imexHS

Annual Report

Where innovation and technology
meet medical experience

IMEXHS® was founded in 2012 by two radiologists and two software engineers who decided to solve two pervasive issues in global healthcare: the prohibitive cost of care and the need for access to modern technology.

Ten years later, IMEXHS® has ~250 employees across two businesses – Medical Imaging Software and Radiology Services. Our software is fully web and cloud-based, includes innovative artificial intelligence (AI) tools, and has a lower cost-base than our competitors, enabling us to provide attractive pricing to our customers. Our radiology services business consists of ~110 radiologists who exclusively use our software and provide us with a growing radiology database to develop AI tools.

Our 10 Year **Journey**

| 2012 | Founded in Bogota, Colombia to provide healthcare professionals access to medical technology in hard-to-reach areas like the Amazon jungle.

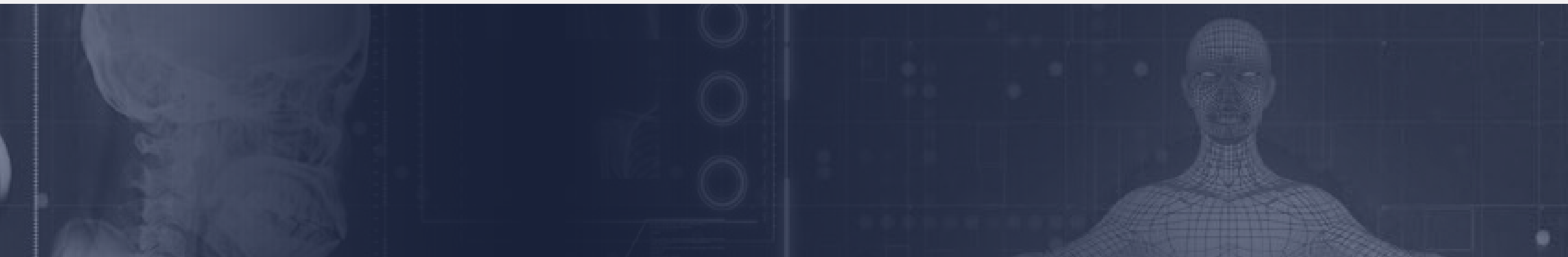
| 2015 | Expanded into countries in Latin America such as Ecuador and Mexico.

| 2018 | Listed on the Australian Stock Exchange (ASX:IME) to expand our global presence.

| 2019 | Received FDA Clearance in the US, expanded into new medical verticals & AI tools.

| 2020 | Launched a standardised radiology imaging solution, AQUILA in the Cloud, to accelerate global expansion.

| 2021 | Purchased RIMAB SAS to strengthen our radiology services business and to access vast amount of data provided by in-house radiologists.



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Global **Footprint**

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- PERU
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- UNITED STATES

*THAILAND
Added in January 2022

Key **Stats**

as at 31/12/2021

+ 7.8m
NEW STUDIES PER YEAR

563m IN 2021 | **1.5b** IN TOTAL
IMAGES STORED (ANONYMIZED)

5.21 PB
PETABYTES STORED

386 SITES
RUNNING OUR APPLICATIONS

+ 2.4k
SPECIALISTS USING OUR APPLICATION

1.4m USERS WITH
2.5m PORTAL ENTRIES
PATIENTS & DOCTORS USING OUR PORTAL

17*
COUNTRIES

35
DISTRIBUTORS

FY21 Financial **Highlights**

STRONG GROWTH IN ARR DRIVEN BY NEW CONTRACTS FOR **AQUILA IN THE CLOUD**, STRONG GROWTH IN **AQUILA ENTERPRISE** IMAGING VOLUMES AND THE ACQUISITION OF **RIMAB** IN Q4

Sales Revenue[1]

$13.4m

Up 23% yoy
Up 34% on a constant currency basis

Annualised Recurring Revenue (ARR)

$20.4m

Up 102% yoy
Up 121% on a constant currency basis

EBITDA

($3.0m)

vs ($1.3m) in FY20 due to increased investment in operations

Recurring revenue

$12.2m

Up 43% yoy
Up 57% on a constant currency basis

Closing Cash

$4.2m

$10.8m at 31 December 2020

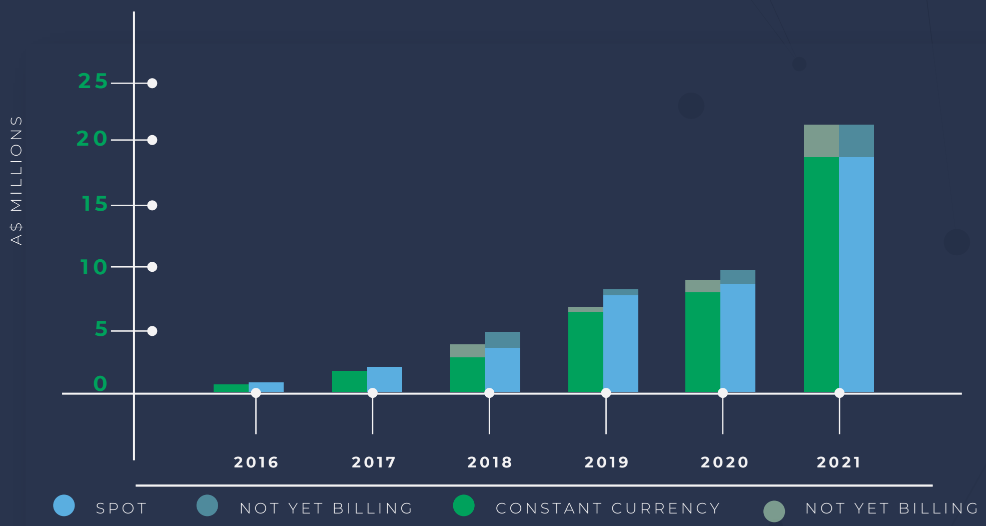
Underlying EBITDA[2]

($1.4m)

vs ($0.7m) in FY20

1 Financial results include RIMAB Results from Q4 FY21
2 Excludes the impact of FX, share based payments and transaction costs for the RIMAB acquisition.
3 Constant currency basis assumes FY21 results are converted at the average foreign exchange rate for FY20. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

FY21 Financial **Highlights**



$20.4m

up 102% (121% on a constant currency basis)

SEGMENTED **REVENUE** AND **ARR**

$ m	MEDICAL IMAGING SOFTWARE	RADIOLOGY SEVICES	TOTAL
REVENUE	$ 5.0m	$8.4m	$ 13.4m
ARR	$ 7.1m	$ 13.3m	$20.4m

*FY21 figures include RIMAB Q4 contribution only.
*Audited 2021 Financial Statements

Chairman's **Letter**

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders:

We are pleased with the progress made throughout 2021 to grow the business within Latin America and to expand overseas.

IMEXHS met 2021 revenue guidance provided during the year. Revenue growth was largely driven by expanding volumes of existing customers for both our Medical Imaging Software and our Radiology Services. Other highlights for the year included a high and rising share of recurring revenue, low customer churn and the expansion of our global footprint through sales of our standardised radiology product, AQUILA in the Cloud.

Notably, this year saw the acquisition of Colombian radiology services provider RIMAB SAS, which is performing above our expectations, has a strong growth profile and is solidly profitable. The Q4 results show the financial benefit of having RIMAB within the Company. Furthermore, the acquisition of RIMAB removes related party transactions and administratively complicated joint contracts with several customers. Going forward, our reporting should be clearer for shareholders with segmental reporting covering Medical Imaging Software and Radiology Services.

Collectively, our Radiology Services business is one of exceptional quality and is recognized for having some of the best radiologists in Colombia. The use of IMEXHS software provides an edge in terms of productivity and consequently, cost. This is a significant step forward in our ability to provide outstanding service and win new business.

It is the Company's intention to continue to build the Imaging Software business globally and grow the Radiology Services business, particularly within Colombia. We have developed a structure to ensure that each business has appropriate resources to both independently and symbiotically develop and grow.

During the year, the Board decided to proceed faster than anticipated on expenses associated with sales and distribution and with capital invested in development. The Company also invested in equipment to support opportunities in radiology services beyond original forecasts. Where appropriate, equipment investment was in part debt funded. The proportion of revenue from one-off transactions continued to fall while broadening the base of recurring revenue.

The success of AQUILA in the Cloud is evident in terms of sales and the acceptance of the model of a non-customised SaaS product distributed through 35 partners that is now present in 11 countries. In the early stages, product implementation was slower as we learnt how to better help clients and partners prepare to onboard the software and adopt related beneficial changes in working practices. To that end, we have developed better processes and implementation times have markedly improved. Importantly, the software package approach offers us some interesting strategic options, through direct online distribution and in applying the same packaged approach to other clinical practices, such as cardiology and pathology.

IMEXHS made two important announcements at the Radiological Society of North America (RSNA) Scientific Assembly held in Chicago in November 2021. Firstly, IMEXHS announced a partnership agreement with Neusoft Medical, a global leader in clinical diagnostic and treatment solutions. Secondly, IMEXHS announced the new IMEXHS Cloud product and solution. Neusoft will be one of IMEXHS's first strategic partners to offer the new IMEXHS Cloud product.

Our Product Development team continued to do outstanding work in 2021, the details of which are covered later in the report. We have had excellent feedback from new clients and from existing users as new releases have been seamlessly applied. Global development in medical software in terms of architecture, the integration of capabilities, and the development of AI tools has never moved so swiftly, and we believe this Company is well placed to thrive.

Our thoughts are with our staff and their families who contracted COVID-19 during the year, and who have thankfully all recovered.

There is little doubt that pressure on health systems and hospitals due to COVID in Latin America caused delays in decisions, including deferring upgrades to imaging systems. However, reports show that Latin America, once a hotspot of COVID-19 cases, now leads the US and much of the world in vaccination rates and recovery. According to a Wall Street Journal article (dated 25 December 2021) about 62% of Latin America's population has been vaccinated. "Thanks in part to the successes from past inoculation campaigns, like the fight against yellow fever, citizens across Latin America generally embrace vaccines." The somewhat younger demographic profile compared to much of the Northern hemisphere has helped the recovery. There are few travel restrictions, and the market is returning to relatively normal levels.

The gradual recovery from COVID-19 conditions in Latin America was reflected in our combined contract win for Colombia's Central Police Hospital announced in December 2021, which will contribute over $1.1m in Annualised Recurring Revenue. This validates the RIMAB acquisition and further positions IMEXHS as a more integrated proposition, while still allowing customers the flexibility of choice.

Looking forward, the focus will be on maintaining strong growth and reaching EBITDA breakeven and cash flow positive with contract wins for AQUILA Enterprise and AQUILA in the Cloud, high recurring revenue, faster conversion of AQUILA in the Cloud, and the contribution of positive earnings from RIMAB. IMEXHS is well-placed to leverage its distribution channels and unique global market positioning. The need for affordable Medical Imaging Software at all levels is not being met by the large players and leaves an enormous addressable market.

The Board and management continue to recognize the challenges, both actual and perceived, of overseeing a Company whose operations are largely run outside of the governance jurisdiction. However, the Board meets frequently, both formally and informally, with regular management discussions. Furthermore, the Company has in place appropriate governance charters and the Board is satisfied as to the Company's adherence to those charters as well as the requirements of both the ASIC and ASX listing rules and the spirit of those rules.

We enter 2022 with a significant agenda but well placed to seize the opportunities available. I would like to thank our directors for their contributions throughout the year and of course our management team and staff across the world, most ably led by our CEO, Dr German Arango. Lastly, thank you to our shareholders – we appreciate your continued support and commitment.

Doug Flynn
Chairman.

CEO’s **Report**

We founded IMEXHS in 2012 to improve the quality of life of patients and doctors by developing cutting edge technology to address real needs of physicians, hospitals, clinics and diagnostic centers. Developing an innovative cloud-based medical Imaging Software as a service has allowed us to become a market leader in Latin America and provided us with the opportunity to expand into larger global markets such as the US. Guided by our philosophy, 'Where innovation and technology meet medical experience', we are achieving great things for our Company, our customers and our future.

Our customers and staff continued to overcome COVID-related challenges in 2021 which have now started to ease. During most of the year our staff worked remotely and had to overcome the challenges of conducting customer interactions remotely, while IMEXHS also experienced some delays in customer decision-making among larger organizations.

We are pleased to report strong year-over-year growth in all our key metrics in 2021. Revenue for the twelve months ended 31 December 2021 was $13.4m, up 23% and up 34% on a constant currency basis versus pcp. Annualised Recurring Revenue (ARR) of $20.4 million increased by 102% and 121% on a constant currency basis which consisted of $13.3m from Radiology Services and $7.1m from Software. The EBITDA loss was $3.0m versus a loss of $1.3m in FY20 due to continued investment in operations. We ended the year in a sound financial position with a cash balance of $4.2m. Underlying EBITDA, excluding the impact of FX, share based payments and transaction costs for the RIMAB acquisition was a loss of $1.4m versus a loss of $0.7m in FY20.

Our high touch and customised enterprise solution, AQUILA Enterprise, is the main source of our existing revenues and continues to grow due to new contract wins and internal volume growth from existing customers. This product has helped build our reputation and allows us to upsell, but importantly the platform demonstrates its value in increasing productivity. In December 2021 we announced a new contract with Colombia's Police Department with an ARR of $1.1m, reflecting a reactivation of purchase activities among larger public sector customers and that our enhanced platform is already generating good traction.

Our disruptive cloud offering, AQUILA in the Cloud, continues to generate strong interest, addressing the underserviced need for small to mid-size enterprises around the world. We completed 111 AQUILA in the Cloud contracts in the financial year, including 7 in the US and 5 in Australia. In November 2021, IMEXHS attended the Radiological Society of North America (RSNA) Scientific Assembly held in Chicago and did not see a comparable proposition.

IMEXHS has a significant opportunity to expand our footprint globally through our standardised cloud solutions. We see considerable demand in the US, driven by increasing technological advancements, as well as the high incidence of diseases and subsequent need for data management.

During the year, we made significant improvements to the implementation process for AQUILA in the Cloud, which revolved around ensuring customers were adequately equipped to install the software. We have also achieved significant improvements in the time from signing deals to recognising revenue and collecting cash. Our key focus for 2022 will be to continue to work with customers and partners to ensure the onboarding process becomes more efficient in order to invoice customers and collect payment.

Welcoming RIMAB into IMEXHS in October 2021 was a significant milestone for the Company. It eliminates related-party transactions and enabled us to restructure the Company into two businesses – Medical Imaging Software and Radiology Services. As a founder of both companies, I was pleased to see the two businesses I started with my partners ten years ago coming back together again. Over time, we expect radiology services and software to become increasingly intertwined and strongly believe that artificial intelligence (AI) will be the vehicle for enhancing that connection.

Radiology Services revenue growth was stronger in the final quarter due to pent up demand from COVID-19. Radiology services revenue of $3.1m in Q4 was above plan and improved the results of the combined Group. We expect RIMAB to maintain this momentum trend for the next year.

Our partners program supports the existing product line and expands our global reach. Additionally, the new channel and distribution strategy has been well validated with the IMEXHS partners program, able to deliver most of the AQUILA in the Cloud deals (73%) across 11 countries. This is optimized by the contribution of IMEXHS University, the standardized training online platform. Our other significant partnerships, such as with VITAL Images and Entelai, continue to support our growth and provide IMEXHS customers with the most advanced analysis tools.

IMEXHS now has 35 distributors in 15 countries. Most recently, we signed an agreement with Neusoft Medical, a global leader in clinical diagnostic and treatment solutions. With 40,000 installations in more than 110 countries, Neusoft offers advanced medical imaging solutions and high-quality care to patients and healthcare professionals worldwide. Neusoft will be one of IMEXHS's first strategic partners to offer the new IMEXHS Cloud product, providing affordable access to high-tech medical imaging platforms through a combination of IMEXHS' unique technology as well as Neusoft's geographic reach. We have already started training activities for the Neusoft team of country managers and are preparing the first proof of concept.

The software development roadmap has been focused on product improvements with the integration of highly sophisticated tools for advanced post-processing and AI, which makes our platform more efficient and disruptive in the market. Among the broader team, we are excited to bring on-board highly qualified experts for the new Chief Technology Officer and Product Manager roles. It is important that we continue expanding and building the team to support the pace of growth.

Looking to 2022, we are progressing into a new stage of our strategy, focused on accelerating our AI verticals and growing solid Imaging Software and Radiology Services, and strengthening the interconnection between these core areas. We have strong fundamentals in the development and sales delivery for our Medical Imaging software platform, together with an extensive number of outsourced radiology facilities, best in class radiologists, access to a high volume of images, and demonstrated experience in developing AI tools. We are in an advantageous position, ideal for creating services that anticipate the future needs of the industry.

