2023

imexHS Annual Report

Transforming from Evolution to Growth and Profitability

IMEXHS Limited has undergone a remarkable transformation over the past **11 years**, evolving from its **inception** to become a formidable force in the **Medical Imaging Software and Radiology Services** sector, boasting a team of over **400 dedicated** professionals. In **2023**, IMEXHS embraced cutting-edge technologies, enhancing its **web-based, cloud-compatible software, and ushering** in a new era of self-sufficiency. This strategic shift led to a year of significant growth and the introduction of a compelling new value proposition, positioning **IMEXHS** as an innovative industry leader poised for continued success.

2012 - 2023 Our Journey Unfolds

Throughout the last **11 years**, we have remained steadfast in our identity as a company, nurturing **sustainable growth** while continuously refining and enhancing our **value proposition**.

In 2012, driven by a **resolute mission**, we founded **IMEXHS** to deliver cutting-edge medical technology solutions tailored for **healthcare professionals** in demanding environments.

By 2015, our services expanded across **Latin America**, reaching countries such as **Mexico** and **Ecuador**.

In 2018, we achieved a pivotal milestone by listing on the **Australian Stock Exchange (ASX: IME)**, marking a defining moment that propelled our **global influence.**

In 2019, we secured **FDA clearance** in the US, expanding our offerings to new medical verticals and introducing innovative **AI tools.**

In 2020, we launched **AQUILA in the Cloud**, a revolutionary radiology imaging solution that set the stage for an unprecedented acceleration in our **global expansion** efforts.

In 2021, we strategically acquired **RIMAB SAS,** fortifying our **radiology services** and gaining access to an extensive reservoir of data curated by our in-house radiologists.

In 2022, we executed a carefully crafted strategy that shifted our focus toward achieving **profitability**, involving cost reduction, **retaining recurring revenue streams**, and acquiring new customers.

2023: A Year of Remarkable Growth

In 2023, **IMEXHS** embarked on a transformative journey marked by **substantial growth** and key achievements.

Growth and Innovation:
Our focus on growth and innovation led to successful expansion within the medical technology sector, involving larger projects and greater impact.

Resilient Financial Performance:
A strategic shift toward self-sufficiency defined the year, with positive financial indicators painting a resilient financial landscape, reflecting our determination and commitment to excellence.

Profitability on the Horizon:
In 2023, we navigated with a clear vision and made strategic decisions that brought us closer to achieving profitability.

Expanding Our Customer Base:
Industry leaders joined our software and radiology business in 2023, reinforcing our presence and influence in the medical technology sector.

Throughout these years, our narrative has been characterized by **relentless innovation, global expansion,** and an **unwavering commitment** to transforming the healthcare industry worldwide.

As we reflect on the early years of our company's history, 2023 stands out as a fundamental chapter. It not only marked transformative changes but also set the stage for the coming years, during which our **new value proposition** will lead the healthcare industry forward.

The future shines brightly with **IMEXHS.**

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Global footprint

Certifications

ANVISA 80102519067

CMC Medical Devices ECREP20221027.5

COFEPRIS 143300CO320319

FDA 10086307

invima 2018DM-0017546

icontec ISO9001 SC-2000265

ISO 13485

Key Stats 2023

 # New studies per annum:

+ 8.4 M

Images (Stored – Anonymized):

1.523 M

Petabytes Stored:

7.5

Sites Running our solution:

485

Specialist Using our application:

+ 3,400

Users Patient Portal:

+ 2.6M

Portal Entries:

+ 6.4M

Current Distributors:

28

FY23 Financial Highlights

Sales Revenue

$19.7m

up 15% yoy, up 11% on a constant currency basis

Annualised Recurring Revenue (ARR)

$20.5m

up 27%, up 1% in constant currency basis

Underlying EBITDA

$0.4m

up $0.5m vs ($0.1m) in FY22

Closing Cash

$2.4m

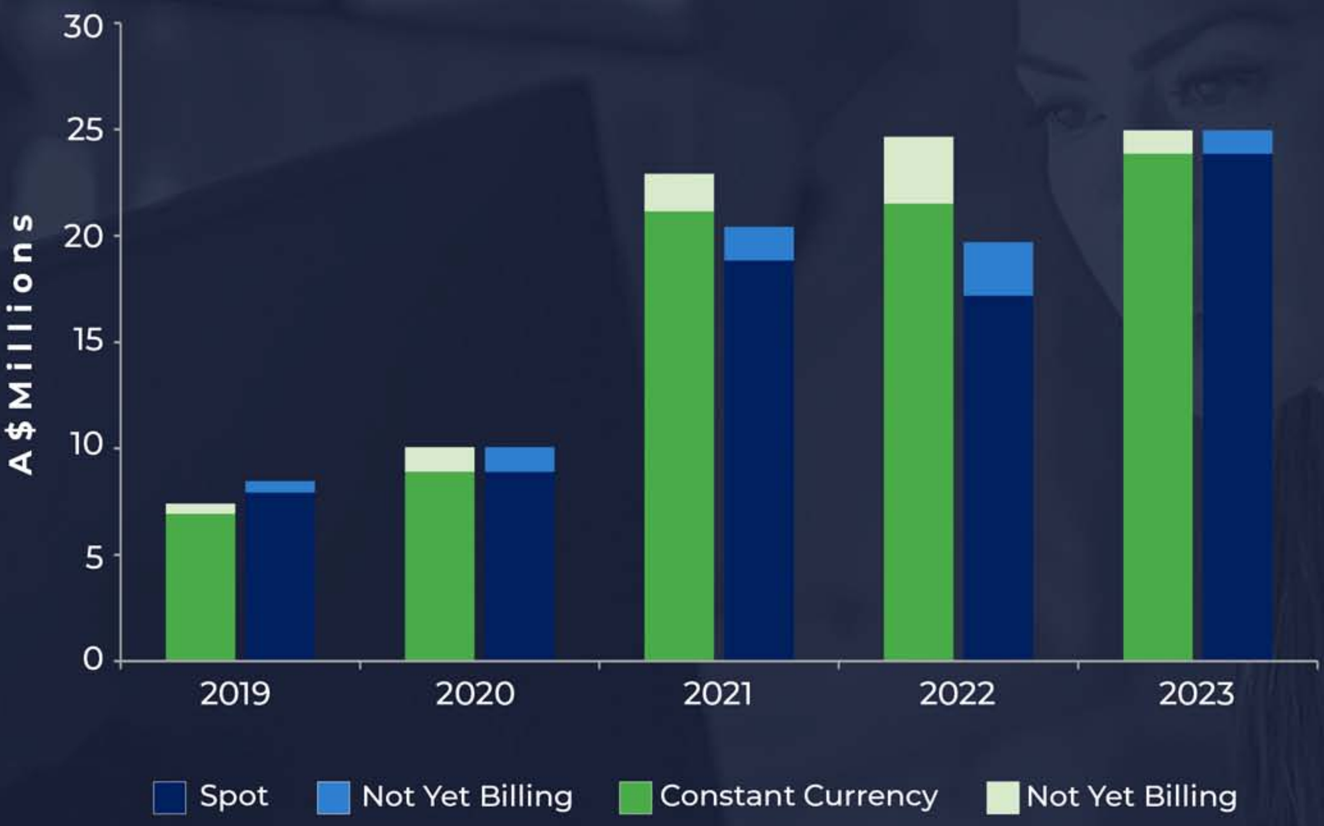
vs $1.9m at 31 Dec-22

Debt of

$1.3m

vs $1.1m at 31 Dec 2022

Annualized Recurring Revenue



Segment Financials

$m	Software	Radiology Services	Corporate	Total
Revenue	$7.6	$12.1m	-	$19.7m
Underlying EBITDA	$3.0	$(0.6)	$(2.0)	$0.4m
ARR	$10.5m	$14.5m	-	$25.0m

Chairman's Letter to Shareholders

Dear Shareholders,

2023 continued to be challenging one for markets around the world with Central Banks pressing on with interest rate increases well into the year. By year end we saw inflation rates responding in the USA, England, Canada, Australia and the Eurozone and discussion at least of an easing of interest rates expected in 2024. In the central American economies core to our business, Colombia continued to have an inflation rate of circa 10% at year end and quite punishing interest rates. In other key markets in Latin America inflation rates are mid-single digits. In 2023, for most Central AmerIcan economies a key feature has been strong currencies driven by abating inflation and high interest rates. Our policy of pricing our software in USD (where possible) continues to see growth in the share of USD denominated revenue. In FY23 45% of software revenue was priced in hard currencies versus 31% in 2022.

For IMEXHS, 2023 has been all about pursuing organic growth with more focused geographic markets off a reduced cost base in line with the plan laid out for the year. The company has delivered strong sales performance for both software and radiology and we enter 2024 well positioned to deliver revenue growth and earnings. Interestingly a significant share of our increase in sales has come from additional services and capability for existing clients across both software and radiology. Sales, although inherently lumpy, were on plan throughout the year. There is a significant portion of that sales value that is at an early stage of being a newly started contract in ramp up phase or yet to be installed and billing. These elements will drive increased revenue from the early months of 2024. Pleasingly the reported Q4 results saw a considerable step-up of 48% of revenue year over year and 23% up on pcp for H2 vs H1.

While the software business has performed largely to plan in sales, revenue and profitability the radiology business has suffered from two key issues; systemically slow receipts, driven by the high interest rate regime and individual client profitability created by an inflation drag on costs and some difficulty in passing on those costs. That said, the hospital out-sourced business model for radiology remains entirely relevant and growing.

Our management team has a clear pathway to improving radiology client profitability and is well focused on solving the slow payment behaviour which has caused our working capital to rise significantly across the year.

