

AGM Presentations by the Chair and Managing Director/CEO

5 November 2021, Melbourne

Attached are copies of the presentations to be given to shareholders by the Chair and the Managing Director and CEO at Integral Diagnostics Limited's Annual General Meeting today.

Shareholder attention is drawn to the FY22 year to date trading update.

Contact details:

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Title: Company Secretary
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Authorised for lodgement by the Integral Diagnostics Board of Directors

About IDX:

Integral Diagnostics (IDX) is a leading provider of medical imaging services across Australia and New Zealand. The Company provides state of the art diagnostic services to patients and their referrers at 67 radiology clinics, including 27 comprehensive sites. IDX employs some of Australasia's leading radiologists and nuclear medicine specialists in a unique medical leadership model that ensures quality patient care, service and access. Good medicine is good business. For more information, please visit www.integraldiagnostics.com.au/.

Chair Address

Helen Kurincic



FINANCIAL HIGHLIGHTS



FY21

36.1%
increase in
statutory
NPAT

\$31.3m

25.3%
increase in
operating
NPAT

\$38.1m

23.5%
increase in
operating
EBITDA

\$93.5m

14.5%
increase in
operating
EPS

19.0cps

27.3%
increase in
operating
revenue

\$348.8m

19.3%
increase in
free cash
flow

\$66.5m

6.7%
improved
net debt
/LTM
EBITDA
1.4x

Declared a fully franked final dividend of 7.0cps totalling 12.5cps for FY21 (FY20 9.5cps)

Dividends paid and declared reflect an increase of 31.6% and represent a 68.8% payout ratio which reflects the performance and cashflow position of IDX

YTD FY22 Update

Organic revenue growth of 3.6% to the end of October compared with the prior corresponding period (ex Ascot in July and August). The impact of the COVID-19 pandemic and associated Government responses remains uncertain

GOVERNANCE HIGHLIGHTS



Board

Governance model for specialised medical business includes two Radiologist Executive Directors.

Board Executive Director succession, Dr Chien Ho stepped down from the Board in March and Dr Nazar Bokani was appointed to take over from Dr Ho.

New Zealand (NZ) Advisory Board Members – Dr James Caldwell and Dr David Rogers appointed to assist on NZ matters.

ESG

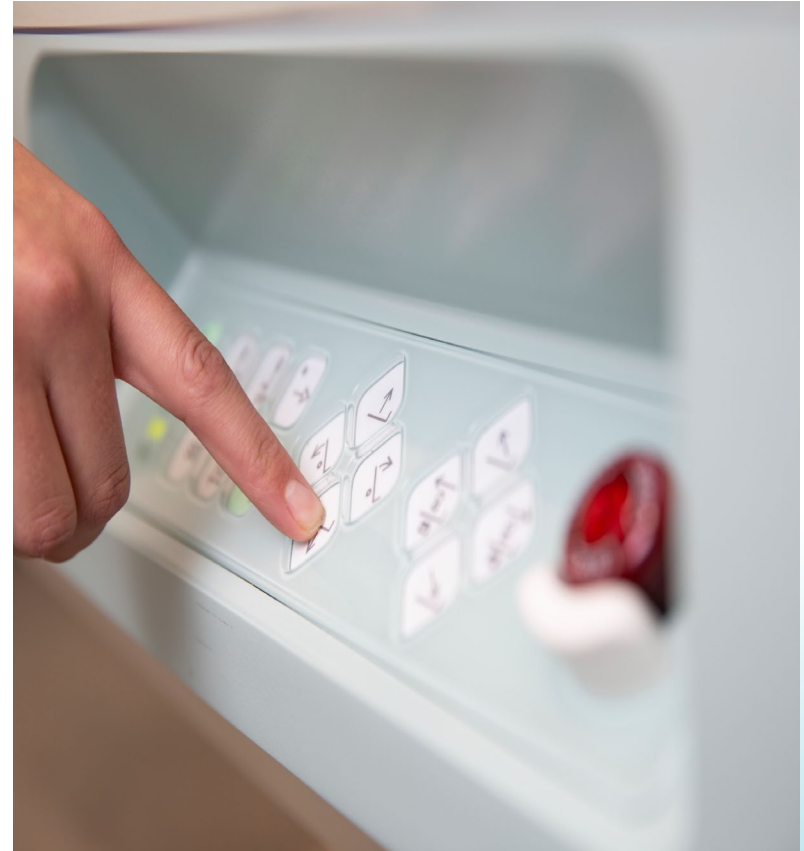
ESG Report prepared in accordance with Global Reporting Initiative (GRI) Standards: Core Option.

