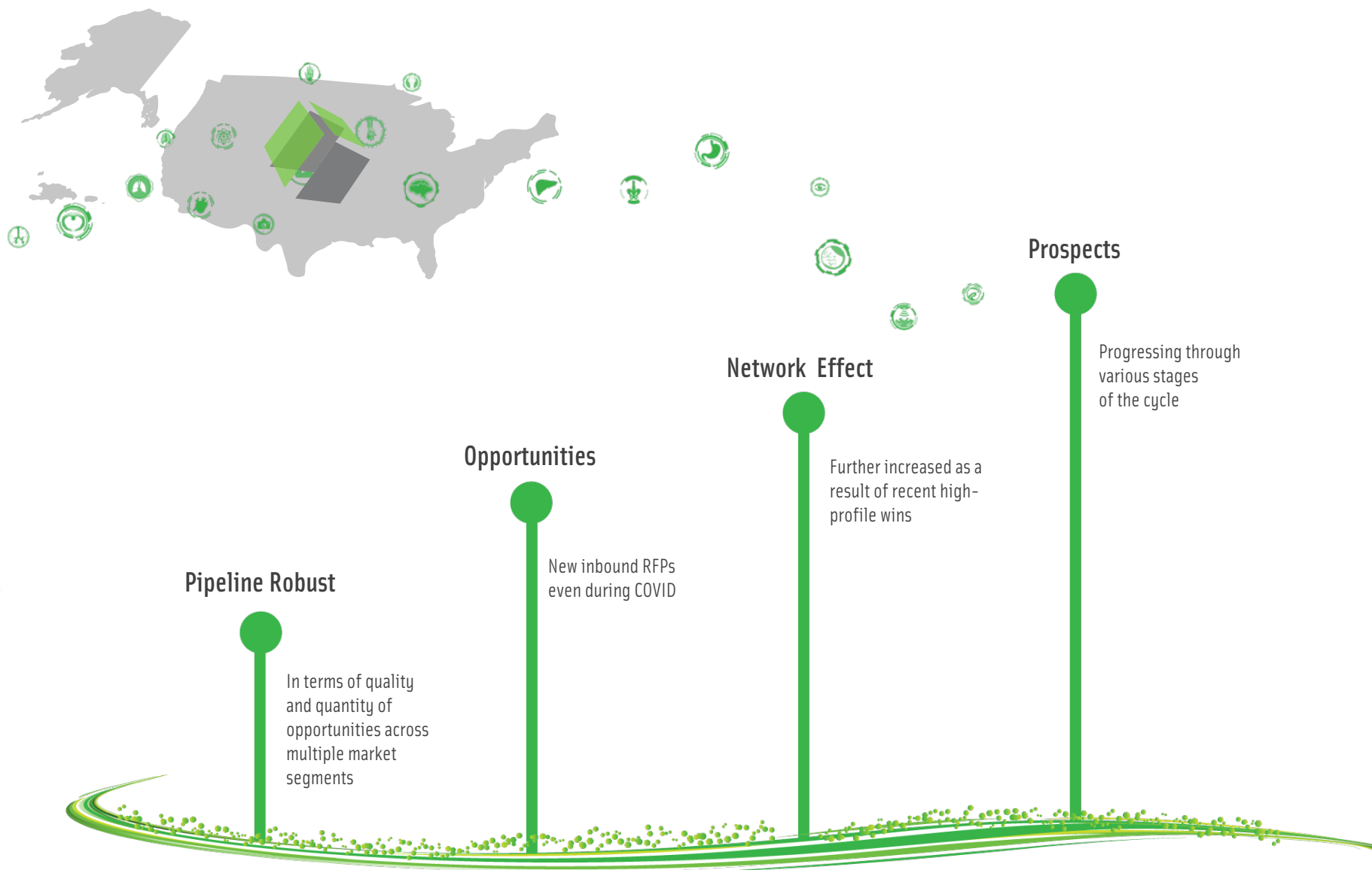
Patient Engagement – Video Reports



GROWTH STRATEGY



NORTH AMERICAN PIPELINE



VISAGE 7 OPEN ARCHIVE



- Same highly scalable Visage 7 platform
- Interoperable – works in complex environments
- Enables choice of modular or single vendor solutions
- Several recent sales – Viewer and Visage 7 Open Archive
- Pipeline includes Visage 7 Open Archive opportunities
- Key component of Visage in the Cloud strategy
- Transaction based model with potential upside