Plan and Outlook

The company will start 2024 in a strong position for growth from the perspective of a strong starting point following Q4, revenue moving in the short term from not yet billing into billing status and the value of early stage contracts ramping up towards the scale we expect. We also start 2024 with a strong pipeline of opportunities. We are clear about some issues to fix and are confident we have the plan to do that satisfactorily and work is underway to improve radiology profitability.

Importantly we expect significant value for the company will come from the program of software enhancements developed over the last 15 months to create a New Value Proposition (NVP). The enhancements will benefit all clients but more particularly larger more complex hospitals and higher value opportunities. The NVP provides improvements in service and resilience and reducing help desk requirements, usability, functionality, integration, security, access to AI and post processing tools and speed of implementation. While the early stage of the New Value Proposition will be trialed towards the end of this quarter the full suite will not begin to be rolled out until Q4. Each of the elements of the NVP represents real client benefits versus our competitor universe. Significant improvements in service delivery, resilience and reducing help desk support will be delivered early and from this quarter.

Ongoing growth will continue to place demands on working capital, however significant improvements in process are expected to reduce days sales outstanding during FY24.

The Company has a sales and support base in Mexico and is operating there both through partners and directly with a small team on the ground. In 2023 we established a subsidiary there and have put in place a somewhat greater resource and systematic approach to develop the market. With the second largest economy in Latam, an historically strong currency and well-developed public and private hospital systems Mexico is an attractive place for IMEXHS to grow.

During the last quarter the company strengthened financial management in Colombia, with the management team largely settled in 2023. Our sales management teams have delivered strong and growing results and continue to develop the way they go about addressing the market opportunity. The company continues to work on and improve underlying processes throughout the organisation which contribute to efficiency and allow the business to scale and grow – there is always more to do in this regard.

Our small Australia based team of directors and finance management liaise closely with the management team in Bogota and visit as appropriate. Despite the distance it is a joined-up organisation.

We appreciate the support and engagement of our shareholders and have sought to improve our communication. We believe we are on the way to creating a valuable business and are on the cusp of demonstrating that for all to see.

I want to thank my fellow directors for their engagement, contribution and diligence. Most importantly I want to thank our great team of people, ably led by our CEO, Dr German Arango, for their dedication and outstanding work.

Doug Flynn

Chairman

CEO's report (German Arango)

Dear Shareholders and Stakeholders,

I am pleased to present to you the CEO Letter for IMEXHS Ltd.'s Annual Report for the year 2023. It has been a remarkable year for our company, and I am excited to share our achievements, strategies, and vision for the future.

IMEXHS Ltd. is a dynamic company listed on the Australian Securities Exchange (ASX) with a unique business model. We operate in two distinct but synergistic sectors: software development for medical imaging with a primary focus on the radiology market, and radiology services, where we predominantly provide outsourced imaging centers for third-party hospitals. This dual approach enables us to harness the power of innovation and service excellence to transform the healthcare industry.

The year 2023 marked a turning point for IMEXHS Ltd., building on the success of our cost-out program in 2022. Our strategic shift towards profitability has yielded exceptional results, and we are excited to share our accomplishments:

1. Positive Financial Performance: We achieved positive underlying EBITDA and positive cash flow, underlining our commitment to financial stability and sustainable growth.

2. Impressive Revenue Growth: Our revenue increased by 15%, totaling AUD 19.7 million, a testament to our dedication to serving our customers effectively and efficiently.

3. ARR Growth: Our Annual Recurring Revenue (ARR) experienced substantial growth, rising by an impressive 27%, demonstrating our ability to build long-term customer relationships.

4. Software Division Success: Our software division excelled, surpassing internal new ARR targets by nearly 90%, highlighting the growing demand for our innovative solutions in the radiology market.

5. Radiology Services Excellence: Our radiology services business achieved a 100% success rate in reaching its new ARR goals, solidifying our reputation as a leading provider of outsourced imaging centers.

We are also excited to share our vision for the future. In 2023, we embarked on a journey to design and develop a new software value proposition, focusing on three key pillars:

1. Service Excellence: We are committed to delivering the best service in the industry, ensuring that our customers receive top-notch support, training, and assistance every step of the way.

2. Innovation in Deployment: We are investing in super-fast deployment methods, streamlining the onboarding process, and reducing implementation timelines, so our clients can start benefiting from our solutions more rapidly.

3. Cutting-edge RIS-PACS Tools: Our new tools offer attractive visualization features, AI-intensive integration, and performance and productivity enhancements. Moreover, they provide crucial support to distributed networks of radiologists, along with academic and financial tools to aid their professional development.

Looking ahead to 2024, we are filled with enthusiasm. This year promises accelerated growth, a highly attractive new value proposition, and an unwavering commitment to profitability. We remain dedicated to providing innovative solutions that transform the radiology industry, ensuring that our customers, partners, and shareholders benefit from our success.

We would like to express our gratitude to our dedicated team, loyal customers, supportive partners, and you, our valued shareholders, for your unwavering trust and support. Together, we will continue to redefine the boundaries of what is possible in the medical imaging and radiology services sectors.

Thank you for your trust in IMEXHS Ltd. as we move forward on this exciting journey of growth, innovation, and profitability.

Yours sincerely,

German Arango Bonnet
CEO & Co-founder, IMEXHS Ltd.

About us

One Company with two businesses aimed at providing access to high quality medical imaging services to over 500 million people.

Radiology Services

Outsourcing of imaging facilities and teleradiology to hospitals and medical facilities.

Medical imaging software

Our innovative cloud-based software solutions are intuitive, comprehensive, and accessible to facilities of all sizes around the world.

Value proposition

We believe that there is plenty of room for **disruption** and **growth** in both our **industry** and the **geographies** we are targeting. After an in-depth **strategic review** done in **2023**, we concluded that our business is aligned with major **global trends** in **healthcare** and **technology**, it is **resilient** against **macroeconomic situations**, it is an **attractive industry** with a projected growth of approx. **8.5% CAGR** and the **potential** is there, ready to be tapped.

With this analysis at hand, our challenge becomes to **accelerate** our **growth rate**. That means offering a higher **value** for their **money** to our current and future **customers** and creating **stronger** and **longer-lasting advantages** that will sustain **double-digit growth rates** in the following years.

With that challenge in mind, we designed Tthe Company's New Value Proposition, three key pillars. Firstly, we've introduced the most advanced, contemporary, and secure, AI enhanced radiology software solution. This solution will gather 10 years of knowledge about our customers and their main pain points, enabling us to offer a solution that wins the hearts and minds of radiologists, cardiologists and pathologists, as well as administrative and management personnel in our segment.

Secondly, we have elevated our commitment to providing unparalleled customer support, setting a new industry standard. We are in the process of incorporating best practices from mission-critical industries like banking, where uptime, security, availability, recovery, and robustness are of the utmost importance. This will be a long-term and sustained initiative that will enable us to maintain high rates of contract renewals and compete in geographies and segments that have become more demanding.

Lastly, we will deliver the most efficient, user-friendly, and swiftly implementable product in the market. There are no technical impediments to offer implementation processes in the medical imaging segment, that are aligned with examples of B2B products in other industries. Ten years ago, implementing a new CRM was a herculean task that required a team of consultants, hundreds of hours of internal teams, and specialized project management capabilities. Today, most CRMs can be implemented in hours with little intervention from the provider. Could this be offered for medical imaging systems and platforms? We believe that not only it could be done, but it should be done, and it is a long debt that we as technology providers have with our customers.

Our Offering

IMEXHS CLOUD

The Company's standardised radiology offering launched in May 2020. It provides small and medium-sized centres 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 centre from the scheduling to the billing with high-end tools for medical visualization and reporting. It is a subscription-based model with additional charges for more advanced tools such as Artificial Intelligence and Advanced Visualisation. Charges are based on volumes of radiology studies.

IMEXHS ENTERPRISE

The Company's highly adaptable imaging platform designed to meet the specific needs of large and comprehensive clinics and hospitals. It has been engineered to support multi-site hospitals, providing advanced visualization and post-processing tools, business intelligence, and practice management features. Our solution offers unmatched flexibility and scalability, making it the ideal choice for healthcare institutions that require custom integrations and workflows to optimize their processes.

Unlike IMEXHS Cloud, IMEXHS Enterprise tend to be customized, long-term agreements – with an average duration of 5-years – and pricing is determined by volume-based tiers.

The Company processed over 8.4m studies across its medical imaging platforms across 485 sties in 18 countries with Software ARR of $10.5m as at 31 December 2023.

The company has showcased the scalability of its operations in diverse regions, driven by an appealing product and a novel business model. The current emphasis is on growing the Company's market share across Latin America and cultivating profitable earnings. Sales for both IMEXHS Cloud and IMEXHS Enterprise were on track throughout 2023, with a strong pipeline indicating continued growth.

IMEXHS Radiology Services (RIMAB)

In 2023, we honed our focus on improving the margins and profitability of our business, also unveiling a new business model centered on outpatient facility operations. This strategic shift optimizes efficiency and aligns with current market trends, positioning us for sustained growth.

01

Outsourcing of imaging facilities

This accounts for approximately 86% of the total revenue generated by this business unit. The current revenue of the business in primarily derived from a business model that provides hospitals with a combination of medical services and technology solutions. The shortage of radiologists is a global phenomenon that has put pressure on hospitals to fulfill the increasing demand for diagnostic imaging, including new clinical applications. This gap in medical practice presents an opportunity that RIMAB has seized with its attractive business model. The company has assembled a team of over 150 highly skilled radiologists, many with overseas fellowships, and cutting-edge technology that not only addresses the gap in hospitals but also exceeds their expectations and optimizes cost structures. The radiologist team includes renowned figures such as Dr. Jorge Carrillo, who authored 16 chapters in the US-published "Diagnostic Imaging Chest" from Amirsys, a global reference book in this field, and Dr. Sandra Nino, who holds two fellowship degrees from McGill University in Abdominal radiology and MSK and manages the radiologists' team. With easy access to IME technology, RIMAB is in a privileged position to compete in the outsourcing market. The company is currently the outsourcing market leader in Colombia and plans to expand its model to other regions in the mid-term

02

Outpatient facilities:

As an integral component of our business expansion initiatives and a strategic focus on profitability, we have implemented an outpatient facilities model that facilitates the provision of services to patients within our facilities. Currently, this model operates in two locations, we aspire to move forward with this success and extend our footprint to new regions. This initiative aligns seamlessly with our commitment to delivering high-quality care to patients, reinforcing our vision for sustained business growth.