Modern Slavery Statement released and supplier screening risk rating review completed.

Materiality Assessment engaging with 554 stakeholders.

Explicit ESG Strategy which aligns with the United Nations Sustainable Development Goals (SDG's).

Measured and reported our carbon footprint for both FY20 and FY21.



Managing Director and CEO Presentation

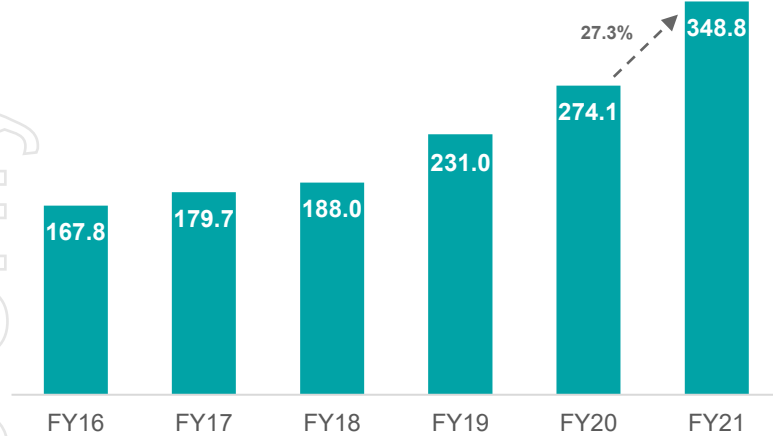
Dr Ian Kadish



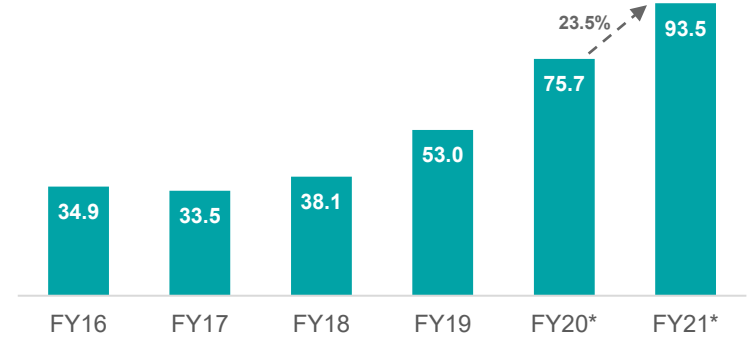
STRONG, CONSISTENT PERFORMANCE



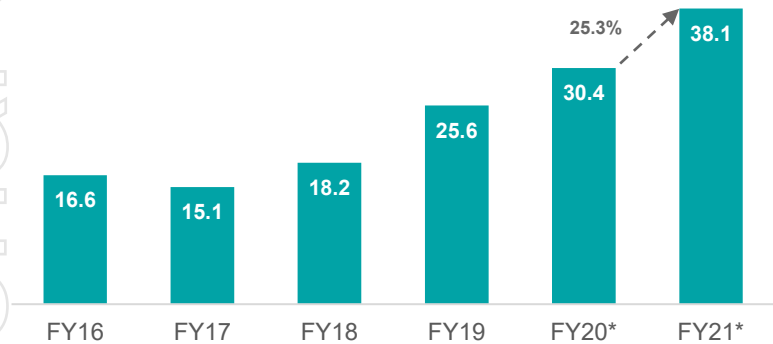
Operating Revenue (\$m)