This year, we are also updating our marketing and branding efforts to help promote our products and services, with a rebrand and re-organization of AQUILA Enterprise, IMEXHS Cloud, and RIMAB.

In closing, 2021 was all about investing in growth through our sales, technology development and operational engineers, which started to bear fruit towards the end of the year. We have retained some of the best engineers in the industry despite some significant market resourcing challenges.

Our focus in 2022 will be on building AI at the core of our business. We will aim to win more large contracts for AQUILA Enterprise, improve implementation timings for AQUILA in the Cloud, further integrate RIMAB into the business, and leverage our partnership network.

I would like to extend my sincere thanks to the directors for their guidance, as well as the management team around the world and the whole IMEXHS team for their efforts.

Dr. Germán Arango
CEO


cardiovascula
system
upper injector
cvs-100
609856
70 66 9923
lower injector

About US

AQUILA IN THE CLOUD OUR CLOUD-BASED STANDARDISED RADIOLOGY SOLUTION, WAS LAUNCHED IN 2020

TO FAST TRACK OUR GLOBAL EXPANSION AND MEET THE NEEDS OF SMALL AND MEDIUM-SIZED ENTERPRISES.

WITH THIS IN MIND, AQUILA IN THE CLOUD **IS BUILT UPON FOUR MAIN PILLARS:**

To be **FAST** is to be **AVAILABLE**

In **2021**, AQUILA in the Cloud **was implemented in only 34 days** on average compared to **+100 days** which is the industry's standard.

In **2021, 498 new radiologists from 6 different sub-specialities** were trained and began using AQUILA in the Cloud.

To be **EASY** is to be **ACCESIBLE**

In **2021**, AQUILA in the Cloud was **deployed across 9 countries in 3** different continents.

AQUILA in the Cloud is an **intuitive and easy-to-use medical imaging platform.** It takes the average radiologist 2-3 amount of clicks to finish a report compared to 6 clicks using a legacy platform.

The AQUILA in the Cloud offering is presented to potential customers is a **simple manner**, they can either choose from: Lite, Pro & Ultimate. This differs from the industry standards which is complex, confusing, and time-consuming. AQUILA in the Cloud is EASY to buy.

To be **DIFFERENT** is to be **INNOVATIVE**

In **2021**, AQUILA in the Cloud customers benefited from three proprietary, **powerful AI algorithms** on a pay per use model, as well as two third-party algorithms and instant software updates.

AQUILA in the Cloud allows 100% of its users to work from **anywhere at any time**. In **2021**, over **two thirds** of its users worked from home which meant that despite the uncertainty produced by COVID -19, they were still able to offer a precise and timely diagnosis to their patients.

To be **FOR ALL** is to be **AFFORDABLE**

In **2021**, AQUILA in the Cloud was **available across 138 countries** for all segments of the market. AQUILA in the Cloud does not discriminate against small to mid-sized enterprises (SME's), it caters for them and provides huge value.

AQUILA in the Cloud is **available FOR ALL**

IMEXHS® Enterprise **Imaging Universe**

OLOGIES

RADIOLOGY

AQUILA
RADIOLOGY SOLUTION

PATHOLOGY

ALULA
PATHOLOGY IMAGING SOFTWARE

CARDIOLOGY

ANTEROS
CARDIOLOGY IMAGING SOFTWARE

See page 17 for details

ARTIFICIAL INTELLIGENCE

STELLAI

ADVANCED VISUALISATION

PICTURE ARCHIVING AND COMMUNICATION SYSTEM/ VENDOR NEUTRAL ARCHIVE

VIEWER

CORE

See pages 21 & 22 for details

CHEST

COVID

LUNG

NEURO(*)

BREAST(*)

BRAVIZ

VITAL

ALMA

BRAVIZ

PORTAL

VOICE RECOGNITION

BUSINESS INTELLIGENCE

ADVANCED TOOLS

See pages 21,22 & 23 for details

IMEXHS UNIVERSITY

PARTNERS PROGRAM

COMMUNITY

See page 24 for details

(*) Third Party Algorithm

Product **offering**

AQUILA
RADIOLOGY SOLUTION

AQUILA - Radiology is a multiplatform web system that allows the total management of the radiology service, in a centralized and agile way. The system provides management tools and consultation of productivity indicators for the administrator, from the appointment scheduling to the delivery of the result. It is a multi-user and multimodal platform with the availability of work lists and consultation of care status. AQUILA's main objective is to optimize the care processes in the radiology service, allowing efficient decision making.

ALULA
PATHOLOGY IMAGING SOFTWARE

ALULA – Pathology is a fully functional multiplatform and multi-browser system under a web environment. This product guides the entire pathology workflow from the reception of samples to the creation of final reports. In this system are the different phases of pathology such as macroscopy, histotechnology, microscopy. ALULA presents a digital view of these images where you can make use of different tools such as zone selection, measurement and in-depth exploration.

ANTEROS
CARDIOLOGY IMAGING SOFTWARE

ANTEROS - Cardiology is a cloud-based platform that provides secure cloud storage, a universal web viewer, CIS, PACS and business intelligence tools, and access to all the functionalities of a VNA web platform in a single solution. Implementing ANTEROS in the cardiology department will make medical imaging and diagnosis simpler and easier, improving patient care, maximizing productivity, and minimizing risk.

Discover **AQUILA 3.5**

AQUILA GOES ONE STEP FURTHER WITH **ITS NEW VERSION 3.5**

In this new version 3.5, you can enjoy new or improved features, security fixes and, better compatibility with different devices and tools. In addition, it presents an optimization in the stability of the software, eliminating obsolete functions. Other new features of this new version include hanging protocols, MPR improvements and the ability to access AI algorithms.

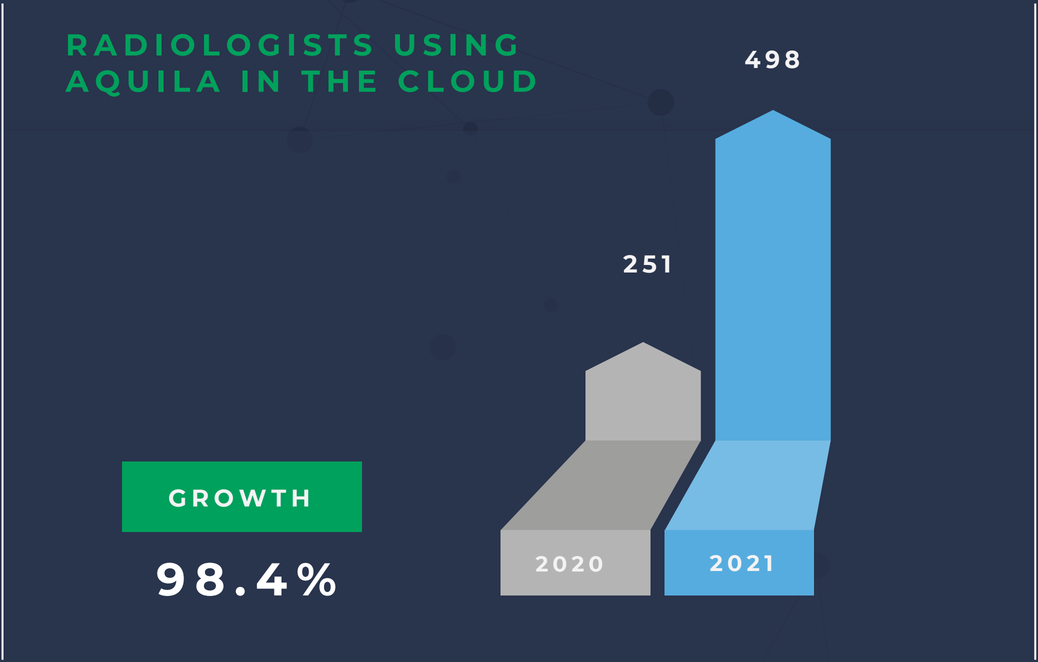
All of these updates are aimed at improving the user experience, ensuring that you can take full advantage of its technology, and positively impacting patients and physicians around the world.

AQUILA in the Cloud

AQUILA in the Cloud is our standardised radiology offering launched in May 2020. It provides small and medium-sized centers with an affordable and accessible RIS/PACS product. The standardised solution is a cloud-based, multi-tenant, end-to-end radiology solution. It handles the workflow of an imaging center from the scheduling to the billing with high-end tools for medical visualization and reporting. It is a subscription-based model with additional charges are based on volumes of radiology studies.

Charges are based on volumes of radiology studies.

During 2021 IMEXHS signed 91 AQUILA in the Cloud contracts and reached a total of 111 projects in 13 countries by the end of the year. This number of projects represents an increase of more than 110% compared to 2020. Between 2020 and 2021, the number of radiologists using AQUILA in the Cloud increased by 98.4%.



Good progress has been made improving implementation times from order to cash. There remains significant ramp up in cash in billings going into 2021. Further, we are seeing strong volume growth within clients as they become used to and enjoy the benefits of the AQUILA in the Cloud software.

The channel strategy has been strongly validated with more than 73% of the sales completed by distributors and more than 75% of AQUILA in the Cloud sales coming from outside of Colombia. Sales outside of Colombia are contracted in USD or AUD. To improve the onboarding process particularly in new geographies, IMEXHS has implemented a standardized training program for distributors through the online platform IMEXHS University. Strong sales momentum was generated in key markets with new orders from the US and Australia.

The AQUILA in the Cloud platform is becoming a window for efficient access into the most sophisticated tools for advanced post processing and artificial intelligence. It is democratising access to the most advanced medical technology across all the segments of the market.

Equipment manufacturers have taken note of the advantages of the product and the ease of integration. This has led to a global product partnership with Neusoft Medical as we have done previously with Canon VITAL Imaging.

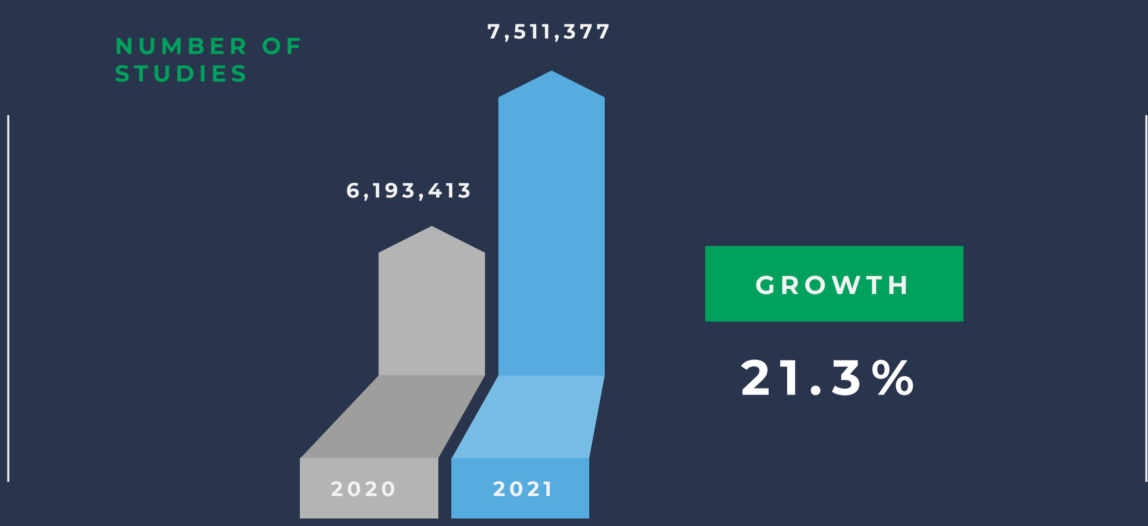
AQUILA Enterprise

AQUILA Enterprise (formerly AQUILA Custom) is our customised Enterprise imaging platform for large clinics and hospitals with a high level of integration of third-party platforms. It has been specially designed for solving the workflow demands for multi-site and teaching hospitals, providing highly sophisticated tools for visualization, post processing, Business Intelligence and practice management. This has been bolstered by the recent integration of AI tools developed by the IMEXHS team and third parties, bringing improvements in productivity and reporting accuracy.

Each AQUILA Enterprise contract tends to be unique, there is no standard model. These are normally multi-year agreements (five years on average) and charged on the basis of volume-related tiers.

Most of the current IMEXHS software revenue is derived from this business model and despite the COVID pandemic, the main metrics continue to grow. This is as a consequence of new customers and internal volume growth from existing customers. This business model creates opportunities for upselling and cross-selling with some of the new product releases. In all Radiology Service contracts, IMEXHS software features and is priced on a commercial basis.

IMEXHS finished 2021 with almost 100 AQUILA Enterprise projects across eight countries, representing revenue growth of 9%. There was also an increase in closed projects of almost 80% compared to 2020, when we had 54 projects in five countries. Between 2020 and 2021, the number of AQUILA Enterprise studies rose by 21.3%.



Closing tenders in 2021 proved challenging throughout the year due to COVID delays; however the Company won several smaller contracts and an important tender from the Central Police Hospital of Colombia. This coupled with the provision of clinical radiology services, added more than AUD$1.1m in ARR for the consolidated group.

STELLA.I

Artificial **Intelligence**

Over the past two years, IMEXHS has gained significant knowledge and benefits from the development of artificial intelligence (AI). This has become a core activity which perfectly connects the technology to medical practices, a significant part of the logic for the acquisition of RIMAB and strengthening the Company's competitive position.

STELLA.I offers a set of artificial intelligence tools in the cloud, developed to help specialists in the diagnosis. These tools make it possible to sort studies by relevance, identify pathologies more easily and perform advanced analysis, providing quantitative data to support medical decisions.

IMEXHS is developing proprietary artificial intelligence algorithms and training third parties to strengthen our solutions, support the diagnostic process and optimize workflow. IMEXHS will continue to develop AI tools in-house. We have a number of key success drivers: relatively low cost, access to a large and growing data base of patient images with high quality reporting, successful development track record, a strong platform for trialling, training and refining new AI tools, and a program for assessing accuracy, client benefit and clinical productivity.

AI EXPERTISE

Highly skilled and experience team in developing AI technology.

Large database of images (more than one billion) to feed data sets and data lakes.

STELLA.I engine for the seamless integration of AI algorithms into our software products.

Business models like AQUILA in the Cloud, ideal for enhancing the sales and distribution activities.

EXISTING AI PRODUCTS

IMEXHS AI CHEST: able to detect 14 diseases on a chest x-ray, useful for ER triage and for supporting non radiologist physicians.

IMEXHS AI COVID: automatic segmentation and detection of areas of covid lung pneumonia.

IMEXHS AI LUNG: segmentation and volumetry of areas lung involvement by ground glass opacities and consolidation.

IMEXHS AI NEURO: third party algorithm trained with our data set which helps physicians diagnose conditions such as dementia, multiple sclerosis on brain MRI, reducing time and optimizing workflow.

IMEXHS AI BREAST : third party algorithm trained with our dataset which enables the splitting out the radiologist mammography work list into normal and abnormal.

Braviz: : advance post-processing neuro suite for DTI tractography and brain volumetry.

Advanced **Tools**

ADVANCED **VISUALISATION**

A unique partnership with VITAL Images, a leading provider of Enterprise Imaging solutions and a Canon Group company, provides a highly sophisticated and compelling set of tools in the cloud via the IMEXHS platforms.

Users are able to render complex imaging protocols from MR and CT acquisitions, into images, delivering accurate information for complex diseases, which is frequently required by the high-end imaging centres and normally not accessible at the low end of the market.

IMEXHS offers advanced tools for neurological images, abdomen and chest, vascular and MSK protocols, offering the option to examine medical images in order to obtain additional qualitative or quantitative data, efficiently post-process large volumes of data, study the functionality of specific organs, evaluate different pathologies and study structural changes associated with a pathology.

Currently, seven customers and 11 sites have post-processing tools.

Braviz, brain visualisation, is a highly sophisticated suite of tools for advanced post-processing of neurological images, including brain volumetry and segmentation, DTI tractography, functional MRI and statistical tools for research. Currently installed and used by research groups.

PORTAL

Web-based system that allows the end user a fast and centralized access to the results issued by the institution's diagnostic imaging service. The portal is a multi-user platform with 24/7 availability of radiological examination consultations. The portal provides fast and easy access for radiologists, referring doctors, specialists and patients.

It has been a very successful product with more than 150,000 portal entries per month, reaching more tan 2.5 million portal entries by 2021 and guaranteeing access to more than 1.4 million patients and doctors.