03

Teleradiology

As part of our business strategy, RIMAB has strategically implemented the Teleradiology business model to deliver remote medical imaging reporting services for third-party image productions in high pricing/strong currency source of images countries, such as Spain. With our highly skilled and qualified radiologist team, we are able to provide a superior level of accuracy and quality in our Teleradiology services, which has resulted in this business model contributing 2% of our total revenues. We remain committed to expanding our Teleradiology services to other regions while maintaining our unwavering dedication to providing high-quality medical imaging reporting to our clients.

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 subspecialities.

NEURO	ABDOMEN	CHEST	
MSK	**BREAST**	**PEDIATRIC**	**INTERVENTIONAL**

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

Our Product Extensions

Patient Portal:
Our advanced web-based platform, IMEXHS Portal, ensures streamlined and centralized access to diagnostic imaging results for radiologists, referring physicians, specialists, and patients. This 24/7 multi-user system has proven highly successful, boasting over 560,000 monthly portal entries and a total of 6.7 million in 2023—a remarkable increase of 3.2 million vs. last year. Providing access to over 2.9 million individuals, it stands as an excellent solution for enhancing efficiency in healthcare information management.

Web Voice Recognition:
Our advanced voice recognition tool, powered by Nuance, provides a streamlined and efficient solution for radiologists to dictate patient diagnosis reports. The tool also offers the ability to preload templates for common diagnoses encountered in daily work, allowing radiologists to quickly and easily complete their reports using specific voice commands.

Advances Visualization and AI:
Our advanced visualization tool add-ons, including options for neurological images, abdomen, and chest, vascular, and MSK protocols, allow users to render complex imaging protocols from MR and CT acquisitions into images, providing accurate information for complex diseases that is often only available at high-end imaging centres. These tools enable users 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. Our solutions are designed to help centers and clinics maximize quality and accuracy, minimize costs, and provide scalability for future growth.

MWL Gateway:
Recently, enhancements have been made to optimize the functionality of this component, streamlining the integration of Radiological Information Systems (RIS) with DICOM devices. In order to validate the optimal performance of the MWL Gateway, comprehensive flow tests were conducted in collaboration with select clients from Rimab. These tests encompassed a range of modalities, including X-ray (radiography), CT (computed tomography), MR (magnetic resonance) and US (ultrasound), with consistently favorable outcomes across all cases.

Partners Program

This year, our business partner program has undergone strategic updates aimed at strengthening its core and increasing product sales through our established network of distributors. We've trained and certified active partners to ensure they have the necessary tools to represent our brand. By harnessing the capabilities of our advanced platforms in medical imaging, we've set a course for a lucrative and enduring partnership with 28 partners across 15 countries by the end of the fiscal year 2023. During the fourth quarter of the fiscal year 2023, the company signed its first partners in Bolivia and Venezuela.

We've worked diligently on the structure of the benefits plan for our partners with the aim of positioning ourselves as a profitable and appealing ally to them, resulting in greater relevance in their business models and ultimately leading to increased sales for our company. During the final quarter of 2023, our focus was on rebuilding relationships with partners, increasing satisfaction levels among our partners with the alliance, establishing regular business follow-up meetings, and assigning quotas to each partner for 2024 to ensure organised collaboration and maximise each partner's potential.

Additionally, with the assistance of marketing, we're creating powerful materials to attract potential partners and working on a partner acquisition strategy focused on identifying the ideal partner and the appropriate working methodology.

Updates on software and product development

During 2023, all our core modules (RIS, PACS, Viewer, Patient Portal, etc) went through a big wave of improvements both in functionality and performance directed towards large-scale enterprise customers.

Our new value proposition, will empower radiology, cardiology, and pathology departments to elevate their operations, ensuring 24/7 productivity, with our cutting-edge radiology software blending modernity and security with a lightning-fast implementation process. Some of the milestones that we achieved towards this goal are:

New design and definition formulated of a novel architecture, technology stack, value proposition, and roadmap for an enhanced iteration of AQUILA (the RIS PACS system).

Set to evolve into a core radiology product for specific segments in the future, including image-based flows for cardiology and pathology

Advances in architecture to reduce cloud service costs, create a significant competitive edge, and improve cyber security.

Several stability and performance improvements, better logging tracking, real-time monitoring and self-healing routines to increase uptime and availability.

Enhancements in post-sales service, AI workflow and visualization tools, collaborative work and deployment times.

We expect to be in trials of the early-stage iterations of this software in the coming quarter. The initial Minimum Viable Prototype (MVP) has been developed and is set to be implemented at selected test sites during Q1 FY24.

The progress made in the previous year by our R&D department, we expect, will create a promising future with an opportunity to accelerate profitable growth.

Our team & culture

BOARD DIRECTORS

Doug Flynn: Non-Executive Chairman
Mr Flynn is an experienced international business leader with a track record of successfully running companies in Europe and Australia. He has experience in various industries, including manufacturing and mining services, business services, media, advertising and marketing services, and human services. Throughout his career, Mr Flynn has held executive and non-executive roles in several companies, including ICI, Rentokil Initial, NewsCorp, Aegis Group, West Australian Newspapers, Seven West Media, APN Outdoor, NextDC, and Konekt Limited. In the UK, Mr Flynn held leadership positions at News International, Aegis Group, and Rentokil Initial. Currently, he is the chair of NextDC Ltd.

Dr German Arango: CEO & Co-founder
Dr. Arango has over 17 years of experience as a practicing radiologist in Colombia. He completed a fellowship in Diagnostic Neuroradiology at McGill University in Montreal, Canada, and holds a degree in Medicine and Surgery from Universidad El Bosque. He also has a residency in Radiology and Diagnostic Imaging from Universidad de La Sabana, and a visiting fellowship in Neuroradiology from the Medical College of Georgia. Dr. Arango is a well-known figure in the academic community and has served as a professor of Neuroradiology for radiology, neurology, neurosurgery, and maxillofacial surgery residency programs at several universities in Colombia.

Carlos Palacio: Non-Executive Director
Mr. Palacio is a seasoned entrepreneur with a proven track record in international IT, telecommunications, and strategic management. He earned a bachelor's degree in electrical engineering with a specialization in Telecommunications from the University of Technology Sydney and holds master's degrees in management and Business Administration from Macquarie University. Mr. Palacio founded and served as the CEO of Crosspoint Telecommunications, a company that provided managed IT services globally, with operations in Australia and SE Asia. He led the successful sale of the company in 2022.

Doug Lingard: Non-Executive Director
Dr Lingard is a qualified radiologist and nuclear physician with a wealth of international medical and commercial experience, having held leadership positions in Auckland, Washington DC, and Sydney. In Australia, he co-founded Pittwater Radiology Partners which after several acquisitions and merges listed on the ASX as Medical Imaging Australasia Ltd. Dr Lingard holds a medical degree from the University of Otago and is a Fellow of the Australia & New Zealand College of Radiologists. He's also 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 for mitochondrial disease in Australia.

Damian Banks: Non-Executive Director
Mr. Banks is an experienced business leader with a proven track record in the development and expansion of successful businesses in the healthcare, employment, and banking industries. He has a focus on financial management, technology, and people, as well as a strong history of developing customer-focused cultures. Mr. Banks has also completed several M&A transactions. His most recent executive position was as the Managing Director and CEO of Konekt Ltd, a technology-focused healthcare and employment company. Prior to this, Mr. Banks held several leadership roles with Westpac Banking Corporation. Currently, Mr. Banks serves as a director for Boom Logistics Ltd and chair of Vection Technologies Limited.

SENIOR MANAGEMENT TEAM

Dr Jorge Marin - Chief Medical Officer & Co-founder
With more than 21 years of experience as a practicing radiologist in Colombia and Spain, Dr Marin has a wealth of expertise in the field. He has served as chief radiologist at the CETIR teleradiology group, the Dos de Mayo Hospital, and the San Rafael Hospital. Dr Marin holds a degree in medicine and surgery from the Universidad Pontificia Bolivariana and has specialized in radiology and diagnostic imaging from the National University. He also holds a European Diploma in Neuroradiology from ESNR. In addition to his clinical work, Dr Marin is a member of the IMAGINE research and development group for advanced imaging diagnosis at the University of Los Andes and serves as an assistant professor of diagnostic neuroradiology for residency programs in neurology, radiology, and neurosurgery at the University FUCS.

Reena Minhas - Chief Financial Officer
With over 10 years of experience as a CFO and Company Secretary for ASX-listed companies, Ms Minhas is skilled in providing financial leadership and strategic direction to drive business growth. She has previously held these roles at Konekt Limited, ILH Group Limited, and Energy One Limited, and has played a key role in acquisitions, debt, and equity capital formation, and building strong finance functions. Ms Minhas was also instrumental in the sale of Konekt Limited to Quadrant Private Equity's APM.

Orlando Joven - Chief Operations Officer
With an IMBA and over 18 years of management experience, Mr Joven is a seasoned professional in the technology, FMCG, and financial services industries. He has extensive experience leading regional teams of over 100 people in digital transformation, innovation, technology, digital product and software development, business management, sales, and finance. In his roles as CIO, CTO, and CDO Officer, Mr Joven has been responsible for defining digital strategies, developing new business models, and creating digital products and services. He has also had P&L responsibility in multinational companies.