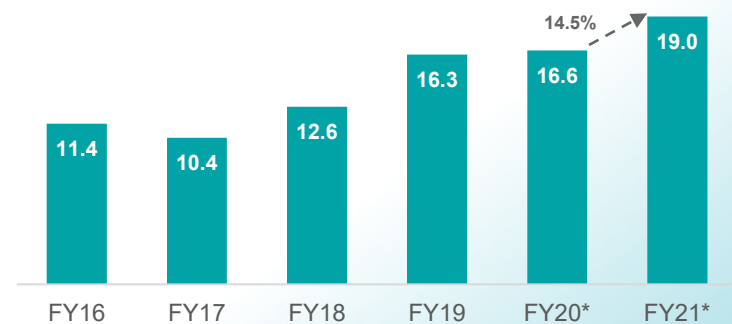
Operating EBITDA (\$m)



Operating NPAT (\$m)



Operating Diluted Earnings Per Share (cps)



* FY20 and FY21 metrics are measured on a post AASB 16 basis (adopting the recently operative accounting standard).

DELIVERING ON OUR VALUES IN FY21



Patients First

- Served 797,118 patients
- Serviced 35,264 referrers
- Performed over 2m exams
- Reduced adverse patient events to <0.03% of exams
- Provided Patient Apps across Australian practices
- Invested \$23m in capex to ensure optimal care and access to MRI and CT's in regional areas
- Continued implementing digital and AI technology

Medical Leadership

- 237 reporting radiologists
- 157 employees
- 80 contractors
- 85 radiologist shareholders
- Launched IDXt, IDX's teleradiology reporting platform
- Executed JV with Medica Group Plc, largest listed UK teleradiology business
- Appointed Dr Nazar Bokani to the IDX Board
- Appointed CMO, Dr Lisa Sorger

Everyone Counts

- 1,524 employees
- Reduced lost time injuries per million hours by 5.5%
- Developed IDX leadership program
- Undertook stakeholder survey and measured carbon footprint to develop our ESG strategy
- Supported our people during COVID-19 mandated absences
- Provided Healthcare Hero Awards to the healthcare frontline and those who support the frontline

Create Value

- Increased Operating NPAT by 25.3% to \$38.1m
- Increased operating diluted EPS by 14.5% to 19.0cps
- Paid or Declared FY21 dividends of 12.5cps
- Voluntarily repaid \$2.9m of surplus JobKeeper receipts
- Integrated IQ and Ascot Radiology
- Enhanced finance facilities with \$407m committed and further \$105m in accordance with 5 year term
- 5,355 IDX shareholders at 30 June 2021, a 31% increase from June 2020

Embrace Change

- Managed workflows, personnel & systems to adapt to new normal for COVID-19
- Expanded the leadership team with appointment of Paul McCrow as COO
- Appointed a group Integration and Strategy Manager
- Appointed a group Business Development Manager
- Monitored, assessed and influenced regulatory and market developments across ANZ

SHARE PRICE PERFORMANCE



IDX OPERATES IN KEY GEOGRAPHIC MARKETS



								Total IDX
Geographic Market	Victoria	Queensland & NSW	Western Australia	New Zealand	Queensland	Victoria & NSW	IDX Corporate	
Core markets	Ballarat, Geelong, Warrnambool and outer western areas of Melbourne	Gold Coast, Toowoomba and Mackay	South West Western Australia	Auckland	Sunshine Coast, Rockhampton and Gladstone	Albury, Wodonga, Wangaratta, Yarrawonga and Lavington	Melbourne & Geelong & QLD	
Sites	19	14	5	12	17	5		72
Comprehensive sites¹	6	7	2	5	7	2		29
MRI machines	8	8	2	6	7	2		33
MRI Licences	4 full 0 partial	4 full 2 partial	2 full 0 partial	N/A	3 full 2 partial	1 full 0 partial		14 full 4 partial
PET Scanners	2	2	1	1	-	-		6
Employed Radiologists²	46	37	13	40 ³	21	3		160
# of Employees	389	403	164	172	310	68	86 ⁴	1592