VISAGE 7 WORKFLOW

- Adds to Visage 7 Viewer and Open Archive modules
- Based on over 30 years experience in Workflow 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
- Sold in majority of recent contract wins
- Transaction based model with potential upside
- New modules provide additional capability and commercial upside



VISAGE 7 WORKFLOW



VISAGE IMAGING®



Visage® 7 Workflow

Load Balancer

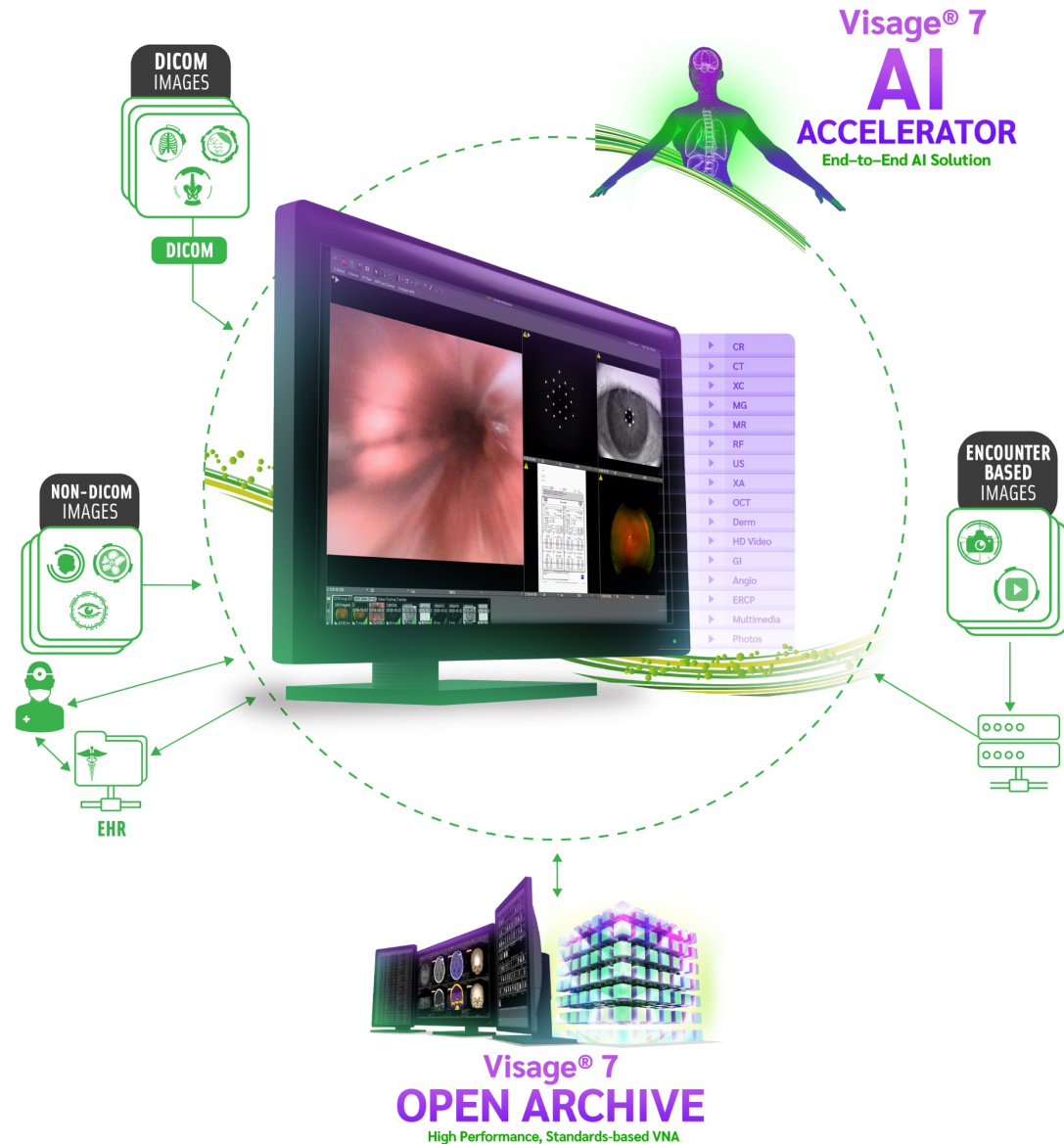
Assign Studies with Precision. Ultrafast Workflow Orchestration.