Juan Sebastian Bonnet - Head of Sales
With a background in business strategy development and sales for technology and software solutions in the healthcare industry, Juan Sebastian Bonnet is a proficient professional with an MBA and over 11 years of experience at IMEXHS. A skilled problem solver and team builder, Bonnet was a key member of the team that built the sales department from scratch, developing the value proposition, product portfolio, sales process, and commercial deck/pitch. He has a proven track record of successfully closing ambitious negotiations with the healthcare industry.

Benjamin Brinquis - Country Manager México
With over 4 years of experience driving revenue growth and expanding the Company's market share, Benjamin has been instrumental in growing and strengthening the Company's partners network across the 15 countries with a strong emphasis on Mexico and the country's outside of the Latin American region. Thanks to his comprehensive understanding of the business, he plays an important role in connecting the daily operations in Latin America with the Company's activities in Australia by facilitating communication. With his experience in business development, sales, and international expansion, Benjamin is committed to driving growth and success for our company.

Case Studies: AVIDANTI (ZENTRIA GROUP)

Introduction: IMEXHS Limited signed a new 5-year SaaS contract worth A$2.1 million with Organización Clínica General del Norte, the first group of hospitals of Grupo Avidanti - Zentria in Colombia. This contract, priced in USD, is expected to contribute approximately A$430,000 in Annual Recurring Revenue (ARR). This strategic partnership reaffirms our leadership in the healthcare industry.

Solution: IMEXHS Limited faced the formidable task of uniting Zentria Group's hospital network on a single platform, coordinating diverse entities. Migrating over 125TB of client data to IMEXHS's cloud necessitated meticulous planning. Consolidating operations across 32 hospitals into a unified Radiology Information System (RIS) with DICOM routers and voice recognition licenses required extensive training, integration, and careful orchestration. The full implementation of this comprehensive solution is scheduled for the second quarter of 2024.

Results: The successful implementation in the first 11 out of 32 hospitals has resulted in +119.000 (2023) new studies, the consolidation of their Radiology Information System (RIS) and information into a centralized location, leading to a significant enhancement in operational efficiency. Patient results are now efficiently stored in a unified, easily accessible system from any location. The integration of voice recognition technology has played a pivotal role in significantly boosting radiologist productivity.

Financial report

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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 2023.

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

Principal activities

The principal activities of the Group include:

1) Medical Imaging Software Business:
- Development and sale of modular cloud-based imaging systems.
- Focus on providing solutions for various medical fields such as Radiology, Pathology, and other specialties.
- Core product: Picture Archiving and Communications System (PACS) with an efficient web viewer.
- Integrated information systems including Radiology Information System (RIS) for workflow management, Patient Portal for patient data and image distribution, and PACS for capturing, storing, viewing, and sharing radiology images.

2) Radiology Services Business:
- Provision of radiological diagnostic services to hospitals and medical facilities.
- Operations in Colombia and Spain.
- Utilization of IMEXHS medical imaging software for delivering services.

These two businesses complement each other, with the medical imaging software business providing the technological backbone for efficient radiological operations, while the radiology services business directly applies this technology to deliver diagnostic services to healthcare institutions.

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 2023 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

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2023 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.

Risk and governance

The Group identified its key risk areas as:

External technology risk
IMEXHS uses off the shelf software (in addition to its own proprietary software) to enable the functionality of its product offerings. This external software may be subject to issues outside of IMEXHS's control such as third party interfaces, version conflict, obsolescence or other related issues. These external issues may affect the ability of IMEXHS to effectively upgrade and maintain its software. Any licensing or commercial conditions imposed by third party software providers may be unsustainable or impracticable for IMEXHS, which may result in a need for IMEXHS to obtain alternative solutions or develop these in house. There is no guarantee that IMEXHS would be able to do so or do so in a undisruptive manner, if required.

Ability to establish and maintain strategic relationships
To be successful, IMEXHS must continue to maintain existing strategic relationships and establish additional strategic relationships with leaders in a number of healthcare and health information industry segments. There is no guarantee that IMEXHS will be able to maintain or establish these relationships.

Reliance on third party providers
IMEXHS' products are built to work with various computer operating systems, internet platforms, computing networks and hardware devices. Any changes to external platforms, networks, systems, devices or hardware may give preference to competing products or adversely impact the functionality of IMEXHS's products, which may have a detrimental impact on IMEXHS's financial performance.

Sales cycles
Variations in timing of sales can cause significant fluctuations in IMEXHS's sales and financial performance. The duration of the sales cycle and implementation schedule for IMEXHS's products and services depend on a number of factors including nature and size of the potential clients and the extent of the commitment being made by the potential client, which are difficult to predict. Sales and marketing efforts with respect to hospitals, health organisations and other potential clients will generally a involve lengthy sales cycle due to these organisations' size and complex decision making processes.

Ability to manage growth effectively
IMEXHS will need to continue to expand its operations if it successfully achieves market acceptance of its products and services in new markets. IMEXHS's existing systems, procedures and resources may not be adequate to support such expansion. IMEXHS may experience difficulties in managing any future growth, or may not be able to expand and upgrade its systems and infrastructure to accommodate such growth.

Hosting provider, data loss, theft or corruption
IMEXHS stores data in its own systems and networks and with a variety of third party service providers and hosting facilities located in the cloud. These facilities may be vulnerable to damage or outages, which if prolonged, may have a material adverse impact on IMEXHS's products, business operations and reputation. Further, exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of data which could have a material adverse effect on the IMEXHS's business, financial condition, and results. Although IMEXHS maintains comprehensive measures to prevent, detect, address and mitigate cybersecurity threats, a cybersecurity incident could potentially result in the misappropriation, destruction, of critical data or proprietary information. The potential consequences of a material cybersecurity incident include reputational damage, compromised employee, customer, or third party information, litigation with third parties, regulatory actions, and increased cybersecurity protection and remediation costs.

Foreign exchange risks
IMEXHS's operations are based in Colombia and although 45% of Software Revenue is now in USD, the remainder of IMEXHS's revenue is in Colombian Pesos and other Latin American currencies while its financial results are reported in Australian dollars. As a result, IMEXHS's financial results may be affected by any currency fluctuations and volatility.

Regulatory risks
As with any technology offering, IMEXHS's products and services may be exposed to the regulatory environment of different jurisdictions, which may be complex and ever changing. IMEXHS may also be subject to a number of domestic and international government regulations regarding the use of software in medical diagnostics and the use and storage of medical data. There is a risk that IMEXHS's products and services will not always comply with all applicable laws and regulations.

Doing business outside of Australia
IMEXHS currently has employees in Colombia and Mexico and distributors engaged in Mexico and other Latin American countries. IMEXHS may wish to engage further employees and distributors outside of Australia as it grows its existing business and expands to new markets. This exposes IMEXHS to a range of multi-jurisdictional risks including modern slavery labour practices, environmental matters, difficulty in enforcing contracts, changes to the legal and regulatory environment and other issues.

Economic conditions

General economic conditions, introduction of tax reform, movements in interest and inflation rates and currency exchange rates generally may have an adverse effect on IMEXHS's activities, as well as on its ability to fund those activities. Deterioration in general economic conditions, including factors that impact negatively on IMEXHS's customers ability to finance may adversely affect IMEXHS's profitability.

Market conditions and price volatility

Market conditions may affect the value of IMEXHS's shares regardless of its operating performance. Share market conditions are affected by many factors such as, general economic outlook, interest rates, inflation rates, exchange rates, changes in investor sentiment toward particular market sectors.

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):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and Audit and Risk Committee
Interests in shares:	1,782,505 ordinary shares
Interests in options:	560,000 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 17 years' experience as a practising radiologist in Colombia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	5,268,102 ordinary shares
Interests in options:	264,733 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:	1,631,286 ordinary shares
Interests in options:	59,770 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:	2,869,907 ordinary shares
Interests in options:	79,489 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 Vection Technologies Limited.
Former directorships (last 3 years):	RPM Automotive Group Limited
Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interests in shares:	1,332,960 ordinary shares
Interests in options:	20,044 options over ordinary shares

'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 2023, 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
Mr Douglas Flynn	10	10	2	2	6	6
Dr German Arango	10	10	2	2	6	6
Dr Douglas Lingard	10	10	2	2	6	6
Mr Carlos Palacio	10	10	2	2	6	6
Mr Damian Banks	10	10	2	2	6	6

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.

2023 was the third 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 2023 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.

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. While we need to attract and retain talent, we are determined to ensure rewards remain aligned to performance and shareholders' interests. Having held salaries tightly over the last few years going into 2024 senior staff salaries have been reviewed for inflation and market conditions and adjustments made as necessary.

The board elected to take directors fees in the form of newly issued shares to align directors' interests with shareholders and to contribute to cash preservation. This measure was approved by shareholders at the Annual General Meeting held on 19 May 2022, with the arrangement taking effect on and from 1 April 2022 and continuing through FY23 to 31 December 2023.

Further the Board has agreed that it is in the best interest of the company for this arrangement to continue during FY24 and will be seeking shareholder approval at the AGM in April 2024 for this arrangement to continue for a further period.

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

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.

Yours sincerely

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 information
- 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 19 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 package of Directors includes base remuneration, plus super, plus the fair value of any options issued.

The base remuneration package 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;
- long-term incentives; and
- other remuneration such as superannuation.

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 three 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 2024 will help establish these relationships.

Use of remuneration consultants
During the financial year ended 31 December 2023, the Group did not engage remuneration consultants to review its existing remuneration policies.