	Users	Portal entries
Q1	291,191	519,328
Q2	325,620	580,721
Q3	393,321	701,460
Q4	438,096	753,536

Total Users 1,448,228

Total portal entries 2,555,045

VOICE RECOGNITION

This advanced tool powered by Nuance offers the dictation of patient diagnosis reports. There is also the option to preload templates previously made with the most recurrent diagnoses encountered by radiologists in his daily work through specific voice commands. It is currently installed in 152 sites and during 2021 supported the reporting process of more than 2.1 million studies. Thus, during 2021 about 28% of new studies were supported by our voice recognition tool.

BUSINESS INTELLIGENCE

All our solutions have a big data analysis within the application, which allows business managers and radiology leaders to obtain statistics on the performance of the following parameters:

- **Addendums**
- **Agenda**
- **Agenda reservation and timeliness indicators**
- **Cancellations**
- **Contracts**
- **Income**
- **Integrations**
- **Invoices**
- **Note details**
- **Note report**
- **Radiological technique**
- **Readings**
- **Statuses**
- **Studies**
- **Tariff manual**

Community

IMEXHS – **University**

IMEXHS has taken on the mission of providing partners, clients and employees with training and tools that allow them to keep up-to-date and to learn about the key components of the IMEXHS universe. IMEXHS University currently has 10 training courses in sales, marketing, implementation, support, techno vigilance, SaaS structure, among others. The partners onboarding process is carried out through the platform, and there are plans to carry out further training for our different products and new releases. Currently all our ~250 employees are registered and we have more than 150 registered users from various partners and 11 from customers.

IMEXHS-University is a Universe of Innovation.

PARTNERS PROGRAM

This year our business partner model was redesigned with new rules that facilitate the sale of products through our distributor network. The new rules include:

The new process and structure of the sales this process to constantly accompany the distributor. structure includes the creation of new work teams for inbound marketing, outbound marketing, Sales Development Representative, Customer Success and Account Management.

A new 100% virtual Onboarding process for distributors, training in marketing, sales, CRM, customer success and customer support.

A new rewards scheme (iPoints) incentivizes distributors to accumulate points based on their sales and can redeem them for prizes.

Radiology
Services Offering

OUR HIGH QUALITY PROPOSAL INCLUDES TWO MAIN BUSINESS MODELS:

Outsourcing of imaging facilities

Solution offering for hospitals including hardware, software and medical services. This business model represents 95% of current revenues.

Teleradiology

Medical imaging reporting from remote locations for images produced by third parties. This business model represents 5% of current revenues.

Radiology services to hospitals and medical facilities in Colombia and teleradiology to HT Medica (Health Time SL) in Spain.

OUR VALUE PROPOSITION IS DRIVEN MAINLY BY OUR HIGH QUALITY OFFERING:

Extensive experience in the production and reporting of large volumes of medical images.

High level of specialization of the radiologist team and the reporting database based on medical imaging subspecialties:

NEURO	ABDOMEN	CHEST	MSK	BREAST	PEDIATRIC	INTERVENTIONAL

Highly skilled radiologist team with strong academic credentials, visibility and recognition.

Combined Group

THE FUTURE OF RADIOLOGY

Anticipation of the future following the industry trends

The incorporation of technology in the medical practice and in particular in the medical imaging field is rapidly growing. We anticipate in the near future the elimination of the boundaries between technology and medical activities, so consider it a high priority to be highly involved in both fronts.

1

End-to-End radiology offering

The amalgamation of IMEXHS, a technology company, and RIMAB, a services company, allows the group to have a fully end-to-end radiology offering. By bringing together the clinical practice with the technology provider for medical imaging, the combined group can offer and provide software technology, human talent and operational capacity.

2

Develop and test products

The combined group is able to develop and test products in a fast and agile way by having in-house radiologists who have access to a real, complex and sophisticated test scenario.

3

Develop AI algorithms

RIMAB runs more than a million imaging reports per year, which provides IMEXHS with a vast amount of data to drive the development of its artificial intelligence algorithms. IMEXHS provides RIMAB with the imaging technology – AI, software and teleradiology – to make the radiology process more efficient.

4

Current
Case Study

Central Police Hospital of Colombia HOCEN

INTRODUCTION

The Central Police Hospital of Colombia, provides healthcare to police personnel and their families, is now supported by the IMEXHS diagnostic imaging platform. With 640,000 users and their respective beneficiaries, the Central Police Hospital relies on IMEXHS digitalisation and centralisation of diagnostic images.

THE CHALLENGE

The main challenge facing the Central Police Hospital was to update and improve all aspects of its imaging centre.

Problems with the agility and efficiency of their radiologist teams in treating physicians and the ability to view images from any device in any place, led to reprocessing, additional costs, and delays in the care and treatment of patients.

Additionally, the Central Police Hospital needed to contribute to the consolidation of the National Government's Democratic Security Policy, which means that each of its activities needs to guarantee compliance with the data protection and security law imposed by the Ministry of Defence.

THE SOLUTION

With the implementation of AQUILA Enterprise, the Central Police Hospital has access to a world class radiology solution that is intuitive, flexible and accessible, and which can optimise workflow from start to finish. Furthermore, with AQUILA, the Central Police Hospital was able to centralise their radiology department’s information nationwide. Physicians, police personnel and beneficiaries now have access to all studies along with the specialist's diagnosis from any device, anywhere. This translates into higher quality patient care, and time and cost reductions for the organisation.

Thanks to the Advanced Visualisation advanced tools, the Central Police Hospital meets the diagnostic needs of the most current global protocols.

Additionally, given the importance of patient care, IMEXHS’ web portal designed for patients and treating physicians allows anytime access without delays, providing the possibility to share, cooperate and maintain control of the diagnostic history.

In addition, with the contribution from RIMAB, the radiology department was completely renovated. An initial projected four-month timeline to develop the project, the combined group was able to complete it in record two months. The redesign generated significant benefits, using best practices to improve the user experience with the installation of state-of-the-art architectural finishes for hospital centers.

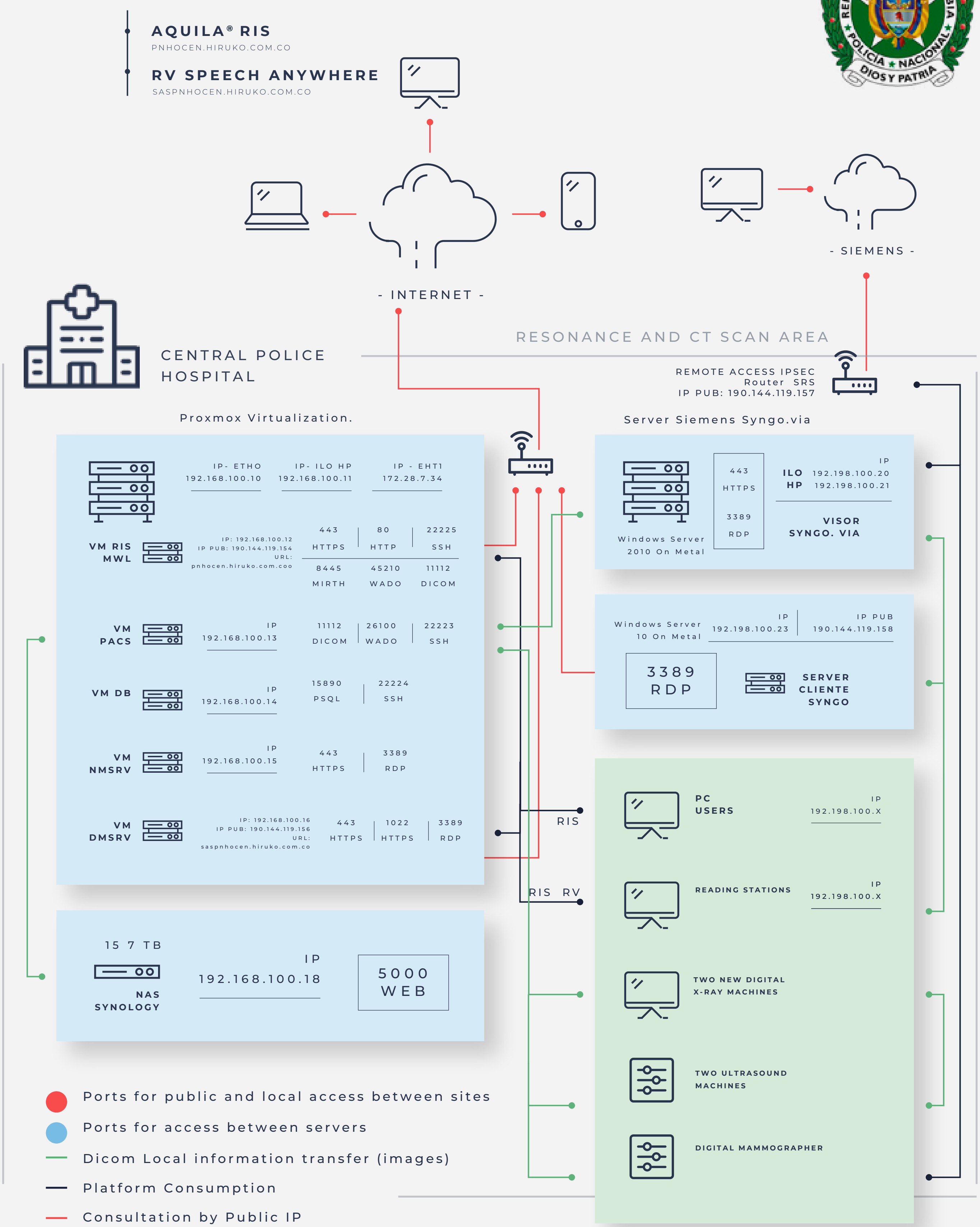
IMPLEMENTATION

IMEXHS® in alliance with RIMAB (now part of Radiology Services), and complying with all the established data and infrastructure security requirements, provided their expertise to achieve immediate user access to required services, optimising care and controlling the proper use of the Health System of the Central Hospital of the Colombian Police.

Additionally, state-of-the-art equipment was installed.

Central Police Hospital of Colombia
HOCEN

INSTALLATION
DIAGRAM



Global Market **Opportunity**

IMEXHS OPERATES IN **LARGE AND GROWING** GLOBAL MARKETS

RADIOLOGY SOFTWARE

2020 US$2.7b
2025 US$3.2b
CAGR 3.4%

MEDICAL IMAGING AI

2020 US$800m
2025 US$1.2b
CAGR 26%

DIAGNOSTIC IMAGING MEDICAL SERVICES:

2021 US$ 589.9b
2030 US$905.8b
CAGR 4.88%

RADIOLOGY AS A SERVICE

2021 US$ 1.3b
2028 US$4.7b
CAGR 20.3%

PATHOLOGY SOFTWARE

2020 US$574m
2027 US$ 1.4b
CAGR 13.9%

ADVANCED VISUALISATION IT

2020 US$1.1b
2025 US$1.4b
CAGR 4.5%

TELERADIOLOGY

2020 US$1.3b
2025 US$2.8b
CAGR 18.5%

SOURCE OF MARKET STATS:
SIGNIFY RESEARCH, 2021
RESEARCH AND MARKETS, 2021

Strategic Alliances **and Priorities**

Strategic Global **Business Alliances**

To join forces and promote growth and competitiveness, we have established new alliances while strengthening existing partnerships.

IN 2021 IMEXHS® SIGNED A NEW PARTNERSHIP AGREEMENT WITH NEUSOFT MEDICAL

This partnership agreement signed in November 2021 will combine the technology of IMEXHS with the broad geographic reach of Neusoft Medical, company that maintains over 40,000 installations in more than 110 countries. As a result of this alliance, Neusoft is projected to consolidate its position as one of our main AQUILA in the Cloud distributors and one of the first to IMEXHS Cloud, IMEXHS Box, IMEXHS Marketplace and IMEXHS Teleradiology portal.

IMEXHS® MAINTAINS ITS GLOBAL PARTNERSHIP AGREEMENT WITH VITREA – VITAL

In September 2020 IMEXHS teamed up with VITAL, so our our clients can access their data, perform complex analyses and run advanced visualisation processes directly from our AQUILA platform. VITAL, a Canon Group company, has a legacy of leadership in healthcare imaging using smart algorithms and techniques of innovation. Their solutions give clinicians the ability to make real-time precise decision-making for today's empowered healthcare consumer while delivering an exceptional patient care experience.

IMEXHS® STRENGTHENED ITS PARTNERSHIP AGREEMENT WITH ENTELAI PIC

IMEXHS has reinforced its strategic agreement with Entelai Pic, an Argentine company specialized in artificial intelligence. Since 2020 AQUILA has been offering an embedded AI neuro tool powered powered by Entelai. This year a new tool has been added to strengthen our advanced tools: IMEXHS AI Breast. This add-on permits rapid detection of abnormalities such as calcifications and benign or malignant nodules, optimizing workflows and achieving faster and more accurate diagnostics.or malignant nodules, optimizing workflows and achieving faster and more accurate diagnostics.

Strategic Global **Business Alliances**

NUANCE TOOLS CONTINUE TO LEVERAGE IMEXHS® TECHNOLOGY

Thanks to a two years plus Alliance with Nuance, IMEXHS continues to offer the best voice recognition tools to make the diagnostic process more efficient and agile. From one of the first voice recognition systems to the most advanced ambient clinical intelligence ever introduced, Nuance has played a foundational role in the emergence of conversational AI.

ALLIANCES WITH **UNIVERSITIES**

UNIVERSIDAD DE LOS ANDES

Internship programs for computer science graduate engineers to carry out work internships in the company or to support the development of their degree projects in co-development mode.

UNIVERSIDAD SIMÓN BOLÍVAR

Development of joint research projects and training agreements in technology and medicine at RIMAB's facilities for neurologists and radiologists.

FUNDACIÓN UNIVERSITARIA DE CIENCIAS DE LA SALUD

After four years of research, a project in which IMEXHS participated as co-executor was completed this year. The project culminated with the publication of a scientific article published in the renowned journal Nature.

UNIVERSIDAD DE LA SABANA

Talent attraction program through internships for students in training cycles and who want to enter the industry in an accelerated manner.

Industry Trends

IMEXHS® IS WELL PLACED TO BENEFIT FROM INDUSTRY TAILWINDS OUTLINED BELOW

Large, growing but highly fragmented global **medical imaging sector.**

Chronic global radiologist shortage driving demand for **teleradiology.**

Increased proportion of the value chain coming from **Artificial Intelligence (AI).**

Growing use of big data for optimizing **diagnostic techniques.**

Shift from client server architecture to **cloud solutions**.

STRATEGIC PRIORITIES

LAND & EXPAND with multiple verticals including pathology, strengthening our portfolio.

ENHANCE our teleradiology solution to allow radiologists to access images from any device or location.

IMPROVE the implementation process for AQUILA in the Cloud.

EXPAND into new geographies, leveraging our partner program network and AQUILA in the Cloud and enterprise offerings.

ACCELERATE our AI verticals, by using our extensive database and testing environment to develop AI tools.

INVEST in product and sales for AQUILA Enterprise to accelerate growth in high end customised solutions.

Updates to Software **Development**

Updates to Software **Development**

IMEXHS AI

Core element of the new software development roadmap, attempting to deliver new AI algorithms developed by our own, keep training third party algorithms, enhance the AI integration engine and finally taking advantage of the huge available database, work through structuring and labeling images to offer data lakes and data sets to third parties. This will become the bridging element between imaging software and the diagnostic medical services.

IMEXHS CLOUD

A cloud based medical imaging platform that provides an innovative way to manage medical imaging for healthcare institutions, offers advanced technological tools, with an affordable business model and all the security of a cloud service provider such as Azure (Microsoft). IMEXHS Cloud will initially have three main components: Cloud PACS, Enterprise Web Viewer and an App Marketplace.

IMEXHS MARKETPLACE

An App Store with extensions that can enhance the user experience (for radiologists and non-radiologists) while using the medical image management platform.

AQUILA NEW VERSION

This new version will be packed with new features that allow users to improve their productivity and workloads through its renewed PACS/VNA engine and rules engine to better integrate with any cycle revenue management system.

The big focus is in enhancing the enterprise offer, bringing rules for highly complex We are developing a disruptive offer for the high-end market, supported by a new marketing and sales strategy.

IMEXHS BOX

A complimentary component to the IMEXHS Cloud. IMEXHS Box is a specific use device (appliance) designed for customers who wish to have a smooth and controlled transition to the cloud. IMEXHS Box allows the user to keep image processing and storage local (OnPrem), while enabling extensions and add-ons provided from IMEXHS Cloud.

IMEXHS TELERADIOLOGY PORTAL

An innovative solution that has been designed to increase the efficiency of remote radiological diagnostic service providers.

IMEXHS OPHTHALMOLOGY

Ophthalmology centers and clinics now can take advantage of the power of our AQUILA software with Vendor Neutral Archive capabilities, helping our customers to improve their digital workflows, either are using DICOM or Non-DICOM equipment.

