



**Rights Issue to fund  
Global Medical Banking Growth Strategy  
Business Discussion Pack - March 2008**

**Presented by**

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BP Fulmer, President & CEO, Thelma-US, Inc.**

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**global medical  
banking**

- ◆ Raising approximately \$5.96 million
- ◆ 2 for 5 renounceable pro-rata rights issue
- ◆ Price of 13 cents = 33.3% discount to market price before Offer announced
- ◆ Board & management will take up entitlements (~10.6%) and more if there is a shortfall
- ◆ Funds to be used for:
  - Acquisition of US billing company: \$4.75m
  - Replace working capital used to purchase London Billing: \$1.25m
- ◆ Timetable – key dates:
  - Trading Ex-Rights / Rights Trading: **IN PROGRESS**
  - Record Date for determining Entitlements: 14<sup>th</sup> March
  - Offer Opens: 20<sup>th</sup> March
  - Offer Closes: 7<sup>th</sup> April
  - Allotment and Dispatch: 15<sup>th</sup> April

	<u>2007</u>	<u>2006</u>	<u>Change</u>
◆ Revenue	708k	485k	+47%
◆ Costs	1,849k	1,963k	- 6%
◆ NPAT*	(796k*)	(1,110k*)	+28.6%

◆ ICSGlobal has no debt

◆ All Thelma development costs have been expensed

*\*includes R&D rebate - 2007 \$345k (2006 \$368K)*

- ◆ Australian volumes continue to grow at about 50% per annum
- ◆ First billing company acquisition last November, The London Patient Billing Service, is growing at over 10% per month
- ◆ BP Fulmer joins ICSGlobal as President & CEO of Thelma-US
- ◆ US market presents exciting organic and M&A growth opportunities
- ◆ Rights Issue to raise approx \$6m for the second billing company acquisition, the first in the US
- ◆ ICSGlobal remains confident that the combination of organic growth and our billing company acquisition plans will see ICSGlobal becoming cashflow positive during the 2007-08 financial year

### ◆ ICSGlobal Limited

- ❑ **Mr Ross Bunyon AM** – Chairman (Non-Exec) since June 2007. Also Chairman of RailCorp NSW, Eraring Energy, Pacific Western and Turner & Townsend Pty Ltd. Formerly CEO of Pacific Power.
- ❑ **Mr Tim Murray** – Managing Director and CEO (Exec). Founder of ICSGlobal and has led the Group since its inception in 1990.
- ❑ **Mr Geoff Lambert** – Director (Non-Exec) since 1999. Also CEO of boutique investment house Byrne Lambert Woolf & Co and Director of Stratatel Limited and Reward Minerals Limited.
- ❑ **Mr Lindsay Martin** – Chief Financial Officer since 2000

### ◆ Thelma-EU Limited (wholly owned subsidiary of ICSGlobal)

- ❑ **Mr Tim Murray** – Managing Director
- ❑ **Dr Diana Bell** – Executive Director. Founder of The London Patient Billing Service
- ❑ **Mr Lindsay Martin** – Executive Director and CFO

### ◆ Thelma-US, Inc. (wholly owned subsidiary of ICSGlobal)

- ❑ **Mr Tim Murray** – Chairman
- ❑ **Mr BP Fulmer** – President and Chief Executive Officer
- ❑ **Mr Lindsay Martin** – Director and CFO

- ◆ Global opportunity: inefficient and costly healthcare administration
- ◆ ICSGlobal is pursuing this global opportunity through 2 business channels:
  1. Healthcare clearing house technology, Thelma
  2. Acquiring established, profitable billing companies that collect revenue for doctors and hospitals
- ◆ ...and vertically integrating them to create 3 value streams:
  1. Thelma transaction fee revenue
  2. % of all revenue collected by billing companies
  3. Compound profit effect as Thelma reduces costs in the billing companies and generates more fee-earning transactions to be routed by THELMA