Voting and comments made at the Company's 16 May 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 98.81% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
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	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Termination benefits $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Mr Douglas Flynn	-	-	-	-	-	-	123,439	123,439
Dr Douglas Lingard	-	-	-	-	-	-	61,720	61,720
Mr Carlos Palacio	-	-	-	-	-	-	61,720	61,720
Mr Damian Banks	-	-	-	-	-	-	61,720	61,720
Total Non-Executive Directors	-	-	-	-	-	-	308,599	308,599
Executive Directors:								
Dr German Arango	301,967	-	15,445	19,677	26,529	-	28,199	391,817
Other Key Management Personnel:								
Ms Reena Minhas	250,228	-	(3,368)	26,900	-	4,464	137,863	416,087
Total	**552,195**	**-**	**12,077**	**46,577**	**26,529**	**4,464**	**474,661**	**1,116,503**

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Termination benefits $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:								
Mr Douglas Flynn	18,000	-	-	1,800	-	-	87,841	107,641
Dr Douglas Lingard	9,000	-	-	900	-	-	43,921	53,821
Mr Carlos Palacio	9,000	-	-	900	-	-	43,921	53,821
Mr Damian Banks	9,000	-	-	900	-	-	43,921	53,821
Total Non-Executive Directors	45,000	-	-	4,500	-	-	219,604	269,104
Executive Directors:								
Dr German Arango	299,189	-	15,249	16,308	27,355	-	35,390	393,491
Other Key Management Personnel:								
Ms Reena Minhas	250,228	-	4,343	30,648	-	2,581	120,330	408,130
Total	**594,417**	**-**	**19,592**	**51,456**	**27,355**	**2,581**	**375,324**	**1,070,725**

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

Name	Fixed remuneration 2023	Fixed remuneration 2022	At risk - STI 2023	At risk - STI 2022	At risk - LTI 2023	At risk - LTI 2022
Non-Executive Directors:						
Mr Douglas Flynn	100%	100%	-	-	-	-
Dr Douglas Lingard	100%	100%	-	-	-	-
Mr Carlos Palacio	100%	100%	-	-	-	-
Mr Damian Banks	100%	100%	-	-	-	-
Executive Directors:						
Dr German Arango	93%	91%	-	-	7%	9%
Other Key Management Personnel:						
Ms Reena Minhas	67%	71%	-	-	33%	29%

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 $276,500 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
Shares were issued to Non-Executive Directors in lieu of directors' fees during the year ended 31 December 2023 (as approved at the Annual General Meeting held on19 May 2022), as set out below:

Name	Date	Number of shares	Issue Price
Mr Douglas Flynn	Various dates*	189,600	0.4206
Dr Douglas Lingard	Various dates*	94,802	0.4206
Mr Carlos Palacio	Various dates*	94,802	0.4206
Mr Damian Banks	Various dates*	94,802	0.4206

* The shares issued to the Directors during the year were at various dates, being 10 May 2023, 3 July 2023, 17 November 2023 and 13 February 2024. The shares issued on 13 February 2024 relate to shares issued in lieu of directors' fees for Q4FY23.

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	-
Ms Reena Minhas (b)	01/03/2021	01/10/2023	01/03/2031	140,000	$0.00	$2.030	-
Ms Reena Minhas (c)	16/04/2021	01/03/2024	16/04/2031	22,957	$0.00	$1.804	-
Dr German Arango (d)	14/05/2021	01/03/2024	16/04/2031	29,158	$0.00	$1.369	-
Mr Carlos Palacio (e)	14/05/2021	14/05/2021	14/05/2025	19,719	$0.00	$1.815	100%
Mr Damian Banks (f)	19/05/2022	19/05/2022	19/05/2026	20,044	$0.00	$0.705	100%
Dr Douglas Lingard (f)	19/05/2022	19/05/2022	19/05/2026	20,044	$0.00	$0.705	100%
Mr Carlos Palacio (f)	19/05/2022	19/05/2022	19/05/2026	20,044	$0.00	$0.705	100%
Dr German Arango (g)	19/05/2022	19/05/2022	19/05/2032	24,220	$0.00	$0.455	-
Dr German Arango (g)	19/05/2022	01/03/2024	19/05/2032	49,173	$0.00	$0.501	-
Ms Reena Minhas (h)	18/07/2022	01/03/2024	18/07/2032	28,512	$0.00	$0.423	-
Ms Reena Minhas (h)	18/07/2022	01/03/2025	18/07/2032	57,888	$0.00	$0.470	-
Dr Douglas Lingard (i)	16/05/2023	16/05/2023	16/05/2027	39,726	$0.00	$0.550	100%
Mr Carlos Palacio (i)	16/05/2023	16/05/2023	16/05/2027	39,726	$0.00	$0.550	100%
Mr Douglas Flynn (i)	16/05/2023	16/05/2023	16/05/2027	79,453	$0.00	$0.550	100%
Mr Damian Banks (i)	16/05/2023	16/05/2023	16/05/2027	39,726	$0.00	$0.550	100%
Dr German Arango (j)	16/05/2023	01/03/2025	25/04/2033	53,520	$0.00	$0.439	-
Dr German Arango (j)	16/05/2023	01/03/2026	25/04/2033	108,662	$0.00	$0.439	-
Ms Reena Minhas (k)	25/04/2023	01/03/2025	25/04/2033	51,029	$0.00	$0.512	-
Ms Reena Minhas (k)	25/04/2023	01/03/2026	25/04/2033	103,604	$0.00	$0.510	-

(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 1 March 2021, 140,000 share options were granted to Reena Minhas under the Company's Long Term incentive Plan. The options vest on 1 October 2023, have a nil exercise price and expire on 1 March 2031.
(c) On 16 April 2021, 34,264 share options were granted to Reena Minhas under the Company's Long Term incentive Plan. The grant consisted of 2 tranches, tranche 1 comprised 11,307 options which did not vest and lapsed in 2023 and tranche 2 comprised of 22,957 options. Tranche 2 has a nil exercise price and expires on 16 April 2031.
(d) On 14 May 2021, 43,519 share options were granted to the CEO German Arango under the Company's Long Term incentive Plan. The grant consisted of 2 tranches, tranche 1 comprised 14,361 options which did not vest and lapsed in 2023 and tranche 2 comprised of 29,158 options. Tranche 2 has a nil exercise price and expires on 16 April 2031.
(e) On 14 May 2021, 98,594 share options were granted to Non-Executive Directors under the Company's 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 were exercised during 2021. 19,719 options remain on issue.
(f) On 19 May 2022, 100,219 share options were granted to Non-Executive Directors under the Company's Long Term incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 19 May 2026. 40,087 of the Options were exercised during 2023. 60,132 options remain on issue.
(g) On 19 May 2022, 73,393 share options were granted to the CEO German Arango under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 24,220 options and tranche 2 of 49,173 options. Both tranches have a nil exercise price and expire on 19 May 2032.
(h) On 18 July 2022, 86,400 share options were granted to Reena Minhas under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 28,512 options and tranche 2 of 57,888 options. Both tranches have a nil exercise price and expire on 18 July 2032.
(i) On 16 May 2023, 198,631 share options were granted to Non-Executive Directors under the Company's Long Term incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 16 May 2027. 119,179 of the Options were exercised during 2023. 79,452 options remain on issue.
(j) On 16 May 2023, 162,182 share options were granted to the CEO German Arango under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 53,520 options and tranche 2 of 108,662 options. Both tranches have a nil exercise price and expire on 25 April 2033.
(k) On 25 April 2023, 154,633 share options were granted to Reena Minhas under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 51,029 options and tranche 2 of 103,604 options. Both tranches have a nil exercise price and expire on 25 April 2033.

Options granted to the CEO and CFO under the Company's Long Term Incentive Plan during the year have performance conditions. The number of options that vest is based on the total shareholder return (TSR) of IMEXHS over the respective performance periods, relative to the performance of the S&P/ASX 300 Accumulation Index (the Index).

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted and exercised and number of options vested and lapsed for directors and other key management personnel as part of compensation during year ended 31 December 2023 are set out below:

	Value of options granted during the year $	Value of options exercised during the year $	Number of options vested during the year	Number of options lapsed during the year	Remuneration consisting of options for the year %
Non-Executive Directors:					
Mr Douglas Flynn	43,699	77,103	79,453	-	41%
Dr Douglas Lingard	21,850	-	39,726	40,000	41%
Mr Carlos Palacio	21,850	-	39,726	403,066	41%
Mr Damian Banks	21,850	25,226	39,726	-	41%
Executive Director:					
Dr German Arango	71,198	-	-	625,851	23%
Other Key Management Personnel:					
Ms Reena Minhas	78,695	-	140,000	11,307	22%

Additional information

The earnings of the Group for the five years to 31 December 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Sales revenue	19,669,043	17,117,357	13,372,709	10,913,968	7,727,260
Loss before income tax	(4,019,667)	(2,946,233)	(4,556,356)	(3,528,088)	(6,042,631)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end ($)	0.67	0.49	1.03	1.71	2.04
Basic earnings per share (cents per share)	(10.04)	(8.54)	(15.22)	(14.62)	(30.85)

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	1,497,714	165,251	-	119,540	-	1,782,505
Dr Douglas Lingard	1,548,659	82,627	-	-	-	1,631,286
Mr Carlos Palacio	2,787,280	82,627	-	-	-	2,869,907
Mr Damian Banks	1,210,607	82,627	-	39,726	-	1,332,960
Dr German Arango	4,842,869	-	-	-	425,233	5,268,102
	11,887,129	413,132	-	159,266	425,233	12,884,760

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	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr Douglas Flynn	600,087	79,453	(119,540)	-	560,000
Dr German Arango	728,402	162,182	-	(625,851)	264,733
Dr Douglas Lingard	60,044	39,726	-	(40,000)	59,770
Mr Carlos Palacio	442,829	39,726	-	(403,066)	79,489
Mr Damian Banks	20,044	39,726	(39,726)	-	20,044
Ms Reena Minhas	260,664	154,633	-	(11,307)	403,990
	2,112,070	515,446	(159,266)	(1,080,224)	1,388,026

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	-	264,733	264,733
Dr Doug Lingard	59,770	-	59,770
Mr Carlos Palacio	79,489	-	79,489
Mr Damian Banks	20,044	-	20,044
Ms Reena Minhas	140,000	263,990	403,990
	619,303	768,723	1,388,026

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'):

		Income amounts		Balance outstanding	
		2023	2022	2023	2022
KMP and related entity	Nature of Transactions		$	$	$
Mr Carlos Palacio - CrossPoint Telecommunications Pty Ltd	Sales revenue	-	1,338	-	239

In 2022 the Group acquired services from entities that were controlled by a member of the Group's KMP. This arrangement is no longer in place.