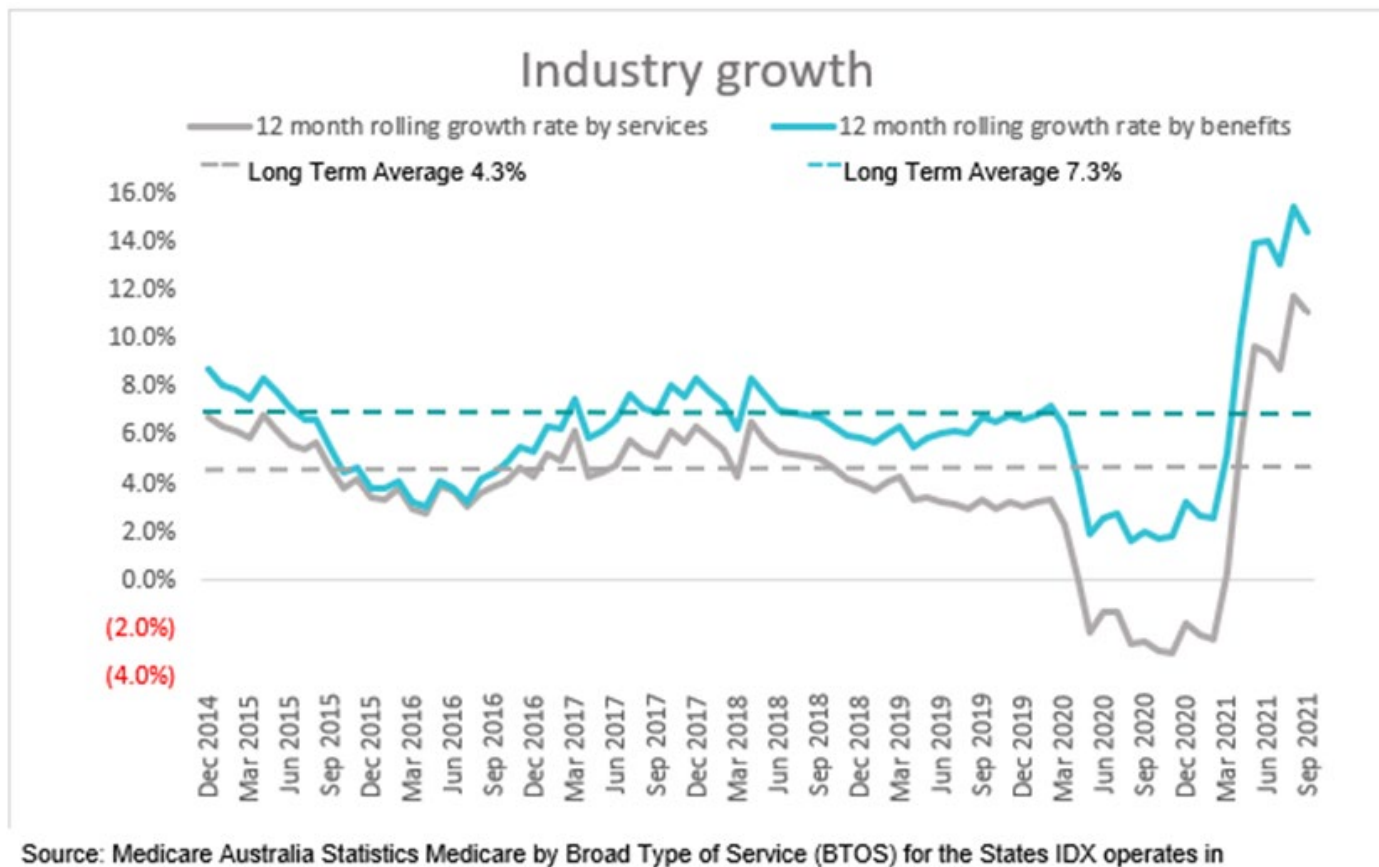
Note: Reflects current data as at June 2021 with The X-Ray Group who joined the group from 1 November 2021