NEW PRODUCTS

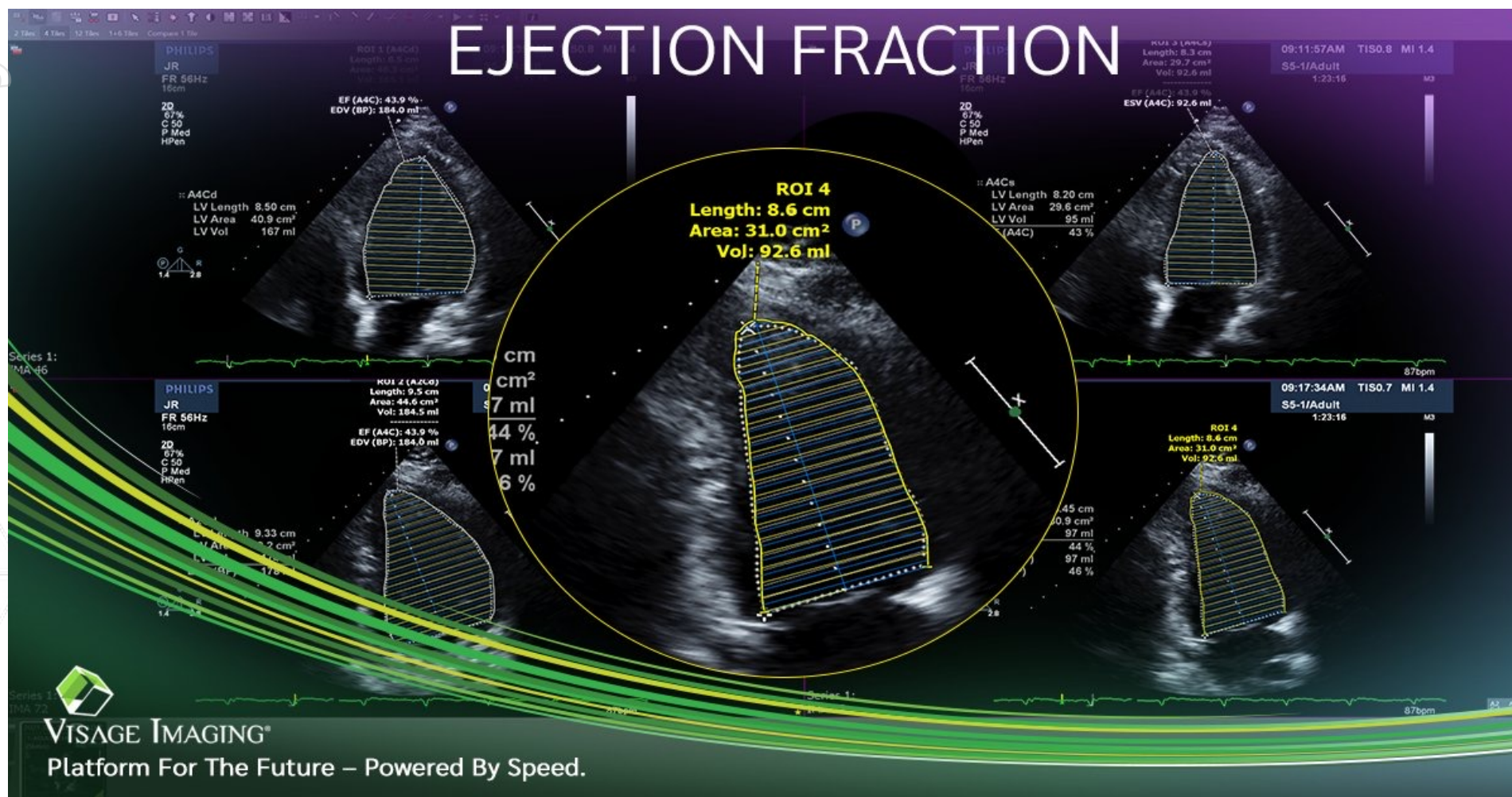
Visage® 7

One Viewer™ All Modalities

- Single viewer for ALL images in the medical record (EMR)
- 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



One Viewer - Cardiology



Visage CloudPACS

- Visage 7 – fully Cloud native
- As fast if not faster than on-premise
- Full Visage 7 functionality
- Security and scale of the cloud
- Complete PACS deployment in the Cloud
- Suitable for all size implementations



Visage CloudPACS

- Unprecedented momentum swing to Cloud
- Last eight major sales have been CloudPACS
- Majority of pipeline mandating Cloud deployment.
- Cloud vendor agnostic - large scale implementations in all 3 cloud vendors - AWS, Azure and Google GCP
- Significant strategic advantage over competitors



AI in Radiology – Use Cases

AI

ACCELERATOR

- Imbedded in SW or imaging equipment
- Prioritisation of cases – head CT
- Screening – 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

- 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 - academic clients.