Our Team and **Our Culture**

Board of Directors

Doug Flynn
Non-executive Chairman

Mr Flynn is an experienced international business leader, having run multiple companies in Europe and Australia. As an executive, Mr Flynn has broad business knowledge in manufacturing and mining services (ICI), business services, (Rentokil Initial), media (NewsCorp) and advertising and marketing services (Aegis Group). He also has experience in non-executive roles in media (West Australian Newspapers, Seven West Media, and APN Outdoor), technology infrastructure (NextDC) and human services (Konekt Limited). In the UK Mr Flynn successively ran News International plc, Aegis Group plc and Rentokil Initial plc. Mr Flynn is also chair of NextDC Ltd.

Dr. Germán Arango
CEO & co-founder

Dr Arango has over 17 years' experience as a practicing Radiologist in Colombia. Dr. Arango completed a fellowship in Diagnostic Neuroradiology at McGill University, Montreal, Canada, holds a degree in Medicine and Surgery from Universidad El Bosque, with residency in Radiology and Diagnostic Imaging from Universidad de La Sabana, and a visiting fellowship in Neuroradiology from Medical College of Georgia, granted by SILAN. Dr. Arango is a renowned person in the academic environment having being professor of Neuroradiology for the Radiology, Neurology, Neurosurgery and Maxillofacial surgery residency programs of the main universities in Colombia.

Carlos Palacio
Non-executive Director

Mr Palacio is an entrepreneur with more than 27 years of experience in international IT, telecommunications, and strategic management. Mr Palacio is currently CEO of CrossPoint Telecommunications, a provider of managed IT services that specialises in creating and managing IT solutions for multinational organisations. He holds a bachelor's degree in electrical engineering with a specialisation in telecommunications from the University of Technology Sydney, a master's degree in administration from Macquarie University and a master's degree in business administration from Macquarie University.

Doug Lingard
Non-executive Director

Mr Lingard is a radiologist and nuclear medicine doctor with extensive experience, who has worked in various leadership positions in Auckland, Washington DC and Sydney. In Australia, Mr Lingard co-founded Pittwater Radiology Partners, a company that after a series of mergers and acquisitions listed on the ASX in mid-2000 and became Medical Imaging Australasia Ltd. He holds a medical degree from MB.ChB from the University of Otago. Mr Lingard is currently a member of the Radiologists Association of Royal Australia & New Zealand, a Senior Associate of FinSIA, and a member of the Australian Institute and a member of the Australian Institute of Business Directors.

Damian Banks
Non-executive Director

Mr Banks is a proven business leader with experience in the development and profitable expansion of businesses across health, employment, and banking with a focus on financial management, technology, and people. Mr Banks also has a strong track record in customer focused culture development, and considerable M&A experience. His most recent executive role was as Managing Director and CEO of Konekt Ltd, a technology focussed health and employment company. He led Konekt from its listing on ASX in 2012 through to its successful sale to private equity in December 2019. Prior to this Mr Banks worked in several leadership positions with Westpac Banking Corporation.

Mr Banks currently holds directorship roles with Boom Logistics Ltd and RPM Automative Group Ltd.

Senior **Management Team**

Dr Germán Arango
CEO & co-founder

See page 39 for biography.

Dr Jorge Marín
Chief Medical Officer & co-founder

Dr Marin has more than 16 years of experience as a practicing radiologist in Colombia and Spain. Previously Mr Marin was chief radiologist of the CETIR teleradiology group, the Dos de Mayo Hospital and the San Rafael Hospital. He holds a degree in medicine and surgery from the Universidad Pontificia Bolivariana and specialisation in Radiology & Diagnostic Imaging from the National University. He also holds a European Diploma in Neuroradiology, from ESNR. Mr Marin is a member of the IMAGINE research and development group for advanced imaging diagnosis at the University of Los Andes and assistant professor of diagnostic neuroradiology for residency programs in neurology, radiology and neurosurgery at the University FUCS.

Reena Minhas
Chief Financial Officer

Ms Minhas has extensive experience as CFO and Company Secretary of ASX-listed businesses, providing the financial leadership and strategic direction necessary to drive superior business performance. Ms Minhas was previously the CFO and Company Secretary of ASX-listed Konekt Limited where she played a key role in the sale to Quadrant Private Equity's APM. Prior to joining Konekt Limited, she was CFO and Company Secretary of ILH Group Limited and Energy One Limited. Her experience includes roles in acquisitions, debt and equity capital formation as well as the development of sound finance functions.

Alejandro Varettoni
Chief Sales Officer

Mr Varettoni is an electrical engineer with an executive MBA and 25 years of experience in different companies in the LATAM region, among which stands out his long career at Agfa HealthCare. During his 14 years at Agfa, Mr Varettoni led the digital transformation of the imaging business from different roles: Key Account Manager, Sales Manager and Regional Manager of LATAM North. Mr Varettoni has worked within Healthcare, IT and Telecom throughout his career. He is currently a faculty member of the Aden Business School.

Orlando Joven
Chief Technology Officer

Mr Joven has a master's degree in Administration (IMBA) and more than 18 years of managerial and executive experience, as well as P&L responsibility in multinational companies in technology, FMCG and financial services industries. Mr Joven has extensive experience leading regional teams (+100 people) in the areas of digital transformation, innovation, technology, digital product and software development, business management, sales and finance. From the roles of CIO, CTO and CDO Officer, he has been responsible for the definition of digital strategies and new business models, and the development of digital products and services.

Our **culture**

THE WAY WE DO BUSINESS REVOLVES AROUND THE COMPANY'S VALUE PROPOSITION **TO MAKE IT FASTER, EASIER, FOR ALL AND DIFFERENT.**

Make it **faster**

· Based on the principle of optimization to improve the quality of life of patients and physicians around the world, we ask ourselves all the time: How can we simplify this to make it more efficient?

Make it **easier**

· Intuitive approach to everything we are and do. We seek to reduce complexity to favor the well-being of patients, physicians, partners, clients and employees.

Make it **for All**

· Our purpose is to democratize access to high-tech image management platforms for centers of all sizes, while generating and sharing efficient business models that allow us to grow as a society.

Make it **different**

· We are agile innovators. We prioritize the ability to find growth opportunities and new developments that allow us to fulfill our purpose.

DEVELOPMENT PILLARS

We are committed to delivering high values tools for today's healthcare sector. Nearly one third of our team works in software development.

We assist with and facilitate academic collaborations, industrial interaction, and knowledge transfer in the following ways:

- Ally with universities to collaborate in the generation of new knowledge and product innovation projects for the medical imaging sector.
- Identify emerging technological opportunities to include in our technological stack.
- Explore novel approaches to solving complex clinical problems.
- Lead cooperative research initiatives and support software development projects.
- Develop research projects to enable the development of novel services for the clinical context.

BOSQUE **in the Cloud**

In 2021 IMEXHS launched BOSQUE in the Cloud. Through this initiative we aim to plant two trees in the Colombian Amazon región for each AQUILA in the Cloud project sold. Over the year we planted over 200 trees.

The project is carried out with the support of the foundation, Saving the Amazon, which works to rebuild the habitat of indigenous populations living in the Amazon.

Table of Contents
Financial Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of IMEXHS Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2021.

Directors
The following persons were directors of IMEXHS Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Douglas Flynn	Chairman
Dr German Arango	Chief Executive Officer
Dr Douglas Lingard	Non-Executive Director
Mr Carlos Palacio	Non-Executive Director
Mr Damian Banks	Non-Executive Director

Principal activities
The Group operates two businesses - medical imaging software and radiology services.

- The medical imaging software business is focused on the development and sale of modular imaging systems that include information systems for Radiology (AQUILA), Cardiology (ANTEROS) and Pathology (ALULA), as well as a Picture Archiving and Communications System (PACS). The information systems combine a workflow management system with a patient data and image distribution system, and the PACS allows a healthcare organisation to capture, store, view and share radiology images.
- The radiology services business provides radiological diagnostic services to hospitals and medical facilities in Colombia and Spain using IMEXHS medical imaging software. The services business also provides the Group with medical images and radiologists interpretation and reports to develop artificial intelligence (AI) tools.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
A review of operations of the Group for the financial year ended 31 December 2021 is contained in Chairman's Letter and Chief Executive Officer's Report. The Chairman's Letter and Chief Executive Officer's Report precedes the Directors' report.

Significant changes in the state of affairs
On 5 October 2021, the Group acquired 100% of the ordinary shares in RIMAB SAS, a Colombia-based radiology services business, for total consideration of $6,762,468.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Other than as referred to in this report, further information as the likely developments in the operations of the Group and likely results of those operations would, in the opinion of the Directors, be speculative.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr Douglas Flynn
Title:	Non-Executive Chairman
Qualifications:	B.Eng., MBA
Experience and expertise:	Mr Flynn is a businessman with extensive executive and non-executive leadership experience in large and small listed companies in Australia, UK and Hong Kong. He also has sound experience in early stage technology businesses.
Other current directorships:	NextDC Limited
Former directorships (last 3 years):	Konekt Limited and APN Outdoor Group Limited
Special responsibilities:	Member of the Remuneration and Nomination Committee and Audit and Risk Committee
Interests in shares:	730,000 ordinary shares
Interests in options:	560,000 unlisted options over ordinary shares

Name:	Dr German Arango
Title:	Chief Executive Officer
Qualifications:	Medical Doctor and Surgery (El Bosque), Diagnostic Radiology (La Sabana), Diagnostic Neuroradiology (McGill), Member of RSNA, Member of CAR, Member of ACR, Member of ASNR
Experience and expertise:	Dr Arango is the CEO and founder of Imaging Experts and Healthcare Services S.A.S. and has over 15 years' experience as a practising radiologist in Colombia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	4,426,201 ordinary shares
Interests in options:	655,009 options over ordinary shares

Name:	Dr Douglas Lingard
Title:	Non-Executive Director
Qualifications:	MB.ChB. FRANZCR, MAICD
Experience and expertise:	Dr Lingard is an experienced Radiologist and Nuclear Physician who has worked in various leadership roles in Auckland, Washington DC and Sydney. He is a Senior Associate of FINSIA and a member of the Australian Institute of Company Directors. He is the founder and present Chairman of the Mito Foundation, the peak charity in Australia for people with mitochondrial disease.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and Audit and Risk Committee
Interests in shares:	770,732 ordinary shares
Interests in options:	840,000 options over ordinary shares

Name:	Mr Carlos Palacio
Title:	Non-Executive Director
Qualifications:	B.Elec.Eng, MBA
Experience and expertise:	Mr Palacio has over 27 years' experience internationally in IT, telecommunications and strategic management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	2,076,672 ordinary shares
Interests in options:	624,318 options over ordinary shares

Name:	Mr Damian Banks
Title:	Non-Executive Director
Qualifications:	B.Ec, MAICD
Experience and expertise:	Mr Banks is a proven business leader with experience in the profitable development and expansion of companies in health, employment, banking and private equity. Mr Banks has a proven business insight that leads to sustained performance of successful businesses. He also has global experience in achieving a culture with strong customer focus through vision development and rigorous leadership implementation.
Other current directorships:	Boom Logistics Limited and RPM Automotive Group Limited
Former directorships (last 3 years):	Konekt Limited
Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interests in shares:	500,000 ordinary shares
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

The Company's Company Secretary is Ms Reena Minhas. Ms Minhas is also the Chief Financial Officer.

Reena Minhas has extensive experience as a Chief Financial Officer and Company Secretary of ASX-listed businesses, providing the financial leadership and strategic direction necessary to drive superior business performance. Ms Minhas was previously the CFO and Company Secretary of ASX-listed Konekt Limited where she played a key role in the sale of that business to Quadrant Private Equity's APM. Prior to joining Konekt Limited, Ms Minhas was CFO and Company Secretary of ILH Group Limited and Energy One Limited.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and Board Committees held during the year ended 31 December 2021, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Douglas Flynn	18	18	4	4	6	6
German Arango*	14	14	-	-	-	-
Doug Lingard	18	18	4	4	6	6
Carlos Palacio	18	18	4	4	6	6
Damian Banks	18	18	4	4	6	6

* Dr Arango did not attend 4 meetings of the Board of Directors where the Board considered the company's potential acquisition of RIMAB SAS, due to being a RIMAB SAS shareholder.

Remuneration report (audited)

Message from the Chair of Remuneration and Nomination Committee

This Remuneration Report details our relatively simple executive remuneration. At IMEXHS we are focused on creating a corporate culture aligned with our core values. Retention and reward for performance and talent is a balancing act with affordability and fairness.

2021 was the first year of awards under the Long Term Incentive Plan ('LTIP') which had been approved in 2020.

The key objectives of the plan are retention of talented key staff and alignment with shareholders interest. Details of the 2021 award are reported in the Remuneration Report on the following pages. With the exception of sales staff, no contracted Short Term Incentive Plan is currently in place.

To help preserve cash and align directors interests with shareholders, non-executive directors received nil priced options as part of their remuneration. That plan was also approved by shareholders. Both executive and non-executive plans were subject to expert advice.

As the Company grows and as it operates in more diverse economies and disparate salary norms, the challenge to manage our cost base, motivate, reward and retain that talent will become somewhat more challenging.

This is a young company and a talented team with an ambitious agenda. The remuneration structure and guidance we provide will be critical to our success.

As with 2020 your company and the broader community have been impacted by Covid. As mentioned in the Chair's report the countries in which we operate while hard hit in the early stages of the pandemic they have also responded well to vaccination programs. Although several of our staff have contracted the virus all have recovered well. We are grateful for the diligence of staff during this difficult period.

The Board through the Remuneration and Nomination Committee has established a Board Skills Matrix and a Board evaluation process which is performed at least annually.

Carlos Palacio
Chair Remuneration and Nomination Committee

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Remuneration and Nomination Committee has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives to run and manage the business.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to non-executive directors reflect the Group’s current stage of development, remaining cognisant of market rates for comparable companies for time, commitment and responsibilities. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21 May 2020, where the shareholders approved the maximum aggregate remuneration payable by the Company to all non-executive directors of the Company for their services as directors including their services on a Board committee or sub-committee and including superannuation is limited to $400,000 per annum.

The total remuneration packages exclusive of superannuation benefits for the Non-Executive Directors are as follows:

Board fees	$ per annum
Chairman	72,000
Non-Executive Directors	36,000

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:
- base pay and non-monetary benefits;
- performance pay incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may be offered specific performance pay incentives based on key performance areas affecting the Group's financial results where the Remuneration and Nomination Committee deems such incentives to be appropriate.

The long-term incentives ('LTI') include long service leave and share-based payments. At the discretion of the Remuneration and Nomination Committee, share options may be awarded to executives based on varied long-term incentive measures. The Remuneration and Nomination Committee reviews the long-term equity-linked performance incentives specifically for executives on an annual basis.

Consolidated entity performance and link to remuneration
Due to the change in the nature of operations of the business during the past two years there does not yet exist a clear link between the gross revenue, profits and dividends for the last five years for the Group as well as the share price at the end of the respective financial years. The normal operations of the Group during a full financial year for 2020 will help establish these relationships.

Use of remuneration consultants
During the financial year ended 31 December 2021, the Group did not engage remuneration consultants to review its existing remuneration policies.

Voting and comments made at the Company's 13 May 2021 Annual General Meeting ('AGM')
At the 2021 AGM, 97.82% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of IMEXHS Limited:
- Mr Douglas Flynn - Chairman
- Dr German Arango - Chief Executive Officer
- Dr Douglas Lingard - Non-Executive Director
- Mr Carlos Palacio - Non-Executive Director
- Mr Damian Banks - Non-Executive Director

And the following person:
- Ms Reena Minhas - Chief Financial Officer and Company Secretary

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Termination benefits $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Mr Douglas Flynn*	72,000	-	-	7,020	-	-	248,305	327,325
Dr Douglas Lingard	36,000	-	-	3,510	-	-	42,230	81,740
Mr Carlos Palacio	36,000	-	-	3,510	-	-	35,790	75,300
Mr Damian Banks	36,000	-	-	3,510	-	-	35,790	75,300
Executive Directors:								
Dr German Arango	314,658	-	12,112	15,455	27,101	-	14,644	383,970
Other Key Management Personnel:								
Ms Reena Minhas**	250,228	50,000	16,794	24,397	-	484	101,881	443,784
	744,886	50,000	28,906	57,402	27,101	484	478,640	1,387,419

* Share based payment relates to the issue of 12,000,000 options (240,000 options post share consolidation) granted in accordance with Mr Flynn's appointment ($176,727) and options granted to non-executive directors in accordance with the FY21 LTIP ($71,578).