- 1 Comprehensive sites include a range of radiology equipment including MRI's and CT's and are located with or near major specialist referrers
- 2 Relates to employed radiologists only. In addition IDX has had 80 contractor radiologists provide services over FY21
- 3 Consistent with the NZ private radiology model, all doctors work across the public and private sector and meet the criteria to be classified as contractors but are on terms and conditions similar to IDX employed radiologists.
- 4 This number represents the number of employees on employment contracts on either part time or full time arrangements, it does not represent the number of full time equivalent employees or individual casual/contract arrangements. In addition there are 86 employees in the corporate office (including IDXt) totalling 1,592 employees

DIAGNOSTIC IMAGING (DI) INDUSTRY GROWTH AUSTRALIA



Industry growth rates in Australia impacted by COVID-19 in CY20, return of strong industry growth rates in CY21 off a lower base



Published industry data is not available for the New Zealand market



Australia:

MRI Licences

- No further MRI licences have been announced. MRI licences and/or changes may occur in a Federal election year

May 2021 Budget

- Indexation of 90% of MBS items, or 80% of benefits at a rate of 0.9% from 1 July 2021, vs CPI of 3.8% and Health CPI of 4.8%
- Indexation to be applied to MRI items from 1 July 2022
- Bulk billing incentive on MRI to be reduced to 95% of CMBS from 100% from 1 July 2022, along with clarifications on co-claiming of MRI scheduled to be introduced on 1/11/21. The Australian Government expects to deliver \$107m of savings over 4 years
- FDG PET for early detection and diagnosis of Alzheimer's disease introduced onto the CMBS from 1 November 2021

New Zealand:

- Annual indexation is currently provided across all contracts. The Auckland DI market is expected to continue to grow, driven by ageing demographics and adoption of new technologies that improve patient outcomes
- FDG PET for early detection and diagnosis of Alzheimer's has been introduced in New Zealand we are successfully performing these studies on our PET at Ascot Radiology
- Emerging market practices in New Zealand where referrers are acquiring ownership interests in radiology practices has the potential to change competitor dynamics, detrimentally impacting practices that are not owned by referrers. We expect that New Zealand payors and regulators will review these practices against their published guidelines on non-arm's length referrals and will undertake the necessary actions to manage referrer conflicts of interest. IDX supports the upholding of the current published guidelines to ensure that quality is maintained, that patient choice is retained, and that payors are not subject to over-servicing and unnecessary imaging

COMPLETION OF THE ACQUISITION OF THE X-RAY GROUP



A leading practice in Albury-Wodonga on the Victorian/New South Wales Border

- Completed on 1/11/21
- Comprises 5 radiology clinics - 2 comprehensive clinics in Albury and Wodonga, and 3 community clinics in Wangaratta, Yarrawonga and Lavington
- Employs three Radiologists under long term employment arrangements, including Dr James Mullins who has worked in the region for 25 years
- Projected FY22 annualised EBITDA of between \$5.0m and \$5.5m, before any COVID-19 impacts
- Includes one full MRI licence in Albury, and a second non-rebatable MRI in Wodonga
- EPS accretive in year one
- Strong growth opportunities and potential operational synergies

Key terms include:

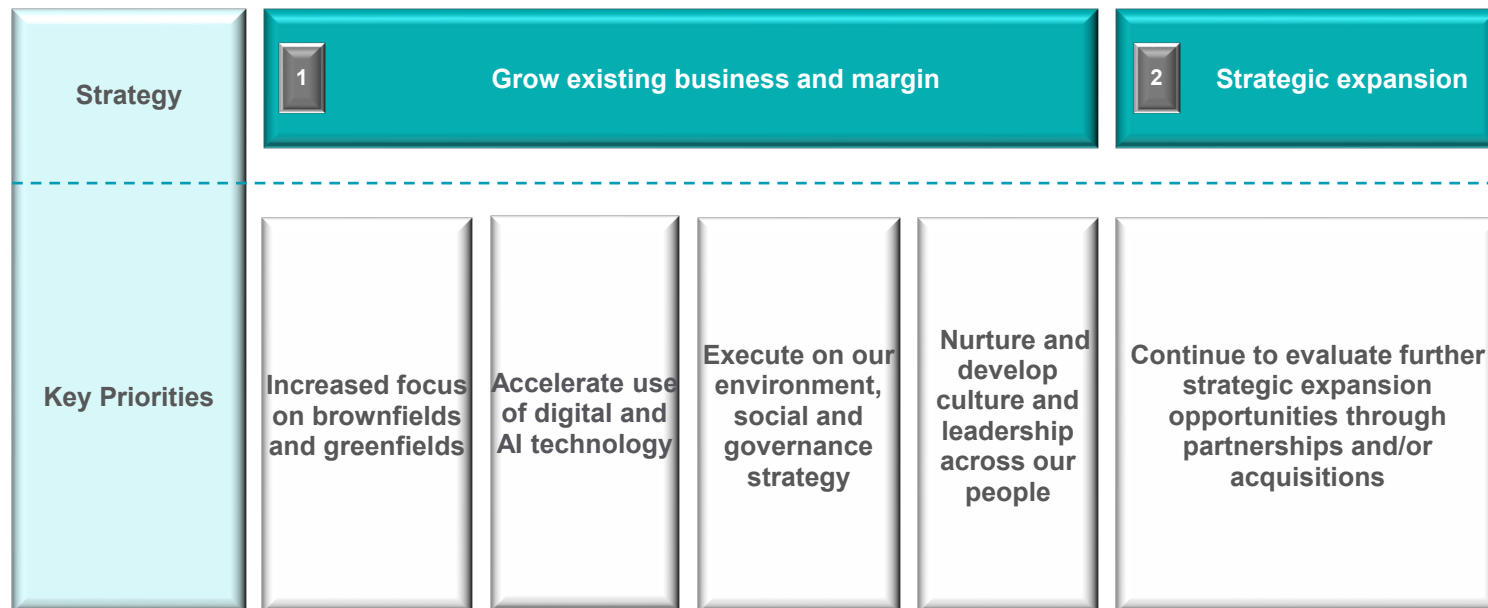
- Upfront purchase consideration of \$37.5m on a cash and debt free basis, comprising \$25.95m in cash and \$11.55m in new ordinary IDX shares
- Scrip Consideration is subject to escrow arrangements for up to 5 years
- A FY22 earn-out of up to \$4.0m and FY23 earn-out of up to \$2.5m
- Deferred consideration of up to \$1.0m payable on the third anniversary of completion of the transaction

FY22 KEY PRIORITIES AND FOCUS



- Manage ongoing impact of COVID-19
- Manage the changing competitive landscape with regards to hospitals and referrers
- Drive further organic growth and efficiency gains
- Educate patients, payors and referrers on new MRI and PET technologies
- Accelerate digital technology and Artificial Intelligence that enhance our service offering
- Drive our ESG agenda
- Develop leadership capabilities across the Group
- Build a strong, supportive, collegiate culture, the IDX way
- Execute on greenfield and brownfield developments while continuing to pursue acquisitions that are a clinical and cultural fit, strategically aligned and earnings accretive