		Expense amounts		Balance outstanding	
		2023	2022	2023	2022
KMP and related entity	Nature of transaction	$	$	$	$
Mr Carlos Palacio - CrossPoint Telecommunications Pty Ltd[(a)]	Office space and IT Services	-	14,942	-	20

(a) CrossPoint Telecommunications was an associated entity of Non-Executive Director, Carlos Palacio until 31 December 2022, 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
26 May 2020	12 March 2027	$2.7500	160,000
26 May 2020	12 March 2027	$3.5000	160,000
26 May 2020	12 March 2027	$1.5000	240,000
4 March 2021	1 March 2031	$0.0000	140,000
16 April 2021	16 April 2031	$0.0000	68,623
14 May 2021	14 May 2031	$0.0000	29,158
14 May 2021	14 May 2025	$0.0000	19,719
19 May 2022	19 May 2026	$0.0000	60,132
19 May 2022	19 May 2032	$0.0000	73,393
18 July 2022	18 July 2032	$0.0000	367,146
25 April 2023	25 April 2033	$0.0000	755,922
16 May 2023	16 May 2027	$0.0000	79,452
16 May 2023	25 April 2033	$0.0000	162,182
			2,315,727

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 2023 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
19 July 2022	$0.0000	40,087
30 June 2023	$0.0000	119,179
		159,266

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
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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

29 February 2024

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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 2023, 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

Lester Wills
Director
Dated: 29 February 2024

IMEXHS Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue	5	19,669,043	17,117,357
Other income		218,508	127,505
Interest revenue calculated using the effective interest method		33,512	46,659
Expenses			
Hardware and licence expenses		(548,105)	(570,591)
Research and development and support expenses		(1,480,536)	(1,527,386)
Platform as a service expense		(303,859)	(359,943)
Clinical services expenses		(10,946,757)	(9,199,938)
Administration and sales expenses	6	(5,877,743)	(5,886,136)
Share-based payments expenses	6,21	(388,943)	(285,880)
Depreciation and amortisation expense		(2,429,802)	(1,759,329)
Impairment of goodwill		(1,276,940)	-
Reversal of write-down/(write-down) of inventories		4,122	(6,320)
Net expected credit (losses)/reversal of credit losses		(156,995)	54,380
Net foreign exchange losses		(73,666)	(129,799)
Other expenses		(129,367)	(124,120)
Finance costs	6	(332,139)	(442,692)
Loss before income tax expense		(4,019,667)	(2,946,233)
Income tax expense	7	(172,673)	(92,420)
Loss after income tax expense for the year attributable to the owners of IMEXHS Limited	22	(4,192,340)	(3,038,653)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		3,700,091	(1,710,936)
Other comprehensive income/(loss) for the year, net of tax		3,700,091	(1,710,936)
Total comprehensive loss for the year attributable to the owners of IMEXHS Limited		(492,249)	(4,749,589)
		Cents	Cents
Basic earnings per share	34	(10.04)	(8.54)
Diluted earnings per share	34	(10.04)	(8.54)

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

IMEXHS Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents		2,361,809	1,911,910
Trade and other receivables	8	5,331,305	5,021,222
Contract assets	9	844,332	850,780
Inventories	10	112,029	96,825
Prepayments		267,128	282,445
Total current assets		8,916,603	8,163,182
Non-current assets			
Trade receivables	11	512,399	628,325
Property, plant and equipment	12	4,617,558	3,700,422
Right-of-use assets	13	27,697	29,162
Intangibles	14	8,579,017	8,118,327
Total non-current assets		13,736,671	12,476,236
Total assets		22,653,274	20,639,418
Liabilities			
Current liabilities			
Trade and other payables	15	3,163,829	2,127,751
Contract liabilities	16	61,978	14,276
Borrowings	17	1,049,744	545,161
Lease liabilities		27,697	29,161
Income tax		-	23,974
Employee benefits		2,039,408	1,366,855
Contingent consideration	18	29,951	23,924
Total current liabilities		6,372,607	4,131,102
Non-current liabilities			
Borrowings	19	215,748	542,785
Deferred tax	7	81,295	64,935
Total non-current liabilities		297,043	607,720
Total liabilities		6,669,650	4,738,822
Net assets		15,983,624	15,900,596
Equity			
Issued capital	20	38,663,333	38,476,999
Reserves	21	4,765,111	676,077
Accumulated losses	22	(27,444,820)	(23,252,480)
Total equity		15,983,624	15,900,596

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 2022	34,765,453	2,101,133	(20,213,827)	16,652,759
Loss after income tax expense for the year	-	-	(3,038,653)	(3,038,653)
Other comprehensive loss for the year, net of tax	-	(1,710,936)	-	(1,710,936)
Total comprehensive loss for the year	-	(1,710,936)	(3,038,653)	(4,749,589)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	3,711,546	-	-	3,711,546
Share-based payments (note 35)	-	285,880	-	285,880
Balance at 31 December 2022	38,476,999	676,077	(23,252,480)	15,900,596

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2023	38,476,999	676,077	(23,252,480)	15,900,596
Loss after income tax expense for the year	-	-	(4,192,340)	(4,192,340)
Other comprehensive income for the year, net of tax	-	3,700,091	-	3,700,091
Total comprehensive income/(loss) for the year	-	3,700,091	(4,192,340)	(492,249)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	186,334	-	-	186,334
Share-based payments (note 35)	-	388,943	-	388,943
Balance at 31 December 2023	38,663,333	4,765,111	(27,444,820)	15,983,624

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

IMEXHS Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Loss before income tax expense for the year		(4,019,667)	(2,946,233)
Adjustments for:			
Depreciation and amortisation		2,429,802	1,759,328
Equity settled transactions (directors' fees)		199,125	99,226
Impairment of goodwill		1,276,940	-
Net loss on disposal of property, plant and equipment		1,843	-
Share-based payments		388,943	285,880
Foreign exchange differences		732,221	(273,001)
Net expected credit losses		(28,200)	98,398
Write-down of inventories		(4,122)	6,320
Interest revenue		(33,512)	(46,659)
Interest and other finance costs		332,139	442,692
		1,275,512	(574,049)
Change in operating assets and liabilities:			
Decrease in trade and other receivables		36,194	599,077
Increase in inventories		(11,082)	(18,713)
Increase/(decrease) in trade and other payables		1,036,076	(1,122,716)
Increase/(decrease) in contract liabilities		79,302	(84,203)
Increase/(decrease) in employee benefits		672,553	(318,553)
		3,088,555	(1,519,157)
Interest received		33,512	46,659
Interest paid		(332,139)	(442,692)
Income taxes paid		(180,287)	(283,548)
Net cash from/(used in) operating activities		2,609,641	(2,198,738)
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		-	(268,530)
Payments for property, plant and equipment	12	(1,230,876)	(647,956)
Payments for intangibles	14	(964,173)	(1,383,496)
Proceeds from disposal of property, plant and equipment		42,687	77,538
Proceeds from disposal of intangibles		19,262	-
Net cash used in investing activities		(2,133,100)	(2,222,444)
Cash flows from financing activities			
Proceeds from issue of shares	20	-	3,975,109
Proceeds from borrowings	33	559,644	-
Repayment of borrowings	33	(600,080)	(1,279,495)
Share issue transaction costs		(12,791)	(362,789)
Repayment of lease liabilities	33	(45,384)	(81,097)
Net cash (used in)/from financing activities		(98,611)	2,251,728
Net increase/(decrease) in cash and cash equivalents		377,930	(2,169,454)
Cash and cash equivalents at the beginning of the financial year		1,911,910	4,186,428
Effects of exchange rate changes on cash and cash equivalents		71,969	(105,064)
Cash and cash equivalents at the end of the financial year		2,361,809	1,911,910

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 29 February 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 2023 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 2023, the Group generated a consolidated loss of $4,192,340 (2022: loss of $3,038,653) and incurred operating cash inflows of $2,609,641 (2022: cash outflows of $2,198,738). As at 31 December 2023, the Group had cash and cash equivalents of $2,361,809 (2022: $1,911,910), a surplus of net current assets of $2,543,996 (2022: $4,032,080) and surplus of net assets of $15,983,624 (2022: $15,900,596).

The Group has experienced growth in revenue in the year ended 31 December 2023 of approximately 10% on a consistent currency basis, however, there has been a significant increase in costs in radiology and corporate overhead to deliver. The Group has performed a profitability assessment and is reviewing customer pricing and delivery costs. The Group has commenced a process to improve margins in radiology through higher prices on new contracts and increased prices on existing contracts and tighter cost control. The forecasted growth for the year ended 31 December 2024 will likely require additional working capital.

As highlighted in note 8, the Group has experienced delays in receiving outstanding payments from a customer. The debt is confirmed by the customer and is not in dispute. The Group is currently working with the customer on timing of payment and the issue has also been escalated to Colombia's Superintendency for Healthcare who has the authority to compel commercial compliance.