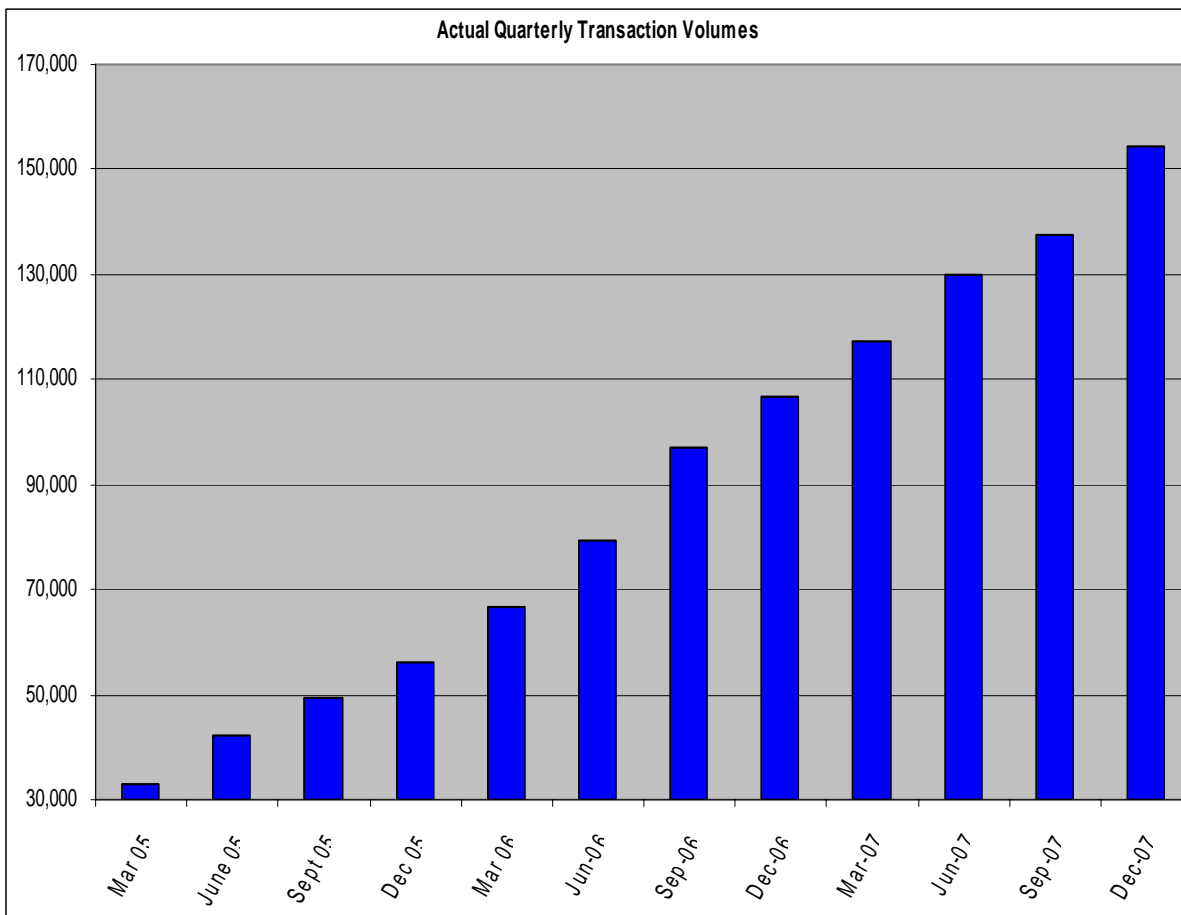
# Thelma Healthcare Clearinghouse



- ◆ Proprietary clearinghouse technology designed and built by ICSGlobal
- ◆ Connects all the disparate players in healthcare using the Internet
- ◆ Can be configured to carry any type of transaction
- ◆ Proven technology, live since 2001
- ◆ Over \$20m of development costs have been fully expensed
- ◆ Cost base to operate, maintain and support Thelma application globally is relatively fixed at less than \$3m pa
- ◆ Transaction fee based revenue model
- ◆ ***Highly scalable business with relatively fixed cost base***

- ◆ Medical billing companies are effectively an outsourced “accounts receivable” service for doctors and hospitals
- ◆ They develop strong customer loyalty through a range of personalised services:
  - Fast, continuous billing and aged debtors management
  - Automated billing of optimum fees and verifying accurate payment by insurers
  - Provide online electronic medical records and personal health information network connectivity
  - Credit card facilities enabling prompt payment by self payers
  - All necessary financial & tax reports provided on request
  - Liaison between patients and insurance companies
  - Recovering backlog accounts
- ◆ Revenue model is based on a % of money collected (ranges from 3% - 20%)

- ◆ Vertically integrating Thelma and medical billing companies generates a range of “compound profit” affects:
  - ❑ Potential reduction in operating costs in the billing companies by 5% to 15%
  - ❑ Electronic submission of transactions directly to payers, cutting billing company costs and generating transaction revenue
  - ❑ New revenue producing electronic transactions such as routing and validation of health information
- ◆ Having Thelma gives ICSGlobal a unique advantage in a billing company consolidation strategy:
  - ❑ The ability to efficiently integrate the transaction processing functions of multiple billing companies we acquire allowing centralised operational functions
  - ❑ The ability to provide an enhanced level of patient service through the sharing of financial and clinical information between integrated billing companies



## ◆ Thelma:

- Volumes continue to grow at around 50% per annum
- Still substantial upside in Australian market as it's still predominantly paper-based
- Indications are the new Labor govt will have a positive impact on the Thelma's Australian business