** Ms Reena Minhas received a discretionary cash bonus of $50,000 during the year ended 31 December 2021.

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	
2020	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Termination benefits $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Mr Douglas Flynn*/**	57,871	-	-	5,498	-	-	555,273	618,642
Mr Howard Digby*	12,000	-	-	-	-	-	-	12,000
Dr Douglas Lingard	36,000	-	-	3,420	-	-	9,750	49,170
Mr Carlos Palacio	43,065	-	-	4,091	-	-	-	47,156
Mr Damian Banks*	21,968	-	-	2,087	-	-	-	24,055
Executive Directors:								
Dr German Arango	314,586	-	12,109	14,177	27,103	-	-	367,975
Other Key Management Personnel:								
Ms Reena Minhas*	62,557	-	4,533	5,943	-	-	-	73,033
Mr Tony Thomas*	231,600	-	-	-	-	-	-	231,600
	779,647	-	16,642	35,216	27,103	-	565,023	1,423,631

* Represents remuneration from the date of appointment and/or to the date of resignation

** Share based payment relates to the issue of 28,000,000 options (560,000 options post share consolidation) granted in accordance with Mr Flynn's appointment.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Mr Douglas Flynn	100%	10%	-	-	-	90%
Mr Howard Digby	-	100%	-	-	-	-
Dr Douglas Lingard	100%	80%	-	-	-	20%
Mr Carlos Palacio	100%	100%	-	-	-	-
Mr Damian Banks	100%	100%	-	-	-	-
Executive Directors:						
Dr German Arango	100%	100%	-	-	-	-
Other Key Management Personnel:						
Ms Reena Minhas	77%	100%	-	-	23%	-
Mr Tony Thomas	-	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr German Arango
Title:	Chief Executive Officer
Agreement commencement:	2 July 2018
Term of agreement:	No fixed term
Remuneration package:	Remuneration comprises a base salary of $290,000 per annum plus statutory superannuation.
Termination by Executive:	6 months' written notice; or immediately by giving notice, if the Company is in breach of a material term of its agreement with him; or with 6 months' written notice if Dr Arango's role becomes redundant.
Termination by Company for cause:	1 month's notice, or immediately with payment in lieu of notice if Dr Arango is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period; or 6 months' written notice if Dr Arango's role becomes redundant. If the Company terminates the employment of Dr Arango within 6 months of a Change of Control it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay Dr Arango for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements; or at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law.
Termination by Company:	Immediately with 6 months' payment in lieu of notice.
Other provisions:	The service agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Name:	Ms Reena Minhas
Title:	Chief Financial Officer and Company Secretary
Agreement commencement:	1 October 2020
Term of agreement:	No fixed term
Remuneration package:	Remuneration comprises a base salary of $274,000 per annum including statutory superannuation.
Termination by Executive:	6 months' written notice.
Termination by Company for cause:	At any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law.
Termination by Company:	Immediately with 6 months' payment in lieu of notice.
Other provisions:	The service agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2021.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Grant date	Vesting and exercisable date	Expiry date	Number of options granted	Exercise price	Fair value per option at grant date	Vested %
Mr Douglas Flynn[(a)]	26/05/2020	26/05/2020	12/03/2027	160,000	$2.75	$1.300	100%
Mr Douglas Flynn[(a)]	26/05/2020	26/05/2020	12/03/2027	160,000	$3.50	$1.250	100%
Mr Douglas Flynn[(a)]	26/05/2020	31/12/2021	12/03/2027	240,000	$1.50	$1.350	-
Dr Douglas Lingard[(b)]	10/12/2018	10/12/2020	09/12/2023	10,000	$2.65	$0.660	100%
Dr Douglas Lingard[(b)]	10/12/2018	10/12/2021	09/12/2023	30,000	$2.65	$0.660	100%
Ms Reena Minhas[(c)]	04/03/2021	01/10/2023	01/03/2031	140,000	$0.00	$2.030	-
Ms Reena Minhas[(d)]	20/04/2021	01/03/2023	20/04/2031	11,307	$0.00	$1.706	-
Ms Reena Minhas[(d)]	20/04/2021	01/03/2024	20/04/2031	22,957	$0.00	$1.804	-
German Arango[(e)]	14/05/2021	01/03/2023	14/05/2031	14,361	$0.00	$1.259	-
German Arango[(e)]	14/05/2021	01/03/2024	14/05/2031	29,158	$0.00	$1.369	-
Carlos Palacio[(f)]	14/05/2021	14/05/2021	14/05/2025	19,719	$0.00	$1.815	100%

(a) On 26 May 2020, 560,000 share options (28,000,000 share options prior to the share consolidation) were granted to Mr Douglas Flynn as part of his appointment as Non-Executive Chairman. The grant consists of 3 tranches, tranche 1 and 2 each comprise of 160,000 options and tranche 3 comprises of 240,000 options. Tranche 1 and 2 vest on 26 May 2020 and tranche 3 vests when the Company's share price reaches or exceeds a 30 day VWAP of $6.00 (12 cents prior to the share consolidation). For the purposes of calculating the fair value of tranche 3, 31 December 2021 has been used as the estimated vesting date. Tranche 1, 2 and 3 have an exercise price of $2.75, $3.50 and $1.50 respectively ($0.055, $0.070 and $0.030 respectively prior to the share consolidation). All tranches expire on 12 March 2027.
(b) On 10 December 2018, 40,000 share options (2,000,000 shares options prior to the share consolidation) were issued as remuneration to Non-Executive Director, Dr Douglas Lingard subject to vesting conditions. 10,000 options vested on 10 December 2020 and the remaining 30,000 options vest on 10 December 2021, have an exercise price of $2.65 ($0.053 prior to the share consolidation) and expire on 9 December 2023.
(c) On 4 March 2021, 140,000 share options were granted to Reena Minhas under the companies Long Term incentive Plan. The options vest on 1 October 2023, have a nil exercise price and expire on 1 March 2031.
(d) On 20 April 2021, 34,264 share options were granted to Reena Minhas under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 11,307 options and tranche 2 of 22,957. Both tranches have a nil exercise price and expire on 20 April 2031.
(e) On 14 May 2021, 43,519 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 14,361 options and tranche 2 of 29,158. Both tranches have a nil exercise price and expire on 14 April 2031.
(f) On 14 May 2021, 98,594 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 14 May 2025. 78,875 of the options have been exercised during 2021.

Options granted carry no dividend or voting rights.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchases	Options exercised	Disposals/ other	Balance at the end of the year
Ordinary shares						
Mr Douglas Flynn	591,649	-	90,011	87,777	(39,437)	730,000
Dr German Arango*	3,150,503	-	-	-	1,275,698	4,426,201
Dr Douglas Lingard	515,825	-	186,868	68,039	-	770,732
Mr Carlos Palacio	2,076,672	-	-	-	-	2,076,672
Mr Damian Banks	361,660	-	158,340	68,059	(88,059)	500,000
	6,696,309	-	435,219	223,875	1,148,202	8,503,605

* Other for Dr German Arango relates to the shares issued as consideration for acquisition of RIMAB SAS on 5 October 2021.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Purchased	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Douglas Flynn	608,340	39,437	-	(87,777)	560,000
Dr German Arango	917,235	43,519	-	(305,745)	655,009
Dr Douglas Lingard	888,320	19,719	-	(68,039)	840,000
Mr Carlos Palacio	604,599	19,719	-	(201,533)	422,785
Mr Damian Banks	48,340	19,719	-	(68,059)	-
Ms Reena Minhas	-	174,264	-	-	174,264
	3,066,834	316,377	-	(731,153)	2,652,058

The number of options over ordinary shares vested by directors and other key management personnel are set out below:

	Vested and exercisable	Unvested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Mr Douglas Flynn	320,000	240,000	560,000
Dr German Arango	-	655,009	655,009
Dr Doug Lingard	840,000	-	840,000
Mr Carlos Palacio	624,318	-	624,318
Ms Reena Minhas	-	174,264	174,264
	1,784,318	1,069,273	2,853,591

Other transactions with key management personnel and their related parties
The Group sold goods and services from entities that are controlled by members of the Group's key management personnel ('KMP'):

KMP and related entity	Nature of Transactions	Income amounts 2021	Income amounts 2020 $	Balance outstanding 2021 $	Balance outstanding 2020 $
G Arango - RIMAB SAS[(a)]	Sales revenue	4,564,966	4,424,734	-	738,602
C Palacio - CrossPoint Telecommunications Pty Ltd	Sales revenue	9,502	8,083	806	859
		4,574,468	4,432,817	806	739,461

The Group acquired services from entities that are controlled by members of the Group's KMP:

KMP and related entity	Nature of transaction	Expense amounts 2021 $	Expense amounts 2020 $	Balance outstanding 2021 $	Balance outstanding 2020 $
G Arango - RIMAB SAS[(a)]	Interpretation services	1,178,084	1,169,703	-	-
G Arango - RIMAB SAS[(a)]	Supplies and license	672	1,985	-	-
G Arango - German Arango[(b)]	PaaS Equipment Financing	74,651	87,198	-	7,115
C Palacio - CrossPoint Telecommunications Pty Ltd[(c)]	Office space and IT Services	16,785	14,831	10	1,628
		1,270,192	1,273,717	10	8,743

(a) During the year, the Company had an agreement with RIMAB S.A.S., an entity owned 65% by the Chief Executive Officer, Dr German Arango. This entity was acquired on 5 October 2021 and the revenue and expenses information is provided to that date.
(b) Chief Executive Officer, Dr German Arango, has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a contract providing PaaS services. The equipment is repaid at a 200% rate of return on their loan which is paid in monthly instalments over the initial term of the PaaS contract.
(c) CrossPoint Telecommunications is an associated entity of Non-Executive Director, Carlos Palacio, providing various services to IMEXHS and also a non-exclusive distributor in Australia of IMEXHS's products.

All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of IMEXHS Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
28 August 2018	28 August 2023	$1.88	1,000,001
28 August 2018	28 August 2023	$1.88	1,000,001
25 October 2018	25 October 2023	$3.50	80,000
10 December 2018	9 December 2023	$2.65	40,000
7 October 2019	31 March 2022	$2.70	800,000
31 October 2019	30 September 2022	$2.70	100,000
1 April 2020	1 April 2022	$3.25	30,000
1 April 2020	1 April 2023	$5.00	30,000
26 May 2020	12 March 2027	$2.75	160,000
26 May 2020	12 March 2027	$3.50	160,000
26 May 2020	12 March 2027	$1.50	240,000
4 March 2021	1 March 2031	$0.00	140,000
20 April 2021	20 April 1931	$0.00	67,411
20 April 2021	20 April 1931	$0.00	136,869
14 May 2021	14 May 2031	$0.00	14,361
14 May 2021	14 May 2031	$0.00	29,158
14 May 2021	14 May 2025	$0.00	19,719
			4,047,520

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of IMEXHS Limited were issued during the year ended 31 December 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
22 July 2017	$1.25	700,000
28 August 2018	$1.88	50,000
14 May 2021	$0.00	78,875
		828,875

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Nexia Sydney Audit Pty Ltd
There are no officers of the Company who are former partners of Nexia Sydney Audit Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Douglas Flynn
Chairman

28 February 2022

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To the Board of Directors of IMEXHS Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of IMEXHS Limited for the financial year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia

Nexia Sydney Audit Pty Ltd

Andrew Hoffmann
Director

Date: 28 February 2022

IMEXHS Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue	5	13,372,709	10,913,968
Other income		197,417	67,674
Interest revenue calculated using the effective interest method		18,848	20,068
Expenses			
Hardware and licence expenses		(1,042,024)	(1,433,397)
Research and development and support expenses		(1,114,813)	(646,665)
Platform as a service expense		(492,248)	(572,396)
Clinical services expenses		(6,645,493)	(4,536,638)
Administration and sales expenses	6	(6,229,020)	(4,441,049)
Share-based payments expenses	6,24	(569,585)	(598,457)
Depreciation and amortisation expense		(1,244,574)	(1,024,386)
Loss on disposal of assets		(19,776)	-
(Impairment of)/reversal of impairment of inventories		(15,698)	86,617
Expected credit losses		(7,591)	(54,386)
Net foreign exchange losses		(341,964)	(31,315)
Other expenses		(111,458)	(72,990)
Finance costs	6	(311,086)	(1,204,736)
Loss before income tax expense		(4,556,356)	(3,528,088)
Income tax expense	7	(143,416)	(87,889)
Loss after income tax expense for the year attributable to the owners of IMEXHS Limited		(4,699,772)	(3,615,977)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,056,502)	(498,095)
Other comprehensive loss for the year, net of tax		(1,056,502)	(498,095)
Total comprehensive loss for the year attributable to the owners of IMEXHS Limited		(5,756,274)	(4,114,072)
		Cents	Cents
Basic earnings per share	38	(15.22)	(14.62)
Diluted earnings per share	38	(15.22)	(14.62)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	8	4,186,428	10,796,484
Trade and other receivables	9	7,006,321	3,756,525
Inventories	10	84,432	389,668
Other	11	258,117	302,187
Total current assets		11,535,298	15,244,864
Non-current assets			
Trade receivables	12	1,396,237	997,688
Property, plant and equipment	13	4,467,909	3,346,293
Right-of-use assets	14	30,158	102,046
Intangibles	15	8,329,416	1,113,256
Total non-current assets		14,223,720	5,559,283
Total assets		25,759,018	20,804,147
Liabilities			
Current liabilities			
Trade and other payables	16	3,768,825	2,382,531
Contract liabilities	17	32,812	53,548
Borrowings	18	1,082,241	868,777
Lease liabilities		30,157	101,469
Income tax		207,589	6,611
Employee benefits		1,685,408	1,045,997
Contingent consideration	19	292,454	-
Total current liabilities		7,099,486	4,458,933
Non-current liabilities			
Payables	20	580,214	-
Contract liabilities	21	68,911	-
Borrowings	22	1,285,200	727,951
Deferred tax	7	72,448	81,277
Total non-current liabilities		2,006,773	809,228
Total liabilities		9,106,259	5,268,161
Net assets		16,652,759	15,535,986
Equity			
Issued capital	23	34,765,453	28,461,991
Reserves	24	2,101,133	2,588,050
Accumulated losses		(20,213,827)	(15,514,055)
Total equity		16,652,759	15,535,986

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2020	19,757,466	2,457,248	(11,898,078)	10,316,636
Loss after income tax expense for the year	-	-	(3,615,977)	(3,615,977)
Other comprehensive loss for the year, net of tax	-	(498,095)	-	(498,095)
Total comprehensive loss for the year	-	(498,095)	(3,615,977)	(4,114,072)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	8,704,525	-	-	8,704,525
Share-based payments (note 39)	-	598,457	-	598,457
Share options issued	-	30,440	-	30,440
Balance at 31 December 2020	28,461,991	2,588,050	(15,514,055)	15,535,986

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2021	28,461,991	2,588,050	(15,514,055)	15,535,986
Loss after income tax expense for the year	-	-	(4,699,772)	(4,699,772)
Other comprehensive loss for the year, net of tax	-	(1,056,502)	-	(1,056,502)
Total comprehensive loss for the year	-	(1,056,502)	(4,699,772)	(5,756,274)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	5,181,159	-	-	5,181,159
Shares to be issued as part consideration for subsidiary (note 23 and note 33)	1,122,303	-	-	1,122,303
Share-based payments (note 39)	-	569,585	-	569,585
Balance at 31 December 2021	34,765,453	2,101,133	(20,213,827)	16,652,759

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Loss before income tax expense for the year		(4,556,356)	(3,528,088)
Adjustments for:			
Depreciation and amortisation		1,244,574	1,024,386
Net loss on disposal of property, plant and equipment		19,776	-
Share-based payments		569,585	598,457
Foreign exchange differences		115,015	65,635
Expected credit losses		7,591	54,386
Impairment/(reversal of impairment) of inventories		15,698	(86,617)
Interest received		(18,848)	(20,068)
Interest and other finance costs		311,086	1,204,736
		(2,291,879)	(687,173)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		1,330,823	(1,272,319)
Decrease/(increase) in inventories		289,538	(195,697)
Increase/(decrease) in trade and other payables		(2,333,556)	952,246
Increase/(decrease) in contract liabilities		48,175	(10,388)
Increase in employee benefits		301,222	195,916
		(2,655,677)	(1,017,415)
Interest received		18,848	20,068
Interest paid		(311,086)	(428,225)
Income taxes paid		(20,126)	(41,470)
Net cash used in operating activities		(2,968,041)	(1,467,042)
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired	33	(952,728)	-
Payments for property, plant and equipment	13	(1,009,816)	(1,264,915)
Payments for intangibles	15	(1,554,887)	(921,435)
Proceeds from disposal of property, plant and equipment		131,194	-
Net cash used in investing activities		(3,386,237)	(2,186,350)
Cash flows from financing activities			
Proceeds from issue of shares	23	968,750	9,280,000
Proceeds from issue of options		-	30,440
Proceeds from borrowings		506,808	939,825
Repayment of borrowings		(1,526,275)	(2,174,009)
Share issue transaction costs		(25,584)	(575,475)
Repayment of lease liabilities		(85,477)	(96,021)
Net cash (used in)/from financing activities		(161,778)	7,404,760
Net (decrease)/increase in cash and cash equivalents		(6,516,056)	3,751,368
Cash and cash equivalents at the beginning of the financial year		10,796,484	7,149,683
Effects of exchange rate changes on cash and cash equivalents		(94,000)	(104,567)
Cash and cash equivalents at the end of the financial year	8	4,186,428	10,796,484

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover IMEXHS Limited as a Group consisting of IMEXHS Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is IMEXHS Limited's functional and presentation currency.