AI Research Leadership



Malte Westerhoff, PhD
Global Chief Technology Officer



Detlev Stalling, PhD
Head of Development



Ming De Lin, PhD
Clinical Research Manager
North America



Raj Moily, MBBS, PhD, MBA
Director, AI Business Development
North America

AI

ACCELERATOR

Breast Density - AI



AI

ACCELERATOR

- 1st diagnostic AI algorithm produced by Visage
- Developed in collaboration with breast imaging team at Yale
- Provides "on the fly" AI assessment of breast density
- FDA approval – February 2021
- Deployed to 2nd site in pre commercialisation phase

Research Collaboration Agreements (RCA)



NYU LANGONE – RCA Update



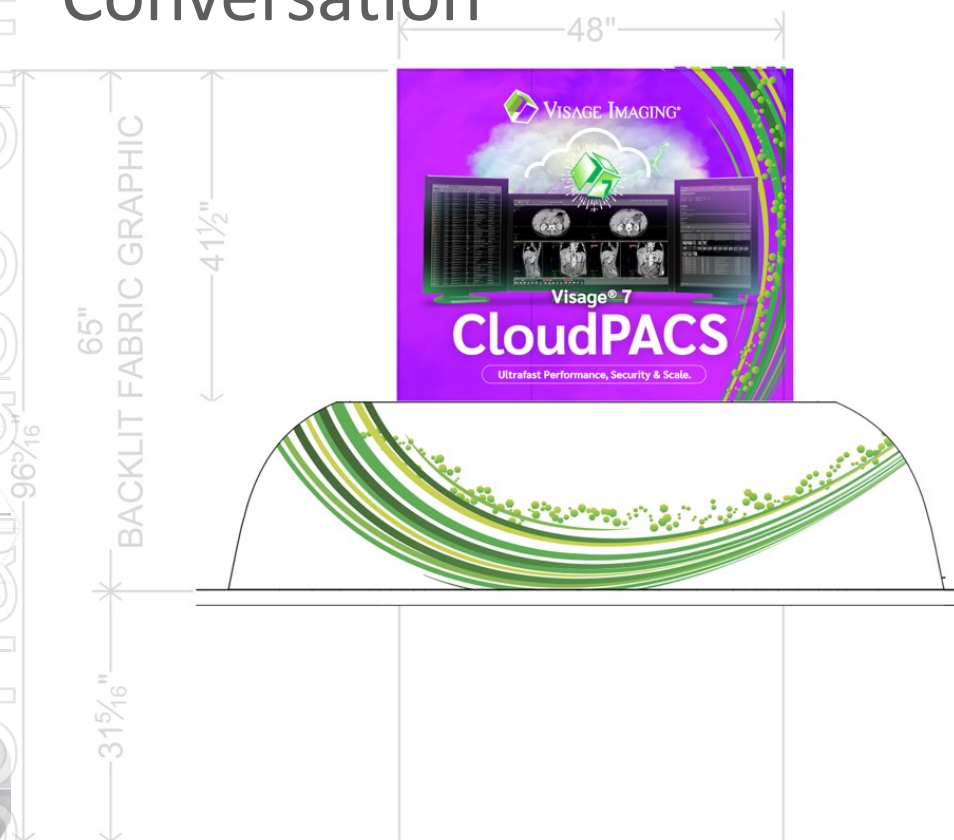
- Multi Year research collaboration agreement
- NYC R&D Hub commenced August 2021
- Joint R&D developing next generation imaging products
- Visage has onsite access to NYU Langone radiologists and imaging scientists.
- Leverage R&D and commercialization opportunities
- Showing promising results – video reports, AI collaborations



- In person – largest Visage presence to date
- Showcasing new technology – AI and Workflow
- Excellent number of advance bookings



RSNA 2022 – Owning the Conversation



SUMMARY

- Most successful period in company's history
- North American footprint continues to grow strongly
- Expanded product portfolio – single vendor or modular
- Proven remote implementation & support capability
- Cloud – huge strategic advantage over competitors
- Unparalleled value proposition both Clinical and Financial ROI
- Pipeline Continues to grow strongly.
- Visage AI-Accelerator – strategically positioned to leverage AI

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THANK YOU