FY22 STRATEGY AND YTD TRADING UPDATE



- COVID-19 and associated government responses can be expected to continue to have an impact on the Group, which cannot be accurately projected at this time. To 31st October 1H22 has been affected as a result of the impacts of COVID-19 and government-lockdowns and border closures across all geographic areas in which we operate
- Up until the 31st of October, year to date revenue is down approximately 7% from our budgeted expectations but is up approximately 4.8% on prior year revenue or 3.6% net of the additional Ascot Radiology contribution. This includes the impacts of the Level 4 lockdowns in New Zealand from the 18th of August until 21st September 2021 which has resulted in New Zealand revenue being down year to date approximately 24.9% from our budgeted expectations. We are slowly seeing a return of examination volumes, however ongoing impacts of COVID-19 due to border closures including labour workforce shortages and supply chain pressures continue to impact our ability to return to expected performance
- We expect to invest \$20-\$24m in brownfields and greenfields in FY22, on 5 new sites across VIC, NZ, WA and QLD, as well as increased investment in digital and AI technologies
- Execution continues on our clear strategy, in line with our vision, purpose and values to deliver the best health outcomes for our patients

APPOINTMENT OF CHIEF MEDICAL OFFICER



Appointed Dr Lisa Sorger as Chief Medical Officer (CMO) in June 2021.

Graduate of the University of Western Australia Medical School

Trained as a radiologist with special interests in women's and body imaging

Extensive experience as a radiologist, a director of medical services and a clinical leader for over 15 years in Australia and the United Kingdom; most recently in lead clinical roles in Western Australia and the Northern Territory.

Associate Fellow of the Royal Australian College of Medical Administrators

Dr Sorger also holds numerous leadership roles within the Royal Australian New Zealand College of Radiologists (RANZCR), advocating for Medicare funding for new diagnostic imaging items, access to imaging in regional Australia and emerging nuclear medicine imaging and treatment technologies

- Elected to the Faculty of Clinical Radiology Council of RANZCR in 2019
- Member of the Diagnostic Economics Committee
- Member of the Theranostics Working Group
- Member of Rural Specialists Committee



FDG PET SCANS FOR DIAGNOSIS OF ALZHEIMERS TYPE DEMENTIA



FDG PET scan for the diagnosis of Alzheimer's type dementia has been approved by the Australian Government Department of Health

- Legislative framework finalised by 1 November 2021 and included in the Budget 21/22 announcements
- Dementia is the second leading cause of death for Australians
 - As population ages, more people will be diagnosed with dementia
 - Around 472,000 Australians are living with dementia in 2021, and this is expected to increase to 590,000 by 2030
 - FDG PET Brain scan for Alzheimer's dementia will assist clinicians in reaching the diagnosis timeously for appropriate therapies
- FDG PET brain imaging can be used in patients with cognitive decline and other types of dementia to visualise the type of brain changes, and the areas affected
 - Sensitive and non-invasive method of diagnosing neurogenerative disease in the early stages allowing for earlier intervention
 - Early diagnosis allows earlier intervention which facilitates improved outcomes for patients and their families
 - Will also decrease costs of managing these patients

References:

1. Dementia Statistics". *Dementia.Org.Au*, 2021, <https://www.dementia.org.au/statistics>. Accessed 11 Aug 2021.
2. MSAC - 1195.1 - F-18 Flurodeoxyglucose Positron Emission Tomography (FDG PET) For The Diagnosis Of Alzheimer Disease ". *Msac.Gov.Au*, 2021, <http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1195.1-public>. Accessed 11 Aug 2021.

IDX SENIOR LEADERSHIP TEAM

CMO appointment augments the IDX Senior Leadership Team, consistent with the extensive growth of the business.

The CFCO role will transition in January 2021. Recruitment is well advanced.



Dr Ian Kadish
Managing Director
and Chief Executive
Officer,
MBBCh, MBA



Anne Lockwood
Chief Financial and
Commercial Officer
B.Com, FCA



Paul McCrow
Chief Operating Officer
MBA, B App Sc – Medical
Imaging, Master in
Medical Radiation
Science



Mica Duncalfe
Chief People Officer
BBus; MHRM;
GAICD



Julian Gully
Chief Information
Officer
BBus(Mgt)



Dr Lisa Sorger
Chief Medical Officer
MBBS, FRANCRZ,
GAICD

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**Good Medicine is Still Good
Business**