IMEXHS Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

122 O'Riordan Street
Mascot NSW 2020

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Group has prepared the financial statements for the year ended 31 December 2021 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 31 December 2021, the Group generated a consolidated loss of $4,699,772 (2020: loss of $3,615,977) and incurred operating cash outflows of $2,968,041 (2020: outflows of $1,467,042). As at 31 December 2021, the Group had cash and cash equivalents of $4,186,428 (2020: $10,796,484), a surplus of net current assets of $4,435,812 (2020: $10,785,931) and surplus of net assets of $16,652,759 (2020: $15,535,986).

The Group's ability to continue as a going concern is dependent upon the sufficiency of current cash reserves to meet existing obligations. The directors believe current cash reserves are sufficient for the group to be able to pay its debts as and when they fall due for a period of at least 12 months from the date of these financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IMEXHS Limited ('Company' or 'parent entity') as at 31 December 2021 and the results of all subsidiaries for the year then ended. IMEXHS Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM') which has been identified by the Group as the Managing Director and other members of the Board of Directors.

Foreign currency translation
The financial statements are presented in Australian dollars, which is IMEXHS Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Significant accounting policies (continued)

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised from Software as a Service (SaaS) and Platform as a Service (PaaS) contracts. Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the sale of goods or provision of services to entities outside the Group. The Group recognises revenue from contracts with customers in accordance with the recognition of the completion of performance obligations under the contract. Where a contract includes an element of a warranty obligation, the revenue attributable to this warranty obligation is recognised evenly over the period for which the obligation exists.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where the permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 2. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	1-5 years
Furniture and fittings	5-10 years
Computer equipment	3-5 years
Medical equipment	5-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Internally developed software
Research costs associated with internally developed software are expensed in the period in which they are incurred. Development costs associated with internally developed software are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being 5 years.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Copyright
Significant costs associated with copyright are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5-10 years.

Licences
The acquisition of licences are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1-5 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 2. Significant accounting policies (continued)

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Significant accounting policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of IMEXHS Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparative information
Certain comparatives have been reclassified to align with current year presentation. These reclassifications had no effect on the net result or net assets of the Group.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Issued Capital
No value has been allocated to the Class A Performance Shares due to the uncertainty of meeting the performance milestone.

Issued Options
No value has been allocated to the Class B or Class C options due to the uncertainty of meeting the performance milestone.

Share Based Payments
Share based payments are measured at the fair value of goods or services received or the fair value of the equity instrument issued (if the fair value of goods or services cannot be reliably determined) and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes option pricing model. The number of share and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Note 4. Operating segments

The Group is organised into one main operating segment. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Note 5. Revenue

	Consolidated	
	2021	2020
	$	$
Medical equipment and licences	918,262	2,078,376
Leasing equipment and software and services	12,001,432	8,414,224
Sale of inputs	138,586	228,709
Service and maintenance of equipment and software	314,429	192,659
Revenue	13,372,709	10,913,968

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2021	2020
	$	$
Timing of revenue recognition		
Goods transferred at a point in time	1,130,111	2,037,930
Services transferred over time	12,242,598	8,876,038
	13,372,709	10,913,968

The majority of the Group's revenue is derived from one geographic region, Latin America.

Note 6. Expenses

	Consolidated	
	2021	2020
	$	$
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	307,667	1,199,655
Interest and finance charges paid/payable on lease liabilities	3,419	5,081
	311,086	1,204,736

Note 6. Expenses (continued)

Administration expenses		
Employee and Director benefits expense*	3,357,211	2,290,579
Professional and consultancy fees*	568,413	545,853
Taxes	247,759	200,465
Office expenses	323,456	262,382
Insurance	109,205	103,031
Advertising and marketing	135,536	74,962
Corporate expenses*	867,704	734,949
Maintenance	5,782	719
Travel expenses	92,719	31,944
Other	521,235	196,165
	6,229,020	4,441,049

*includes acquisition costs of $701,698

Leases		
Short-term lease payments	58,656	26,734
Employee and Director benefits expense		
Included in administration expenses:		
Employee benefits expense excluding superannuation and share-based payments	3,120,288	2,153,494
Defined contribution superannuation expense	236,923	137,085
	3,357,211	2,290,579
Included in research and development and support expenses and clinical services expenses:		
Employee benefits expense excluding superannuation and share-based payments	4,561,023	2,596,366
Defined contribution superannuation expense	383,333	130,217
	4,944,356	2,726,583
Share-based payments expense	569,585	598,457
	8,871,152	5,615,619

Note 7. Income tax

	Consolidated 2021 $	Consolidated 2020 $
Income tax expense		
Current tax	143,416	6,612
Deferred tax - origination and reversal of temporary differences	-	81,277
Aggregate income tax expense	143,416	87,889
Deferred tax included in income tax expense comprises:		
Increase in deferred tax liabilities	-	81,277
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,556,356)	(3,528,088)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(1,184,653)	(970,224)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expected credit losses	43,446	63,198
Provision for inventories	3,913	1,834
Non-deductible taxes	67,226	68,030
Non-deductible employee contributions	(338,289)	(210,504)
Non-deductible interest, fines and levies	26,077	21,629
Non-deductible financial transactions levy	6,835	7,308
Other non-deductible expenses	467,044	223,233
Effect of overseas tax rates	20,427	32,834
Deferred tax assets not recognised	1,014,623	762,649
Income tax applied to companies in tax loss in overseas jurisdiction	-	6,612
	126,649	6,599
Movement in deferred taxes	-	81,290
Adjustment of tax for prior period	16,767	-
Income tax expense	143,416	87,889

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	27,706	31,082
Intangible assets	229,797	257,801
Allowance for expected credit losses	(157,349)	(176,524)
Lease liabilities	(27,706)	(31,082)
Deferred tax liability	72,448	81,277
Movements:		
Opening balance	81,277	-
Charged to profit or loss	-	81,277
Foreign exchange differences	(8,829)	-
Closing balance	72,448	81,277

Note 8. Current assets - cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash at bank	4,186,428	10,796,484

Note 9. Current assets - trade and other receivables

	Consolidated 2021 $	Consolidated 2020 $
Trade receivables	5,658,848	3,603,545
Less: Allowance for expected credit losses	(214,497)	(866,708)
	5,444,351	2,736,837
Other receivables	6,941	6,651
Indirect taxes receivable	1,555,029	1,013,037
	7,006,321	3,756,525

Allowance for expected credit losses
The Group has recognised a loss of $7,591 (2020: $54,386) in profit or loss in respect of the expected credit losses for the year ended 31 December 2021.

The ageing of the receivables (current and non-current) and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2021 %	2020 %	2021 $	2020 $	2021 $	2020 $
Not overdue	-	-	5,184,015	3,279,190	-	-
0 to 3 months overdue	0.13%	6.46%	1,621,728	453,659	2,141	29,327
3 to 6 months overdue	14.60%	75.00%	43,310	124,012	6,324	93,009
6 to 12 months overdue	100.00%	100.00%	33,856	56,992	33,856	56,992
Over 6 months overdue	100.00%	100.00%	172,176	687,380	172,176	687,380
			7,055,085	4,601,233	214,497	866,708

	Consolidated 2021 $	Consolidated 2020 $
Opening balance	866,708	884,467
Additional provisions recognised	198,576	52,755
Additions through business combinations	9,484	-
Amounts recovered during the year	(815,331)	-
Foreign exchange differences	(44,940)	(70,514)
Closing balance	214,497	866,708

Note 10. Current assets - inventories

	Consolidated 2021 $	Consolidated 2020 $
Merchandise not manufactured by the Group - at cost	87,148	371,627
Materials and spare parts - at cost	44,275	53,877
Less: Provision for impairment	(46,991)	(35,836)
	84,432	389,668

The cost of inventories recognised as an expense during the year ended 31 December 2021 was $1,042,024 (2020: $1,433,397).

The cost of inventories recognised as an expense includes $15,698 (2020: write back of $86,617) in respect of reversal of write downs of inventory to net realisable value.

Note 11. Current assets - other

	Consolidated 2021 $	Consolidated 2020 $
Prepayments	258,117	302,187

Note 12. Non-current assets - trade receivables

	Consolidated 2021 $	Consolidated 2020 $
Trade receivables	1,396,237	997,688

Refer to note 9 for an analysis of ageing of the receivables and allowance for expected credit losses.

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Leasehold improvements - at cost	96,090	32,340
Less: Accumulated depreciation	(3,200)	(359)
	92,890	31,981
Furniture and fittings - at cost	18,540	23,117
Less: Accumulated depreciation	(5,161)	(13,922)
	13,379	9,195
Motor vehicles - at cost	1,850	-
Less: Accumulated depreciation	(126)	-
	1,724	-
Computer equipment - at cost	1,964,331	1,435,049
Less: Accumulated depreciation	(1,010,610)	(773,137)
	953,721	661,912
Medical equipment - at cost	4,185,890	3,259,322
Less: Accumulated depreciation	(779,695)	(616,117)
	3,406,195	2,643,205
	4,467,909	3,346,293

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Furniture and fittings $	Motor vehicles $	Computer equipment $	Medical equipment $	Total $
Balance at 1 January 2020	-	17,577	-	1,207,320	2,151,109	3,376,006
Additions	33,066	18,647	-	75,014	1,138,188	1,264,915
Disposals	-	(19,091)	-	(92,233)	(61,319)	(172,643)
Exchange differences	(718)	(2,777)	-	(130,017)	(263,084)	(396,596)
Depreciation expense	(367)	(5,161)	-	(398,172)	(321,689)	(725,389)
Balance at 31 December 2020	31,981	9,195	-	661,912	2,643,205	3,346,293
Additions	-	491	1,850	202,708	804,767	1,009,816
Additions through business combinations (note 33)	70,172	10,223	-	28,368	1,352,222	1,460,985
Disposals	-	-	-	(1,102)	(149,868)	(150,970)
Exchange differences	(8,250)	(1,059)	-	(72,178)	(380,642)	(462,129)
Transfers in/(out)	-	(1,927)	-	503,133	(501,206)	-
Depreciation expense	(1,013)	(3,544)	(126)	(369,120)	(362,283)	(736,086)
Balance at 31 December 2021	92,890	13,379	1,724	953,721	3,406,195	4,467,909

Note 14. Non-current assets - right-of-use assets

	Consolidated 2021 $	Consolidated 2020 $
Land and buildings - right-of-use	140,266	153,185
Less: Accumulated depreciation	(110,108)	(51,139)
	30,158	102,046

The Group leases land and buildings for its offices under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $
Balance at 1 January 2020	40,805
Additions	159,257
Modifications of lease terms	(2,341)
Exchange differences	(6,202)
Depreciation expense	(89,473)
Balance at 31 December 2020	102,046
Additions	14,165
Exchange differences	(7,742)
Depreciation expense	(78,311)
Balance at 31 December 2021	30,158

Note 15. Non-current assets - intangibles

	Consolidated 2021 $	2020 $
Goodwill - at cost	5,316,420	-
Internally developed software - at cost	2,082,518	805,629
Less: Accumulated amortisation	(269,984)	-
	1,812,534	805,629
Customer contracts - at cost	946,674	-
Copyright - at cost	23,745	24,275
Less: Accumulated amortisation	(21,033)	(18,198)
	2,712	6,077
Licenses - at cost	998,942	892,058
Less: Accumulated amortisation	(747,866)	(590,508)
	251,076	301,550
	8,329,416	1,113,256

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Internally developed software $	Customer contracts $	Copyright $	Licences $	Total $
Balance at 1 January 2020	-	-	-	10,413	459,474	469,887
Additions	-	805,629	-	-	115,806	921,435
Disposals	-	-	-	-	(12,177)	(12,177)
Exchange differences	-	-	-	(1,228)	(55,137)	(56,365)
Amortisation expense	-	-	-	(3,108)	(206,416)	(209,524)
Balance at 31 December 2020	-	805,629	-	6,077	301,550	1,113,256
Additions	-	1,417,704	-	-	137,183	1,554,887
Additions through business combinations (note 33)	5,704,649	-	1,015,804	-	-	6,720,453
Exchange differences	(388,229)	(140,815)	(69,130)	(530)	(30,299)	(629,003)
Amortisation expense	-	(269,984)	-	(2,835)	(157,358)	(430,177)
Balance at 31 December 2021	5,316,420	1,812,534	946,674	2,712	251,076	8,329,416

Impairment testing
Goodwill acquired through business combinations has been allocated to one cash generating unit ('CGU'), being the radiology services CGU. The radiology services business provides radiological diagnostic services to hospitals and medical facilities in Colombia and Spain using IMEXHS medical imaging software. The services business also provides the Group with medical images and radiologists interpretation and reports to develop artificial intelligence ('AI') tools.

Goodwill and the CGU to which it belongs is tested annually for impairment or at the end of each reporting date where an indicator of impairment exists. At 31 December 2021, the recoverable amount of the CGU has been assessed. An impairment exists when the carrying value of the CGU exceeds its recoverable amount.

Note 15. Non-current assets - intangibles (continued)

Recoverable amount of CGU
The recoverable amount of the Group's CGU's has been determined by value in use ('VIU') calculations. The calculations use cash flow projections based on a five-year discounted cash flow model, with a terminal value applied to the discounted cash flows after year five.

Key assumptions and impairment testing results
Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive. The following key assumptions were used in the VIU model at 31 December 2021:

Assumption	How determined	Rate used in the VIU calculation
Discount rate (pre-tax)	Based on weighted average cost of capital reflecting current market assessments of the time value of money and risks specific to the CGU.	22.7%
Sales volume growth rate	Based on a five year cash flow projection taking into account historical growth rates and product lifecycle.	10%
Terminal value growth rate	Based on long-term economic growth rates.	Nil

The recoverable amount of the CGU including unallocated corporate assets is in excess of the carrying amount and therefore no impairment charge was required. The excess of recoverable amount over carrying amount is such that a reasonably possible change in assumptions is unlikely to reduce the recoverable amount below the carrying amount.

Note 16. Current liabilities - trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	3,194,493	1,457,945
Withholding tax payable	458,286	617,161
Other payables	116,046	307,425
	3,768,825	2,382,531

Refer to note 26 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated 2021 $	Consolidated 2020 $
Contract liabilities	32,812	53,548

Reconciliation
Reconciliation of the written down values (current and non-current) at the beginning and end of the current and previous financial year are set out below:

	2021	2020
Opening balance	53,548	63,936
Payments received in advance	72,139	42,533
Additions through business combinations (note 33)	74,264	-
Transfer to revenue - included in the opening balance	(87,903)	(45,837)
Exchange differences	(10,325)	(7,084)
Closing balance	101,723	53,548

Note 17. Current liabilities - contract liabilities (continued)

Representing:		
Contract liabilities - current	32,812	53,548
Contract liabilities - non-current (note 21)	68,911	-
	101,723	53,548

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $101,723 as at 31 December 2021 ($53,548 as at 31 December 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2021	2020
	$	$
Within 6 months	21,394	24,042
6 to 12 months	11,419	1,868
12 to 18 months	13,170	27,638
18 to 24 months	25,990	-
Over 24 months	29,750	-
	101,723	53,548

Note 18. Current liabilities - borrowings

	Consolidated	
	2021	2020
	$	$
Credit cards	11,012	2,759
Unsecured revolving credit loans	22,310	40,833
Unsecured fixed term loans	1,040,467	808,588
PaaS equipment financing loan*	8,452	16,597
	1,082,241	868,777

* Relates to various loans provided to the Company for PaaS contracts where the equipment is repaid at a 200% rate of return on their loan which is paid in monthly instalments over the initial term of the PaaS contract.

Refer to note 26 for further information on financial instruments.