In response to those matters and to support growth and the likely additional requirements for working capital, the Board and management have been considering various options, including but not limited to external debt funding, owned equipment re-financing, the issuance of a preference shares, convertible note(s) or undertaking ordinary equity capital raise(s).

In the unlikely scenario that the Group is not able to obtain additional capital as and when required, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in these financial statements.

Note 2. Significant accounting policies (continued)

Management has determined that the actions taken, and planned, are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

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.

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 30.

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 2023 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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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.

Note 2. Significant accounting policies (continued)

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.

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.

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.

Note 2. Significant accounting policies (continued)

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.

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 15 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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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 additional ordinary shares that would have been outstanding assuming conversion of all 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 conform with current year presentation. This has not had any impact on the financial position of the Group at 31 December 2023 or the results for the year then ended.

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 2023. 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.

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 and forward-looking information that is available. The allowance for credit losses, as disclosed in note 8, 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.

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 shares 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

Identification of reportable operating segments
The Group is organised into two operating segments based on differences in products and services provided: Software and Radiology Services. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Other segments represent the Group's corporate headquarters.

Note 4. Operating segments (continued)

The CODM reviews Underlying EBITDA (earnings before interest, tax, depreciation and amortisation). Underlying EBITDA represents the Group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit after tax for items that are non-cash or non-operating in nature. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Software	The software business is focussed 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.
Radiology	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.

Intersegment transactions
There were no intersegment transactions made during the year ended 31 December 2023 and 31 December 2022.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Geographical information
Refer to note 5 for geographical information.

Major customers
During the year ended 31 December 2023, one customer individually contributed to approximately 38% of the total external revenue generated by the Group (2022: 38%).

Operating segment information

Consolidated - 2023	Software $	Radiology $	Corporate $	Total $
Revenue				
Sales to external customers	7,629,140	12,039,903	-	19,669,043
Total revenue	7,629,140	12,039,903	-	19,669,043
Underlying EBITDA	2,994,799	(594,720)	(1,951,768)	448,311
Depreciation and amortisation	(2,076,440)	(351,294)	(2,068)	(2,429,802)
Impairment of goodwill	-	(1,276,940)	-	(1,276,940)
Finance costs	(99,708)	(232,427)	(4)	(332,139)
Interest revenue	27,564	252	5,696	33,512
Foreign exchange and share-based payment expenses	(53,500)	(20,276)	(388,833)	(462,609)
Profit/(loss) before income tax expense	792,715	(2,475,405)	(2,336,977)	(4,019,667)
Income tax expense				(172,673)
Loss after income tax expense				(4,192,340)

Note 4. Operating segments (continued)

Consolidated - 2022	Software $	Radiology $	Corporate $	Total $
Revenue				
Sales to external customers	6,384,289	10,733,068	-	17,117,357
Total revenue	6,384,289	10,733,068	-	17,117,357
Underlying EBITDA	1,078,377	705,653	(1,923,674)	(139,644)
Depreciation and amortisation	(1,453,058)	(303,371)	(2,900)	(1,759,329)
Finance costs	(140,774)	(301,912)	(6)	(442,692)
Interest revenue	33,834	10,948	1,877	46,659
Foreign exchange and share-based payment expenses	(93,506)	(35,561)	(286,612)	(415,679)
Termination of employee	(235,548)	-	-	(235,548)
Profit/(loss) before income tax expense	(810,675)	75,757	(2,211,315)	(2,946,233)
Income tax expense				(92,420)
Loss after income tax expense				(3,038,653)

All assets and liabilities, including taxes are not allocated to the operating segments as the CODM reviews and manages on an overall group basis.

Note 5. Revenue

	Consolidated 2023 $	Consolidated 2022 $
Medical equipment and licences	267,698	135,491
Leasing equipment and software and services	18,750,133	16,522,566
Sale of inputs	57,384	58,641
Service and maintenance of equipment and software	593,828	400,659
Revenue	19,669,043	17,117,357

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

	Consolidated 2023 $	Consolidated 2022 $
Timing of revenue recognition		
Goods transferred at a point in time	318,307	343,624
Services transferred over time	19,350,736	16,773,733
	19,669,043	17,117,357

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

Note 6. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	327,960	438,047
Interest and finance charges paid/payable on lease liabilities	4,179	4,645
	332,139	442,692
Administration expenses		
Employee and Director benefits expense	3,385,793	3,434,735
Professional and consultancy fees	615,643	415,651
Taxes	314,700	289,430
Office expenses	674,781	456,899
Insurance	226,960	176,684
Advertising and marketing	113,670	145,427
Corporate expenses	294,306	254,922
Maintenance	3,691	6,522
Travel expenses	182,239	120,498
Other	65,960	585,368
	5,877,743	5,886,136
Leases		
Short-term lease payments	244,191	211,106
Employee and Director benefits expense		
Included in administration expenses:		
Employee benefits expense excluding superannuation and share-based payments[a]	3,130,613	3,190,345
Defined contribution superannuation expense	255,180	244,390
	3,385,793	3,434,735
Included in research and development and support expenses and clinical services expenses:		
Employee benefits expense excluding superannuation and share-based payments	5,738,994	5,483,200
Defined contribution superannuation expense	497,962	443,303
	6,236,956	5,926,503
Share-based payments expense		
Share-based payments expense on issue of Director options	137,447	106,045
Share-based payments expense on issue of Employee options	251,496	179,835
	388,943	285,880
Total Employee and Director benefits expense	10,011,692	9,647,118

(a) Administrative expenses for the year ended 31 December 2023 include $199,125 worth of shares issued to the Directors in lieu of directors' fees.

(b) Further employee benefit expense of $717,743 were capitalised as per note 14.

Note 7. Income tax

	Consolidated 2023 $	Consolidated 2022 $
Income tax expense		
Current tax	172,673	92,420
Aggregate income tax expense	172,673	92,420
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,019,667)	(2,946,233)
Tax at the statutory tax rate of 25%	(1,004,917)	(736,558)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expected credit losses	(3,702)	(7,091)
Provision for inventories	(953)	1,759
Non-deductible taxes	3,190	101,888
Non-deductible employee contributions	(167,967)	(265,172)
Non-deductible interest, fines and levies	39,901	32,945
Non-deductible financial transactions levy	9,730	9,638
Other non-deductible expenses	361,628	142,738
Effect of overseas tax rates	32,522	25,962
Deferred tax assets not recognised	844,393	784,758
	113,825	90,867
Adjustment of tax for prior period	58,848	1,553
Income tax expense	172,673	92,420

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	31,089	24,833
Intangible assets	257,859	205,968
Allowance for expected credit losses	(176,564)	(141,033)
Lease liabilities	(31,089)	(24,833)
Deferred tax liability	81,295	64,935
Movements:		
Opening balance	64,935	72,448
Foreign exchange differences	16,360	(7,513)
Closing balance	81,295	64,935

Note 8. Current assets - trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Trade receivables	5,230,692	4,489,132
Less: Allowance for expected credit losses	(99,876)	(94,119)
	5,130,816	4,395,013
Other receivables	166,883	3,516
Indirect taxes receivable	33,606	622,693
	5,331,305	5,021,222

Refer to note 29 for further details on related party receivables.

Allowance for expected credit losses

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	
	2023	2022	2023	2022	2023	2022
Consolidated	%	%	$	$	$	$
Not overdue	-	-	2,458,984	2,387,215	-	-
0 to 3 months overdue	-	1.69%	1,378,250	1,781,348	-	30,107
3 to 6 months overdue	2.09%	1.53%	520,179	518,639	10,888	7,951
6 to 12 months overdue	6.44%	7.65%	1,057,348	405,202	68,138	31,008
Over 12 months overdue	6.35%	100.00%	328,333	25,053	20,850	25,053
			5,743,094	5,117,457	99,876	94,119

The increase in 6-12 months overdue amounts as at year end is due to a slow paying customer. The debt is confirmed by the customer and is not in dispute. The Group is currently working with the customer on timing of payment. The issue has also been escalated to Colombia's Superintendency for Healthcare who has the authority to compel commercial compliance.

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2023 $	Consolidated 2022 $
Opening balance	94,119	214,497
Additional provisions recognised	350,414	205,111
Amounts recovered during the year	(378,614)	(303,509)
Foreign exchange differences	33,957	(21,980)
Closing balance	99,876	94,119

Note 9. Current assets - contract assets

	Consolidated 2023 $	Consolidated 2022 $
Contract assets	844,332	850,780

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

	2023 $	2022 $
Opening balance	850,780	869,932
Additions	844,332	850,781
Transfer to trade receivables	(1,065,124)	(779,725)
Exchange differences	214,344	9,822
Disposals	-	(100,030)
Closing balance	844,332	850,780

Note 10. Current assets - inventories

	Consolidated 2023 $	Consolidated 2022 $
Merchandise not manufactured by the Group - at cost	119,447	103,054
Materials and spare parts - at cost	49,102	42,209
Less: Provision for impairment	(56,520)	(48,438)
	112,029	96,825

The cost of inventories recognised as an expense during the year ended 31 December 2023 was $548,105 (2022: $570,591).

The cost of inventories recognised as an expense includes $4,122 (2022: write downs of $6,320) in respect of reversal of write downs of inventory to net realisable value.

Note 11. Non-current assets - trade receivables

	Consolidated 2023 $	Consolidated 2022 $
Trade receivables	512,399	628,325

Refer to note 8 for an analysis of ageing of the receivables and allowance for expected credit losses.

