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**Interview with Dr Sam Hupert, CEO Pro Medicus Ltd**

- **$40M – 7 year Intermountain Healthcare contract**
- **Momentum behind Visage in the Cloud offering**
- **Recent wins, competitive position and pipeline**

1. **This is arguably the biggest deal in Pro Medicus' history. Can you tell us the background behind it and a little about Intermountain Healthcare**.

A: Intermountain Healthcare (Intermountain) is a large, well-respected, integrated delivery network (IDN) that is growing rapidly. They provide medical services across three states – Utah, Idaho and more recently Nevada – making them the biggest health provider in the Intermountain West region.

They are also very forward-thinking when it comes to information technology, being one of the first to implement an electronic health record (EHR) – well before EHRs were widely adopted by others. So, whilst they are not an academic per se, they are technically very savvy and did a lot of due diligence on us. And, as you would expect with a deal of this size, they did extensive research on the market before deciding to replace the legacy PACS they have had for many years with Visage.

2. **Intermountain Healthcare has 24 hospitals and more than 200 clinics – how important is it for Pro Medicus that it is not an academic healthcare network?**

A: Many of the largest healthcare networks in the US are actually not academic institutions. Intermountain is a case in point, being one of the larger IDNs in North America as are some of our other clients such as Sutter Healthcare in San Francisco and Mercy in St Louis, Missouri. The important thing is that our solution is equally well suited to both of these market segments, as evidenced by our recent sales.

3. **The deal took several years to get across the line. Was there a clinching moment or just lots of due diligence on their part?**

A: With large health systems like Intermountain, these deals invariably take many years. In this case, we have been speaking to them at various stages throughout the process for four-plus years. I don't know if there was a single "clinching moment". I think it was a combination of factors including our technology, our track record of successful implementations in large health systems like Intermountain as well as our native ability to host a group of their size in the Cloud.

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**4. This is your fifth major contract win in six months. What does this say about your Visage 7 solutions and your pipeline?**

A: I think it says a few things. Firstly, these were arguably five of the largest, most prestigious deals in the market not to mention that these sorts of deals don't come around often, so they were incredibly competitive. The fact that we won five out of five we feel validates our belief that we have a unique, highly differentiated offering.

Secondly, I think people are hearing about the ROI we deliver, both financially and clinically. This combined with our ability to rapidly and seamlessly implement is creating a strong network effect that has been instrumental in our spate of recent wins.

In terms of the pipeline, there have been a number of new opportunities, particularly over the past 6-8 months that supplement those already in the pipeline that are progressing through the cycle. So, whilst we have been very successful in converting end-stage opportunities such as Intermountain and the other deals we have announced over the past 6 months, our pipeline remains strong with a range of opportunities across various stages of the cycle and across multiple segments of the market.

**5. Most of your US clients to date have been in the east of the country whereas Intermountain Healthcare is based in Utah and surrounding states in the west. How important is this deal for Pro Medicus from a geographical point of view?**

A: Ideally, it is good to have a geographical balance and of late a lot of our clients have been more East Coast-based, purely as a matter of circumstance. Having said that, our first big client in North America was West Coast-based Sutter Health. We do also have a number in the mid-west regions such as Mercy and Northwestern, so we have a greater geographical spread than most people believe. This is however our first client in Intermountain West, and they are the largest provider in the region, so it gives us a commanding footprint in a geography where we previously didn't have a presence.

**6. What does the fact that the agreement is for both Visage 7 Viewer and Visage 7 Open Archive mean to the size of the deal? Is one significantly bigger than the other?**

A: It has a material impact because they are taking two products "out of the gate" - our Viewer and Archive which increases the net revenue from the deal. While the Viewer is the cornerstone of our offering, the addition of the Archive has a material revenue impact in the order of an additional 50 plus%. We anticipate that a growing number of our deals in the future will be for more than one of our products, as evidenced by this and the recent Medstar contract. It also opens up the opportunity for those that have already contracted with us for Visage 7 Viewer to at some stage migrate to our Archive and Workflow products.

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**7. This will also be Cloud deployed. Are clients becoming more comfortable with the Cloud and, if so, what does this mean for the future of your industry?**

A: I think there has been a swing towards public Cloud infrastructure as we have alluded to in the past 12-18 months; the deal with Intermountain is further validation of that. It will be one the biggest Cloud-deployed PACS installations in North America, if not the world. So, we think this could be a portent of things to come but it is all about flexibility and choice for the client. We are in a unique position to offer a solution that suits them best, be it either private Cloud (in their own data centres) or public Cloud. They get the same speed and functionality with either option.

**8. You talk about your solution being able to handle evolving technologies such as artificial intelligence (AI). How important was this for Intermountain?**

A: AI and other data-centric technologies are definitely on Intermountain's radar, so it was important for them that the platform they chose is AI capable in terms of integrating a broad range of third-party AI algorithms. We are able to facilitate this due to our sophisticated API as well as our native ability to display the output of AI algorithms in 2-D, 3-D and 4-D (moving 3-D), which is unique to our application.

**9. COVID is reaching a peak in the US at the moment. Has this affected radiology volumes?**

We will provide a more detailed update in February when we release our half-year results, but preliminary numbers for the first half are good - there have been no negative surprises, and in a number of cases numbers are greater than the same period last year.

Thank you, Sam
Interviewer: Richard Allen
Oxygen Financial Public Relations

Authorised by the Board of Pro Medicus Limited.