Note 19. Current liabilities - Contingent consideration

	Consolidated	
	2021	2020
	$	$
Contingent consideration - cash	292,454	-

Refer to note 27 and note 33 for further information.

Note 20. Non-current liabilities - payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	580,214	-

Refer to note 26 for further information on financial instruments.

Note 21. Non-current liabilities - contract liabilities

	Consolidated 2021 $	Consolidated 2020 $
Contract liabilities	68,911	-

Refer to note 17 for further information.

Note 22. Non-current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Unsecured revolving credit loans	27,248	40,056
Unsecured fixed term loans	1,257,952	687,895
	1,285,200	727,951

Refer to note 26 for further information on financial instruments.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2021 $	Consolidated 2020 $
Total facilities		
Unsecured revolving credit loans	49,559	80,889
Unsecured fixed term loans	2,344,958	1,496,483
	2,394,517	1,577,372
Used at the reporting date		
Unsecured revolving credit loans	49,559	80,889
Unsecured fixed term loans	2,344,958	1,496,483
	2,394,517	1,577,372
Unused at the reporting date		
Unsecured revolving credit loans	-	-
Unsecured fixed term loans	-	-
	-	-

Note 23. Equity - issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	32,860,889	29,699,842	34,765,453	28,461,991

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2020	1,175,657,186		19,757,466
Issue of shares	26 May 2020	16,666,667	$0.03	500,000
Conversion of class A performance shares	23 July 2020	6	$0.03	-
Issue of shares	30 October 2020	276,000,000	$0.03	8,280,000
Issue of shares	30 October 2020	16,666,667	$0.03	500,000
Consolidation of shares 50 to 1	6 November 2020	(1,455,290,684)	$0.00	-
Share issue transaction costs, net of tax		-		(575,475)
Balance	31 December 2020	29,699,842		28,461,991
Issue of shares on exercise of options	26 February 2021	301,680	$1.25	377,100
Issue of shares on exercise of options	4 March 2021	193,320	$1.25	241,650
Issue of shares on exercise of options	30 March 2021	205,000	$1.25	256,250
Issue of shares on exercise of options	23 April 2021	50,000	$1.88	93,750
Issue of shares on exercise of options	20 September 2021	19,719	$0.00	-
Issue of shares on exercise of options	21 September 2021	39,437	$0.00	-
Issue of shares on exercise of options	22 September 2021	19,719	$0.00	-
Issue of shares - acquisition of subsidiary (note 33)	5 October 2021	2,332,172	$1.82	4,237,993
Shares to be issued as part consideration for acquisition of subsidiary (note 33)		-		1,122,303
Share issue transaction costs, net of tax		-		(25,584)
Balance	31 December 2021	32,860,889		34,765,453

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 23. Equity - issued capital (continued)

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 December 2020 Annual Report.

Note 24. Equity - reserves

	Consolidated 2021 $	Consolidated 2020 $
Foreign currency reserve	(1,575,829)	(519,327)
Share-based payments reserve	3,646,522	3,076,937
Options reserve	30,440	30,440
	2,101,133	2,588,050

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Options reserve
The reserve is used to record amounts received from option holders from the issue of options.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Options reserve $	Total $
Balance at 1 January 2020	(21,232)	2,478,480	-	2,457,248
Foreign currency translation	(498,095)	-	-	(498,095)
Share-based payments - options issued to KMP and employees	-	598,457	-	598,457
Amounts paid on issue of options	-	-	30,440	30,440
Balance at 31 December 2020	(519,327)	3,076,937	30,440	2,588,050
Foreign currency translation	(1,056,502)	-	-	(1,056,502)
Share-based payments - options issued to KMP	-	569,585	-	569,585
Balance at 31 December 2021	(1,575,829)	3,646,522	30,440	2,101,133

Note 25. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 26. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Company's functional currency. Individual transactions are assessed, and forward exchange contracts are used to hedge the risk where deemed appropriate.

While the Group as a whole has assets and liabilities in different currencies, individual entities in the Group do not have a significant foreign exchange exposure to receivables or payables in currencies that are not their functional currency.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2021 $**	**2020 $**	**2021 $**	**2020 $**
US dollars	138,698	322,814	926,392	784,699
Euros	2,810	22,748	-	-
Colombian peso	8,513,069	4,556,964	4,872,410	551,517
	8,654,577	4,902,526	5,798,802	1,336,216

Based on the financial instruments held at 31 December 2021, had the Australian dollar weakened by 5% against the Colombian Peso, US Dollar and Euro, with all other variables held constant, the Group's pre-tax profit for the year would have been $77,108 higher (2020: $27,962 higher). If the Australian dollar had strengthened the corresponding impact would have been a decrease in pre-tax profit by the same amount.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to have mainly fixed rate loans directly. During the financial years ended 31 December 2021 and 31 December 2020, the Group's borrowings at variable rate were denominated in Colombian Pesos. The Group's borrowings and receivables are carried at amortised cost.

The Group is exposed to interest rate risk at the date of this report via its cash holdings.

Note 26. Financial instruments (continued)

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	2021 $	% of total loans %	2020 $	% of total loans %
Variable rate borrowings	11,012	0.5	2,759	0.2
Fixed rate borrowings (no repricing dates)	2,347,977	99.5	1,577,373	99.8
	2,358,989	100.0	1,580,132	100.0

Due to the carrying value of borrowings at variable interest rate, the Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 26. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2021	Weighted average interest rate %	< 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 Year $	Over 5 Years $	Total contractual cash flows inclusive of interest payments $	Carrying amount
Trade payables	-	3,194,493	-	580,214	-	-	3,774,707	3,774,707
Other payables	-	116,046	-	-	-	-	116,046	116,046
Contingent consideration	-	-	292,454	-	-	-	292,454	292,454
Lease liabilities	5%	26,102	4,055	-	-	-	30,157	30,157
Borrowings - variable rate	27%	11,012	-	-	-	-	11,012	11,012
Borrowings - fixed rate	11%	703,013	615,706	798,806	566,120	-	2,683,645	2,347,977
		4,050,666	912,215	1,379,020	566,120	-	6,908,021	6,572,353

Consolidated - 2020	Weighted average interest rate %	< 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 Years $	Over 5 Years $	Total contractual cash flows inclusive of interest payments $	Carrying amount
Trade payables	-	1,457,945	-	-	-	-	1,457,945	1,457,945
Other payables	-	307,425	-	-	-	-	307,425	307,425
Lease liabilities	5%	101,469	-	-	-	-	101,469	101,469
Borrowings - variable rate	27%	2,759	-	-	-	-	2,759	2,759
Borrowings - fixed rate	14%	583,332	375,029	635,669	179,145	-	1,773,175	1,577,374
		2,452,930	375,029	635,669	179,145	-	3,642,773	3,446,972

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Contingent consideration	-	-	292,454	292,454
Total liabilities	-	-	292,454	292,454

There were no transfers between levels during the financial year.

For all assets and liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments of which the entity has no holdings in. Financial assets where the carrying amount exceeds net fair values have not been written down as the Group intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

There are no financial assets or liabilities that are carried at fair value in the financial statements therefore no additional disclosures have been made with respect to fair value measurement.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Contingent consideration has been valued using a discounted cash flow model.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration $
Balance at 1 January 2020	-
Balance at 31 December 2020	-
Additions	313,811
Foreign exchange differences	(21,357)
Balance at 31 December 2021	292,454

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range of probabilities	Sensitivity
Contingent consideration	Probability of achieving revenue targets	to satisfy/not to satisfy	If the specified revenue targets are achieved 100% of the contingent consideration is payable / if revenue targets are not achieved no contingent consideration is payable

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	773,792	796,289
Post-employment benefits	84,987	62,319
Share-based payments	478,640	565,023
	1,337,419	1,423,631

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the Company, and its network firms:

	Consolidated 2021 $	Consolidated 2020 $
Audit services - Nexia Sydney Audit Pty Ltd		
Audit or review of the financial statements - Nexia Sydney Audit Pty Ltd	102,196	26,500
Other services - Nexia Sydney Tax Advisory Pty Ltd		
Preparation of the tax return - Nexia Sydney Audit Pty Ltd	11,915	-
Other services - Nexia Sydney Tax Advisory Pty Ltd		
Corporate Advisory - Nexia Sydney Corporate Advisory Pty Ltd	82,819	-
	196,930	26,500
Audit services - network firms		
Audit or review of the financial statements	19,957	31,835
Other services - network firms		
Other	27,007	1,341
	46,964	33,176
Audit services - other firms		
Audit or review of the financial statements - BDO Audit (WA) Pty Ltd	-	41,601
Other services - other firms		
Preparation of the tax return - BDO Audit (WA) Pty Ltd	-	18,762
Tax advice - BDO Audit (WA) Pty Ltd	1,000	-
Valuation services - BDO Audit (WA) Pty Ltd	5,500	-
	6,500	60,363
	250,394	120,039

On 30 October 2020, Nexia Sydney Audit Pty Ltd was appointed auditor or the Company following the removal of BDO Audit (WA) Pty Ltd. During the financial year ended 31 December 2020, the fees presented in the table above represent fees which were paid or payable for services provided by BDO Audit (WA) Pty Ltd up until 30 October 2020 and fees which were paid or payable for services provided by Nexia Sydney Audit Pty Ltd thereafter. During the current financial year, the Group engaged BDO Audit (WA) Pty Ltd for tax advice and valuation services.

Note 30. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2021 (2020: none)

Note 31. Related party transactions

Parent entity
IMEXHS Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Joint operations
Interests in joint operations are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	$	$
Sale of goods and services:		
Sale of goods to key management personnel	4,574,467	4,432,817
Payment for goods and services:		
Payment for services from key management personnel	1,195,542	1,186,519
Payment for other expenses:		
Interest paid to key management personnel - on PaaS equipment financing loan	74,651	87,198

During the year, the Company had an agreement with RIMAB S.A.S., an entity owned 65% by the Chief Executive Officer, Dr German Arango. This entity was acquired on 5 October 2021 and the revenue and expenses information is provided to that date.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2021	2020
	$	$
Current receivables:		
Trade receivables from key management personnel	806	739,461
Current payables:		
Trade payables to key management personnel	10	1,628

Note 31. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2021 $	2020 $
Non-current borrowings:		
Loan from key management personnel - PaaS equipment financing loan	-	7,115

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(7,805,521)	(10,419,073)
Total comprehensive loss	(7,805,521)	(10,419,073)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	3,029,675	9,324,261
Total assets	8,391,390	9,326,465
Total current liabilities	2,514	5,109
Total liabilities	2,514	5,109
Equity		
Issued capital	38,446,255	32,142,799
Share-based payments reserve	3,300,703	2,731,118
Options reserve	30,440	30,440
Accumulated losses	(33,388,522)	(25,583,001)
Total equity	8,388,876	9,321,356

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2021 and 31 December 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2021 and 31 December 2020.

Note 32. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2021 and 31 December 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Business combinations

On 5 October 2021, IMEXHS acquired 100% of the ordinary shares of RIMAB SAS for the total consideration transferred of $6,762,468. RIMAB SAS is a radiology services business and was acquired to strengthen IMEXHS's customer offering with imaging and teleradiology services and provide a test bed for artificial intelligence ('AI') development. The acquired business contributed incremental revenues of $3,345,758 and profit after tax of $214,338 to the Group for the period from 1 October to 31 December 2021. If the acquisition occurred on 1 January 2021, the full year contributions would have been incremental revenues of $2,920,280 and EBITDA (before one-off costs and normalisations in relation to the acquisition) of $1,463,425. The values identified in relation to the acquisition of RIMAB SAS are provisional as at 31 December 2021.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	135,633
Trade and other receivables	3,194,704
Income tax refund due	986,580
Prepayments	760,062
Other current assets	1,343
Property, plant and equipment	1,460,985
Customer contracts	1,015,804
Trade and other payables	(3,962,523)
Provision for income tax	(68,859)
Employee benefits	(338,189)
Financial liabilities	(1,790,180)
Indirect taxes	(263,277)
Other non-financial liabilities	(74,264)
Net assets acquired	1,057,819
Goodwill	5,704,649
Acquisition-date fair value of the total consideration transferred	6,762,468
Representing:	
Cash paid or payable to vendor	1,088,361
IMEXHS Limited shares issued to vendor	4,237,993
Contingent consideration - cash	313,811
Contingent consideration - IMEXHS Limited shares	1,122,303
	6,762,468
Acquisition costs expensed to profit or loss	701,698
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	6,762,468
Less: cash and cash equivalents	(135,633)
Less: shares issued by Company as part of consideration	(4,237,993)
Less: shares to be issued by the Company as part of consideration	(1,122,303)
Less: contingent consideration	(313,811)
Net cash used	952,728

As part of the acquisition of RIMAB SAS an amount of contingent consideration has been agreed, which is subject to RIMAB SAS meeting pre-determined contract renewal and financial year 2022 revenue thresholds.

Note 33. Business combinations (continued)

The amount of contingent consideration recognised, comprising of $313,811 payable in cash and $1,122,330 to be issued in shares (based on a fixed number of shares at a fixed price) is the maximum amount payable if the pre-determined contract renewal and revenue thresholds are met. If these thresholds are not met, then no amount is payable. Given the current performance of the business, it appears probable that the thresholds will be met and as such, contingent consideration of $313,811 payable in cash has been recognised as a liability and $1,122,330 to be issued in shares has been recognised in equity.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
OMT Operations (AU) Pty Ltd*	Australia	100.00%	100.00%
Imaging Experts and Healthcare Services Pty Ltd	Australia	100.00%	100.00%
Imaging Experts and Healthcare Services S.A.S.	Colombia	100.00%	100.00%
IMEXHS Corp	US	100.00%	100.00%
IMEXVR SAS*	Colombia	100.00%	100.00%
IMEXMB SAS*	Colombia	100.00%	100.00%
Dictatech Inc*	US	100.00%	100.00%
RIMAB SAS	Colombia	100.00%	-

* Dormant.

Note 35. Interests in joint operations

During the comparative period for the year ended 31 December 2020, the Group recognised its 30% share of jointly held assets, liabilities, revenues and expenses of joint operations in Hospital Central Policía Nacional (National Police Hospital) Colombia.

The joint operations ceased on 5 October 2021 when the Group acquired 100% of the ordinary shares in RIMAB SAS, a related party of the joint operations.

Note 36. Non-cash investing and financing activities

	Consolidated 2021 $	Consolidated 2020 $
Shares issued in relation to business combinations	4,237,993	-
Contingent consideration - shares to be issued by the Company as part of consideration	1,122,303	-
	5,360,296	-

Note 37. Changes in liabilities arising from financing activities

Consolidated	Borrowings $	Lease liabilities $	Total $
Balance at 1 January 2020	2,059,483	40,574	2,100,057
Net cash used in financing activities	(1,234,184)	(96,021)	(1,330,205)
Acquisition of leases	-	159,257	159,257
Modifications of lease terms	-	(2,341)	(2,341)
Unwinding deferred borrowing costs	771,429	-	771,429
Balance at 31 December 2020	1,596,728	101,469	1,698,197
Net cash used in financing activities	(1,019,467)	(85,477)	(1,104,944)
Acquisition of leases	-	14,165	14,165
Changes through business combinations (note 33)	1,790,180	-	1,790,180
Balance at 31 December 2021	2,367,441	30,157	2,397,598

Note 38. Earnings per share

	Consolidated 2021 $	2020 $
Loss after income tax attributable to the owners of IMEXHS Limited	(4,699,772)	(3,615,977)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	30,887,790	24,730,188
Weighted average number of ordinary shares used in calculating diluted earnings per share	30,887,790	24,730,188
	Cents	**Cents**
Basic earnings per share	(15.22)	(14.62)
Diluted earnings per share	(15.22)	(14.62)

Share options on issue have been excluded from the weighted average number of ordinary shares used in calculating diluted loss per share as they are considered anti-dilutive.

