

HEALIUS LIMITED (ASX:HLS)

ANNUAL GENERAL MEETING 2023

CEO SPEECH

Thank you, everyone, for joining us today in person and remotely.

I also want to thank you, shareholders, for your continued investment in Healius, in the healthcare sector, and in better health outcomes for all Australians.

I would like to introduce our team who are leading the change agenda. Dr Jan Van Rooyen (our new head of Pathology), Dr Phil Lucas (head of Imaging) and Paul Anderson, our Group CFO. All three of these senior leaders are new to Healius in the past nine months. They hit the ground running and immediately started making significant changes to improve the business.

It is good to remind ourselves that Diagnostics is a critical part of the nation's health infrastructure. The Pathology sector sees a million Australians each week and Imaging sees another half a million... As the leading Australia-focused diagnostics operator, Healius is fundamental to this. Our people are proud of that – and we hope that you are too.

In Pathology, the sector will continue to have a critical role in the diagnosis and management of most diseases. Furthermore, early screening and diagnosis is fundamental to reducing downstream healthcare costs. The clinical reality is that

100% of all cancer diagnoses rely on pathology and 70% of all treatment decisions rely on pathology.

At Healius, our diagnostic technologies are constantly evolving to meet more complex health demand. Some recent examples include improved access to cervical cancer screening using self-collected samples. Medicare funding is also recognising a broader scope for pathology and genomics. Starting this month, Reproductive Genetic Carrier Screening for cystic fibrosis, spinal muscular atrophy, and fragile X syndrome will be 100% bulk-billed, subject to Medicare eligibility criteria. The combined power of Pathology and Imaging will continue to solve some of medicine's most difficult diagnostic questions, such as around Alzheimer's Disease, where today we use PET imaging but in the future we will also use Pathology, such as Healius's C2N Test. We have recently launched bundled services for Ultrasound and Non-Invasive Pre-Natal pathology to offer more comprehensive prenatal testing to mothers with more efficiency and value.

Beyond new items, the industry is working with the Department of Health & Aged Care to reintroduce indexation to Pathology which has been frozen since the 1990s. We believe there is a compelling case for Government to respond to this a critical component of the nation's public health infrastructure. Healius is integral to national screening programs and is in over 2,000 locations, including low socio-economic areas and remote Indigenous communities. The scale and significance of our services require the security of sustainable funding arrangements. This has already been done in Primary Care and Medical Imaging, and we hope to see such an approach replicated for pathology. Over the coming months, we will be more proactively engaging on these matters.

There are a number of underlying drivers in Pathology that we believe will enable the Pathology market to recover and grow again at the long-term average.

Jan was appointed a few months ago to lead the Healius Pathology business out of the COVID transition and into future growth opportunities. He is especially qualified to do this, being a Pathologist by training and leading South Africa's fastest growing pathology business, Ampath, over two decades.

I would also like to announce that Agilex is entering into a commercial agreement with SGS, one of the world's largest laboratory companies, headquartered in Geneva, Switzerland. The agreement allows both Agilex and SGS to offer the biotech industry a Global solution for Bioanalytical Analysis from Research and Development and pre-clinical work, to all three phases of clinical trials. The network will include laboratories in Australia, China, USA, France, Switzerland and Belgium. Agilex's focus on pre-clinical and Phase 1 trial work, offering the Australian advantages of shorter time to trial, and the R&D tax rebate incentive, will be an excellent fit with SGS's predominantly phase 2 and 3 existing network. A focus of the network will be the alignment of equipment and processes to provide a low risk transfer of work.

Turning now to the Diagnostic Imaging market.

This market looks to be reverting to the long-term trend of 6-7% growth and, pleasingly, Lumus Imaging outperformed the market over financial year 2023. As mentioned earlier, recent trading in financial year 2024 shows Lumus growing in line with the market.

The Medical Imaging market is driven by the modality mix. By that I mean the mix of different technologies and equipment we use in our medical imaging business.

Higher growth correlates to higher complexity...being MRI, Nuclear Medicine (which includes PET) and CT. Our strategy is to grow these higher-end modalities via our existing community site footprint. This aligns to the clinical need across the major disease burden in the community such as cancer, cardiovascular disease, neurological disease and metabolic conditions.

Dr Phil Lucas was appointed in January to lead Healius's medical imaging business, Lumus Imaging, to execute our growth strategy. A leading musculo-skeletal Radiologist, Phil also combines commercial experience in rapidly scaling high-quality radiology businesses. He was a Director of PRP Imaging for 15 years.

Turning now to sustainability, there are 4 key priorities, which we also think are plainly good business:

- We are ensuring our support cost base is appropriate for our size, complexity and risk.
- We are Protecting our patient and clinician data
- We are engaging with our customers and our employees and responding to their feedback
- And we are doing what we can to reduce global emissions, despite our small footprint.

Specifically on cybersecurity, we have upgraded an ageing fleet of firewalls, established a 24/7 security operation centre with continuous threat monitoring across the Healius networks, strengthened user access control mechanisms, implemented backup and disaster recovery solutions for critical business systems, and enhanced our staff training and awareness around phishing risks.

In terms of current trading, for the first quarter of FY24, core pathology volumes grew 6% compared to the prior period. Our share of total MBS benefits remained stable at

around 24%, despite the on-going weaker recovery in GP consultations compared with Specialists. For Lumus Imaging, gross revenue was up 9% on the prior period, which was in line with the market.

As we announced, we expect FY24 underlying EBITDA to be between \$383 and \$393 million, with an EBIT of \$95 to \$105 million.

We are confident that the diagnostics markets will grow steadily in Australia in line with demographic-based clinical need, with the dislocation caused by COVID being a temporary period. The underlying demand drivers remain strong including a growing and ageing population with greater longevity and more complex health issues.

Moreover, early diagnosis, detection, and prevention are the best ways to reduce downstream healthcare issues and costs for Australia, with a need for Medicare funding and future indexation to recognise this.

These are market conditions where we have strong expectation but where we don't control the outcomes. What we do control is our strategy and how we operate the business day-to-day with patients and referrers. We will also continue with disciplined capital, dividend and balance sheet management.

I look forward to updating you on our progress in the coming months.

Maxine Jaquet

Managing Director and CEO