## ◆ Billing companies:

- An emerging market in Australia
- No acquisition opportunities
- Exploring billing company start up using UK and US experience

### ◆ **Thelma-EU:**

- ❑ Went live to the first health insurer in August 2007 for consultant (ie medical specialist) claims
- ❑ About 8 million claims in the market, still 99% paper-based.
- ❑ Waiting on the large insurers to accept and pay for eClaims from Thelma

### ◆ **Billing companies:**

- ❑ ICSGlobal's first acquisition last November - The London Patient Billing Service
- ❑ Price \$2.28m was 4.56 times EBIT, paid in 50% cash, 50% ICS shares
- ❑ Highly profitable; significant growth potential (12% in Jan; 10% in Feb; estimate 15% in March)
- ❑ Current customer base will contribute around \$0.7 million EBIT to ICSGlobal
- ❑ First marketing plan in the history of the company launched this month
- ❑ No other billing company acquisition opportunities in the UK

## US Medical Banking Market and Opportunities for ICSGlobal

### BP Fulmer, President & CEO, Thelma-US, Inc.

Prior to joining ICSGlobal, Mr Fulmer was Executive Director of ACS EDI Gateway, Inc., a US Fortune 500 eHealth company, where he was responsible for the processing of 720 million electronic health transactions annually, between 63,000 submitting organizations. He was also responsible for the Florida Medicaid contract with over 120 million claims annually, representing over US\$12 billion in disbursements. Mr Fulmer is also President of the Medical Banking Institute and member of the board of the Medical Banking Project (see [www.mbproject.org](http://www.mbproject.org)). He is also a Member of the Cooperative Exchange executive committee, an association of leading regional medical claims clearinghouses. Mr Fulmer also has experience in the acquisition, integration and management of medical billing companies and banking services including cash management and EFT.

- ◆ **Healthcare is the fastest growing industry segment in the US because of the aging “Baby Boomer” generation (1946 – 1964)**
  - ❑ By 2015 healthcare will be 20% of the US GNP
  - ❑ By 2020 hospital admissions will double, 40% of all physician office visits will be “Baby Boomers” and knee replacement surgery will increase 800%.
  - ❑ By 2030 over 20% of the population will be over 65
- ◆ **Healthcare is US\$3 trillion pa, over 20% of which is lost in administrative costs and inefficiencies**
- ◆ **Medical banking (electronic clearing and settlement of healthcare payments) is still a developing market in the US:**
  - ❑ Perfect timing for ICSGlobal to be entering the market
  - ❑ Perfect platform in Thelma for providing the necessary intelligent connectivity and routing for claims, eligibility checking and clinical data

- ◆ **Same as Australia & UK: vertical integration of Thelma with billing companies**
- ◆ **Thelma-US:**
  - Medical Banking Project / BoardTrust: slow but progressing. Business plan and high level design for new Thelma-based platform is nearing completion
  - Many other connectivity and transaction routing opportunities for Thelma in its own right, working with the largest clearinghouses, healthcare payers and employers
- ◆ **Medical billing companies:**
  - Much more mature industry in the US than in Australia or UK
  - Over 400 established medical billing companies that fit ICSGlobal's target acquisition criteria of US\$5m revenue (total target market of more than US\$2 billion)
- ◆ **Billing company roll-up and vertical integration using Thelma**
  - Thelma gives ICSGlobal a unique advantage in a billing company consolidation strategy
- ◆ **This is the principal reason I joined ICSGlobal**



- ◆ **ICSGlobal's first US billing company acquisition is ready to complete, subject to financing**
  - ❑ Business to be acquired free of debt
  - ❑ Purchase price 4.8 times estimated adjusted earnings (likely price US\$4.25m)
  - ❑ Estimated net working capital adjustment US\$400,000
- ◆ **Operationally, one of the best run billing companies I have seen in my 25+ years in the US healthcare market**
- ◆ **Ideal launch pad for ICSGlobal to enter the US market:**
  - ❑ Strong management team retained & incentivised; 75 staff
  - ❑ 20 year profitable history; large base of recurring revenues; 18% - 20% organic growth
  - ❑ Excellent operational template to apply to future medical billing company acquisitions
- ◆ **Vendor retained and incentivised to grow our US medical billing business**

- ◆ Australian volumes continue to grow at around 50% per annum
- ◆ UK market established and growing organically at over 10% per month
- ◆ US market presents exceptional organic and M&A growth opportunities
- ◆ BP Fulmer joins ICSGlobal as President & CEO of Thelma-US to drive US strategy. First US billing company acquisition is ready to complete
- ◆ ICSGlobal remains confident that the combination of organic growth and our billing company acquisition plans will see ICSGlobal becoming cashflow positive during the 2007-08 financial year