Note 39. Share-based payments

Options granted to key management personnel and external parties are as follows:

- On 22 July 2017, 700,000 shares options (35,000,000 share options prior to the share consolidation) were granted to key management personnel. The options have vested, have an exercise price of $1.25 ($0.025 prior to the share consolidation) and expired on 31 March 2021.
- On 28 August 2018, 1,000,001 Class A share options (50,000,000 Class A share options prior to the share consolidation) were granted to key management personnel. The options vested immediately on grant date, have an exercise price of $2.50 ($0.050 prior to the share consolidation) and expired on 30 June 2021.
- On 28 August 2018, 1,000,001 Class B share options (50,000,000 Class B share options prior to the share consolidation) were issued as consideration for Imaging Experts and Healthcare Services Pty Ltd. The options are subject to the vesting condition of the Group exceeding $5,000,000 EBIT in any rolling four quarter period. The options have an exercise price of $1.875 ($0.038 prior to the share consolidation) and expire on 28 August 2023.
- On 28 August 2018, 1,000,001 Class C share options (50,000,000 Class C share options prior to the share consolidation) were issued as consideration for Imaging Experts and Healthcare Services Pty Ltd. The options are subject to the vesting condition of the Group exceeding $7,500,000 EBIT in any rolling four quarter period. The options have an exercise price of $1.875 ($0.038 prior to the share consolidation) and expire on 28 August 2023.
- On 28 August 2018, 250,000 shares options (12,500,000 share options prior to the share consolidation) were granted to key management personnel. The options vested immediately on the grant date, have an exercise price of $1.875 ($0.038 prior to the share consolidation) and expired on 30 June 2021.
- On 28 August 2018, 600,000 shares options (30,000,000 share options prior to the share consolidation) were granted to third party advisors in exchange for services provided. The options vested immediately on the grant date, have an exercise price of $2.50 ($0.050 prior to the share consolidation) and expired on 30 June 2021.
- On 25 October 2018, 80,000 share options (4,000,000 shares options prior to the share consolidation) were issued as remuneration to Non-Executive Director, Mr Tom Pascarella subject to vesting conditions. The options vested when Mr Tom Pascarella resigned on 30 November 2019. The options have an exercise price of $3.50 ($0.070 prior to the share consolidation) and expire on 25 October 2023.
- On 10 December 2018, 40,000 share options (2,000,000 shares options prior to the share consolidation) were issued as remuneration to Non-Executive Director, Dr Douglas Lingard subject to vesting conditions. 10,000 options vested on 10 December 2020 and the remaining 30,000 options vest on 10 December 2021, have an exercise price of $2.65 ($0.053 prior to the share consolidation) and expire on 9 December 2023.
- On 7 October 2019, 800,000 share options (40,000,000 shares options prior to the share consolidation) were issued to Domatorisaro Pty Ltd, a related party of Dr Douglas Lingard, pursuant to a loan agreement. The options vested immediately on the grant date, have an exercise price of $2.70 ($0.054 prior to the share consolidation) and expire on 31 March 2022.
- On 31 October 2019, 100,000 share options (5,000,000 prior to the share consolidation) were granted to third party advisors in exchange for services provided. The options vested immediately on the grant date, have an exercise price of $2.70 ($0.054 prior to the share consolidation) and expire on 30 September 2022.
- On 1 April 2020, 30,000 share options (1,500,000 share options prior to the share consolidation) were granted to an employee. The options vest when the Company's share price reaches or exceeds a 10 day VWAP of $4.45 (8.5 cents pre-consolidation). The options have an exercise price of $3.25 ($0.065 prior to the share consolidation) and expire on 1 April 2022.
- On 1 April 2020, 30,000 share options (1,500,000 share options prior to the share consolidation) were granted to an employee. The options vest when the Company's share price reaches or exceeds a 10 day VWAP of $7.50 (15 cents pre-consolidation). The options have an exercise price of $5.00 ($0.10 prior to the share consolidation) and expire on 1 April 2023.
- On 26 May 2020, 560,000 share options (28,000,000 share options prior to the share consolidation) were granted to Mr Douglas Flynn as part of his appointment as Non-Executive Chairman. The grant consists of 3 tranches, tranche 1 and 2 each comprise of 160,000 options and tranche 3 comprises of 240,000 options. Tranche 1 and 2 vest on 26 May 2020 and tranche 3 vests when the Company's share price reaches or exceeds a 30 day VWAP of $6.00 (12 cents prior to the share consolidation). Tranche 1, 2 and 3 have an exercise price of $2.75, $3.50 and $1.50 respectively ($0.055, $0.070 and $0.030 respectively prior to the share consolidation). All tranches expire on 12 March 2027.
- On 4 March 2021, 140,000 share options were granted to Reena Minhas under the companies Long Term incentive Plan. The options vest on 1 October 2023, have a nil exercise price and expire on 1 March 2031.
- On 20 April 2021, 204,280 share options were granted to Employees under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 67,411 options and tranche 2 of 136,869 which vest on 1 March 2023 and 1 March 2024 respectively, based on certain performance hurdles. Both tranches have a nil exercise price and expire on 20 April 2031.

Note 39. Share-based payments (continued)

- On 14 May 2021, 43,519 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 14,361 options and tranche 2 of 29,158 which vest on 1 March 2023 and 1 March 2024 respectively, based on certain performance hurdles. Both tranches have a nil exercise price and expire on 14 May 2031.
- On 14 May 2021, 98,594 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 14 May 2025. 78,875 of the options have been exercised during 2021.

Set out below are summaries of options granted:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/07/2017	31/03/2021	$1.25	700,000	-	(700,000)	-	-
28/08/2018	30/06/2021	$2.50	1,000,001	-	-	(1,000,001)	-
28/08/2018	28/08/2023	$1.88	1,000,001	-	-	-	1,000,001
28/08/2018	28/08/2023	$1.88	1,000,001	-	-	-	1,000,001
28/08/2018	30/06/2021	$1.88	250,000	-	(50,000)	(200,000)	-
28/08/2018	30/06/2021	$2.50	600,000	-	-	(600,000)	-
25/10/2018	25/10/2023	$3.50	80,000	-	-	-	80,000
10/12/2018	09/12/2023	$2.65	40,000	-	-	-	40,000
07/10/2019	31/03/2022	$2.70	800,000	-	-	-	800,000
31/10/2019	30/09/2022	$2.70	100,000	-	-	-	100,000
01/04/2020	01/04/2022	$3.25	30,000	-	-	-	30,000
01/04/2020	01/04/2023	$5.00	30,000	-	-	-	30,000
26/05/2020	12/03/2027	$2.75	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$3.50	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$1.50	240,000	-	-	-	240,000
04/03/2021	01/03/2031	$0.00	-	140,000	-	-	140,000
20/04/2021	20/04/2031	$0.00	-	204,280	-	-	204,280
14/05/2021	14/05/2031	$0.00	-	43,519	-	-	43,519
14/05/2021	14/05/2025	$0.00	-	98,594	(78,875)	-	19,719
			6,190,003	486,393	(828,875)	(1,800,001)	4,047,520
Weighted average exercise price			$2.18	$0.00	$1.17	$2.43	$2.02

Note 39. Share-based payments (continued)

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
22/07/2017	31/03/2021	$1.25	35,000,000	-	-	(34,300,000)	700,000
28/08/2018	30/06/2021	$2.50	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	28/08/2023	$1.88	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	28/08/2023	$1.88	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	30/06/2021	$1.88	12,500,000	-	-	(12,250,000)	250,000
28/08/2018	30/06/2021	$2.50	30,000,000	-	-	(29,400,000)	600,000
25/10/2018	25/10/2023	$3.50	4,000,000	-	-	(3,920,000)	80,000
10/12/2018	09/12/2023	$2.65	2,000,000	-	-	(1,960,000)	40,000
07/10/2019	31/03/2022	$2.70	40,000,000	-	-	(39,200,000)	800,000
31/10/2019	30/09/2022	$2.70	5,000,000	-	-	(4,900,000)	100,000
01/04/2020	01/04/2022	$3.25	-	1,500,000	-	(1,470,000)	30,000
01/04/2020	01/04/2023	$5.00	-	1,500,000	-	(1,470,000)	30,000
26/05/2020	12/03/2027	$2.75	-	8,000,000	-	(7,840,000)	160,000
26/05/2020	12/03/2027	$3.50	-	8,000,000	-	(7,840,000)	160,000
26/05/2020	12/03/2027	$1.50	-	12,000,000	-	(11,760,000)	240,000
			278,500,000	31,000,000	-	(303,309,997)	6,190,003
Weighted average exercise price			$2.14	$2.59	$0.00	$2.18	$2.18

* On 6 November 2020, the Company consolidated its options on a basis of 50 to 1.

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2021 Number	2020 Number
22/07/2017	31/03/2021	-	700,000
28/08/2018	30/06/2021	-	1,000,001
28/08/2018	30/06/2021	-	250,000
28/08/2018	30/06/2021	-	600,000
25/10/2018	25/10/2023	80,000	80,000
10/12/2018	09/12/2023	40,000	10,000
07/10/2019	31/03/2022	800,000	800,000
31/10/2019	30/09/2022	100,000	100,000
26/05/2020	12/03/2027	160,000	160,000
26/05/2020	12/03/2027	160,000	160,000
14/05/2021	14/05/2025	19,719	-
		1,359,719	3,860,001

The weighted average share price during the financial year was $1.70 (2020: $1.60).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.57 years (2020: 1.85 years).

Note 39. Share-based payments (continued)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/03/2021	01/03/2031	$2.03	$0.00	100.00%	-	0.10%	$2.030
20/04/2021	20/04/2031	$2.34	$0.00	100.00%	-	0.07%	$1.706
20/04/2021	20/04/2031	$2.34	$0.00	100.00%	-	0.10%	$1.804
14/05/2021	14/05/2031	$1.82	$0.00	100.00%	-	0.08%	$1.259
14/05/2021	14/05/2031	$1.82	$0.00	100.00%	-	0.11%	$1.369
14/05/2021	14/05/2025	$1.82	$0.00	100.00%	-	0.74%	$1.815

Note 40. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Douglas Flynn
Chairman

28 February 2022

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Independent Auditor's Report to the Members of IMEXHS Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of IMEXHS Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to note 5 in the financial report. Revenue recognition is considered a key audit matter as it is the most significant balance in the Group's Statement of Profit or Loss and Other Comprehensive Income, and is the key driver to the Group's performance. Furthermore, there are complexities and significant management judgements associated with interpreting the key contractual terms of revenue contracts entered into by the Group against the requirements of the AASB 15 'Revenue from Contracts with Customers' (AASB 15).	Our audit procedures in respect of this area included but were not limited to the following: ▪ Assessing the adequacy of the disclosures in notes 2 and 5 of the financial report. ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: - Testing a sample of contracts, considering their terms and conditions and identification of the performance obligations in those arrangements, and assessing their accounting treatment under AASB 15; - Testing a sample of revenue transactions to sales contracts signed by customers; - Performing cut-off testing for a sample of contracts to determine whether revenue had been recorded in the correct accounting period based on their contractual terms; ▪ Testing material revenue contracts, including considering their terms and conditions, and identification of the performance obligations in those arrangements and assessing their accounting treatment under AASB 15.
Capitalisation of internally generated software intangibles Refer to note 15 in the financial report. The capitalisation of internally generated software intangibles is considered a key audit matter due to the significant judgement in the assessment of development project costs in accordance with the requirements of AASB 138 'Intangible Assets' (AASB 138). The Group has a number of active internal software development programs which are at various stages of development. Given the unique nature of the software in development there is significant management judgement in the application of the recognition criteria under AASB 138.	Our audit procedures in respect of this area included by were not limited to the following: ▪ We obtained an understanding of the Group's processes and controls, including the records and data relating to time incurred by core development staff, used to identify and recognise capitalised software development costs; ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: - Tested a sample of capitalised development costs to ensure the activities recorded were consistent with the recognition requirements of AASB 138. ▪ We obtained representations from management, including the Head of Development that the allocation of costs to individual projects are determined in accordance with AASB 138.
Business combinations and acquisition accounting	Our audit procedures in respect of this area included by were not limited to the following: ▪ We obtained management's assessment of the identifiable assets and

Key audit matter	How our audit addressed the key audit matter
Refer to note 33. The Group's recent acquisitions are required to be accounted for under AASB 3 - Business Combinations. There is a risk that the acquisitions of these entities have not been accounted for in accordance with AASB 3, which includes the determination of identifiable intangible assets. We consider the business combinations and accounting for acquisitions as a key audit matter due to: ▪ the level of estimation involved in assessing the fair value of assets acquired in a business combination and the reliance on a management's expert in determining this valuation; ▪ the risk that all assets and liabilities on acquisition are not identified and correctly recognised; and ▪ the level of estimation involved in the calculation of contingent consideration including the probabilities that targets will be achieved	liabilities acquired, including intangible assets and goodwill; ▪ We assessed whether transactions costs were appropriately recognised in accordance with AASB 3; ▪ We assessed whether deferred tax liabilities arising from the acquisition were appropriately recognised; ▪ We obtained an understanding of the contractual conditions and calculations giving rise to the payment of contingent consideration in the business combination; ▪ We assessed the reasonableness of management's assumptions and its basis of calculating contingent consideration payable at the acquisition date; ▪ We assessed whether management's measurement of contingent consideration at reporting date was appropriate and recognised in accordance with AASB 3; and ▪ We assessed the appropriateness of the disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in IMEXHS Limited's annual report for the year ended 31 December 2021, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 47 to 55 of the directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of IMEXHS Limited for the year ended 31 December 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Sydney Audit Pty Ltd

Andrew Hoffmann
Director
Dated: 28 February 2022

Sydney

The shareholder information set out below was applicable as at 31 January 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	320	0.44	2	0.04
1,001 to 5,000	379	3.25	16	0.98
5,001 to 10,000	146	3.39	7	1.32
10,001 to 100,000	241	22.25	21	18.92
100,001 and over	43	70.67	8	78.74
	1,129	100.00	54	100.00
Holding less than a marketable parcel	166	0.09	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
National Nominees Limited	3,211,611	9.77
Digital Imaging Solutions Sas	3,150,503	9.59
Jaava Asesores Integrales Sas	2,048,758	6.23
Volegna Holdings Pty Ltd (The Csa A/C)	1,240,190	3.77
Irukandji Investments Pty Ltd (Longreach Family A/C)	1,187,836	3.61
Rio Negro Pty Ltd (The Medallo A/C)	888,836	2.70
Altor Capital Management P/L (Altor Alpha Fund)	876,937	2.67
Hsbc Custody Nominees (Australia) Limited	829,951	2.53
Dr & Lc Flynn Nominees Pty Limited (Flynn Super Fund A/C)	681,660	2.07
Dixson Trust Pty Limited	511,266	1.56
Sandhurst Trustees Ltd (Jmfg Consol A/C)	469,496	1.43
Tisia Nominees Pty Ltd (Henderson Family A/C)	395,500	1.20
Ilewise Pty Ltd (Lingard Family A/C)	333,333	1.01
Optim8 Pty Ltd (The Gic Super Fund A/C)	300,000	0.91
Ban Investment Group Pty Limited (Ban Investment A/C)	292,011	0.89
Carmen Cecilia Arango Bonnet	290,857	0.89
Virgina Marin Munoz	290,857	0.89
Ilewise Pty Ltd (Lingard Super Fund A/C)	280,000	0.85
Business Super Pty Ltd	270,110	0.82
John Alexander Sanz Ramirez	253,625	0.77
	17,803,337	54.16

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	4,047,520	54

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
Douglas Lingard and associate (Domatorisaro Pty Ltd)	Option over ordinary shares	840,000

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
National Nominees Limited	3,211,611	9.77
Digital Imaging Solutions Sas	3,150,503	9.59
Milla Paula Inari Palacio*	2,076,672	6.32
Jaava Asesores Integrales Sas	2,048,758	6.23

* Irukandji Investments Pty Ltd (Longreach Family A/C) 1,187,836 shares (3.61%), Rio Negro Pty Ltd (The Medallo A/C) 888,836 shares (2.70%).

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Corporate **directory**

DIRECTORS

Mr Douglas Flynn - Non-Executive Chairman
Dr German Arango - Chief Executive Officer
Dr Douglas Lingard - Non-Executive Director
Mr Carlos Palacio - Non-Executive Director
Mr Damian Banks - Non-Executive Director

COMPANY SECRETARY

Ms Reena Minhas

NOTICE OF ANNUAL GENERAL MEETING

The details of the annual general meeting of IMEXHS Limited are:
To be held at 10:00AM on Thursday, 19 May 2022
The location is yet to be determined.

REGISTERED OFFICE

122 O'Riordan Street
Mascot NSW 2020

PRINCIPAL PLACE OF BUSINESS

122 O'Riordan Street
Mascot NSW 2020

SHARE REGISTER

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Tel: 1300 288 664
Tel: +61 2 9698 5414 (international)
Email: hello@automic.com.au

AUDITOR

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street Sydney NSW 2000

BANKERS

National Australia Bank
2 Carrington Street Sydney NSW 2000

STOCK EXCHANGE LISTING

IMEXHS Limited shares are listed on the Australian Securities Exchange (ASX code: IME)

CORPORATE GOVERNANCE STATEMENT

The directors and management are committed to conducting the business of IMEXHS Limited in an ethical manner and in accordance with the highest standards of corporate governance. IMEXHS Limited has adopted and has complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed was approved by the Board of Directors at the same time as the Annual Report and can be found at www.imexhs.com

imexHS

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