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Leasehold improvements - at cost	229,484	172,780
Less: Accumulated depreciation	(138,397)	(56,150)
	91,087	116,630
Furniture and fittings - at cost	40,896	29,276
Less: Accumulated depreciation	(29,889)	(13,241)
	11,007	16,035
Motor vehicles - at cost	2,076	1,658
Less: Accumulated depreciation	(555)	(277)
	1,521	1,381
Computer equipment - at cost	1,397,856	1,505,988
Less: Accumulated depreciation	(957,381)	(1,011,534)
	440,475	494,454
Medical equipment - at cost	6,306,506	4,431,710
Less: Accumulated depreciation	(2,233,038)	(1,359,788)
	4,073,468	3,071,922
	4,617,558	3,700,422

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 2022	92,890	13,379	1,724	953,721	3,406,195	4,467,909
Additions	88,032	13,087	-	66,887	479,950	647,956
Disposals	-	-	-	(75,532)	(2,006)	(77,538)
Exchange differences	(8,487)	(2,140)	(159)	(63,119)	(311,898)	(385,803)
Transfers in/(out)	-	1,027	-	-	(1,027)	-
Depreciation expense	(55,805)	(9,318)	(184)	(387,503)	(499,292)	(952,102)
Balance at 31 December 2022	116,630	16,035	1,381	494,454	3,071,922	3,700,422
Additions	15,603	4,520	-	198,059	1,012,694	1,230,876
Disposals	(1,484)	-	-	(5,243)	(37,803)	(44,530)
Exchange differences	11,102	22	333	97,183	748,007	856,647
Depreciation expense	(50,764)	(9,570)	(193)	(343,978)	(721,352)	(1,125,857)
Balance at 31 December 2023	91,087	11,007	1,521	440,475	4,073,468	4,617,558

Note 13. Non-current assets - right-of-use assets

	Consolidated 2023 $	Consolidated 2022 $
Land and buildings - right-of-use	91,355	80,516
Less: Accumulated depreciation	(63,658)	(51,354)
	27,697	29,162

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 2022	30,158
Additions	80,101
Exchange differences	(7,596)
Depreciation expense	(73,501)
Balance at 31 December 2022	29,162
Additions	72,170
Modifications of lease terms	(28,250)
Exchange differences	6,839
Depreciation expense	(52,224)
Balance at 31 December 2023	27,697

Additions during the year relate to the renewal of the Head Office lease in Bogota, Colombia.

For other lease related disclosures refer to:
- note 6 for details of interest on lease liabilities and other lease expenses;
- consolidated statement of financial position for lease liabilities at 31 December 2023;
- note 24 for maturity analysis of lease liabilities; and
- consolidated statement of cash flow for repayment of lease liabilities.

Note 14. Non-current assets - intangibles

	Consolidated 2023 $	Consolidated 2022 $
Goodwill - at cost	6,080,636	4,856,982
Less: Impairment	(1,276,940)	-
	4,803,696	4,856,982
Internally developed software - at cost	4,506,138	2,969,140
Less: Accumulated amortisation	(1,788,429)	(602,704)
	2,717,709	2,366,436
Customer contracts - at cost	1,062,279	848,508
Less: Accumulated amortisation	(159,342)	(70,709)
	902,937	777,799
Copyright - at cost	-	19,394
Less: Accumulated amortisation	-	(19,388)
	-	6
Licenses - at cost	348,114	463,258
Less: Accumulated amortisation	(193,439)	(346,154)
	154,675	117,104
	8,579,017	8,118,327

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 2022	5,418,893	1,812,534	946,674	2,712	251,076	8,431,889
Additions	-	1,268,424	-	-	115,072	1,383,496
Exchange differences	(561,911)	(297,997)	(89,211)	12	(14,226)	(963,333)
Amortisation expense	-	(416,525)	(79,664)	(2,718)	(234,818)	(733,725)
Balance at 31 December 2022	4,856,982	2,366,436	777,799	6	117,104	8,118,327
Additions	-	717,743	-	-	246,430	964,173
Disposals	-	-	-	-	(19,262)	(19,262)
Exchange differences	1,223,654	591,872	191,106	-	37,803	2,044,435
Impairment of assets	(1,276,940)	-	-	-	-	(1,276,940)
Amortisation expense	-	(958,342)	(65,968)	(6)	(227,400)	(1,251,716)
Balance at 31 December 2023	4,803,696	2,717,709	902,937	-	154,675	8,579,017

Impairment testing
In accordance with the Group's accounting policies, indefinite life assets are allocated to CGUs in order to determine the recoverable amount for the annual impairment test.

As described in note 4, the Group has two main CGUs being the radiology and software CGUs.

Note 14. Non-current assets - intangibles (continued)

Goodwill and customer contracts acquired through business combinations have been allocated to the radiology cash generating unit ('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.

Internally developed software has been allocated to the software CGU. The 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.

Both CGUs are tested annually for impairment or at the end of each reporting date where an indicator of impairment exists. An impairment exists when the carrying value of the CGUs exceeds their recoverable amount.

At 30 June 2023, an impairment test was performed to determine the recoverable amount of the CGUs. As a result of the impairment test performed as at 30 June 2023, an impairment loss of $1,276,940 was recognised in 30 June 2023 half-year results, in relation to the Radiology CGU.

This was principally as a result of the Company choosing to exit a poor paying customer in 2022. This was a non-cash charge, and the Board remains highly confident of the future for the radiology business.

A further impairment testing was completed as at 31 December 2023. No further impairment loss was required in addition to the $1,276,940 loss that had been recognised in the 30 June 2023 half-year results. As such, the total impairment loss for the 31 December 2023 financial year is $1,276,940.

The testing assessed the recoverable amount of IMEXHS CGU's assets by a value-in-use ('VIU') calculation using a discounted cash flow model, based on a 5 year projection period approved by management. The calculated recoverable amount of the Radiology CGU is $12.5m.

Key assumptions and impairment testing results
Key assumptions are those to which the recoverable amount of an asset or the CGU is most sensitive. The following key assumptions were used in the VIU model to test the Radiology CGU at 31 December 2023 and 30 June 2023:

Assumptions	How determined	Rate used in the VIU calculation as at 30 June 2023	Rate used in the VIU calculation as at 31 December 2023
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.	26.62%	28.26%
Revenue growth rate	Based on a five year cash flow projection taking into account historical growth rates and forecast volume and price increases on known contracts.	9-31%	9-38%
Terminal value growth rate	Assumed to be nil.	Nil	Nil

Note 14. Non-current assets - intangibles (continued)

Assumptions	How determined	Rate used in the VIU calculation as at 30 June 2023	Rate used in the VIU calculation as at 31 December 2023
EBITDA margin	Based on a detailed profitability analysis conducted for radiology customers with development of minimum contribution margins and impact of artificial intelligence and technological changes expected in the future.	8-18%	7-23%

The discount rate was estimated based on the CGU's weighted average cost of capital, which was calculated by a third party independent valuation expert.

The revenue growth rate reflects forecast conservative growth rates over a 5 year period after consideration for changing market conditions.

Sensitivity analysis
Management believes that the assumptions disclosed above over the five-year forecast period are realistic and achievable and as such Management believes that the carrying amount is fairly stated.

The calculation of value in use at 31 December 2023 and 30 June 2023 was most sensitive to the following assumptions:

Assumptions used	31 Dec 2023 %	31 Dec 2023 Impact	30 Jun 2023 %	30 Jun 2023 Impact
Post-tax discount rate	18.37%	a 2% increase in the discount rate with all other factors remaining consistent in the model would still not result in an impairment.	18.37%	2% increase in the discount rate with all other factors remaining consistent in the model increases the impairment by $1,176,816.
Average projected revenue growth rate for recurring revenue	19.00%	a 2% decrease in the growth rate per year with all other factors remaining consistent in the model would still not result in an impairment.	19.00%	2% decrease in the growth rate per year with all other factors remaining consistent in the model increases the impairment by $1,441,505.
Average EBITDA Margin (after allocating Corporate Cost)	17.00%	a 2% decrease in EBITDA Magin rate per year with all other factors remaining consistent in the model would still not result in an impairment.	13.00%	2% decrease in EBITDA Margin per year with all other factors remaining consistent in the model increases the impairment by $1,482,065.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge of goodwill.

Note 15. Current liabilities - trade and other payables

	Consolidated 2023 $	2022 $
Trade payables	2,448,371	2,026,604
Withholding tax payable	197,175	47,249
Other payables	518,283	53,898
	3,163,829	2,127,751

Refer to note 24 for further information on financial instruments.

Note 16. Current liabilities - contract liabilities

	Consolidated 2023 $	2022 $
Contract liabilities	61,978	14,276

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:

	2023 $	2022 $
Opening balance	14,276	101,723
Payments received in advance	25,744	90,236
Transfer from/(to) revenue - included in the opening balance	53,558	(174,438)
Exchange differences	(31,600)	(3,245)
Closing balance	61,978	14,276
Representing:		
Contract liabilities - current	61,978	14,276

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 $61,978 as at 31 December 2023 ($14,276 as at 31 December 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2023 $	2022 $
Within 6 months	56,528	3,271
6 to 12 months	-	902
18 to 24 months	5,450	10,103
	61,978	14,276

Note 17. Current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Credit cards	8,041	10,970
Unsecured fixed term loans	1,041,703	529,217
PaaS equipment financing loan*	-	4,974
	1,049,744	545,161

* Related 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 19 for further information on financing arrangements and note 24 for further information on financial instruments.

Note 18. Current liabilities - Contingent consideration

	Consolidated 2023 $	Consolidated 2022 $
Contingent consideration	29,951	23,924

Refer to note 25 for further information.

Note 19. Non-current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Unsecured fixed term loans	215,748	542,785

Refer to note 24 for further information on financial instruments.

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

	Consolidated 2023 $	Consolidated 2022 $
Total facilities		
Unsecured fixed term loans	1,257,451	1,072,002
Used at the reporting date		
Unsecured fixed term loans	1,257,451	1,072,002
Unused at the reporting date		
Unsecured fixed term loans	-	-

Note 20. Equity - issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	42,607,692	41,257,901	38,663,333	38,476,999

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2022	32,860,889		34,765,453
Issue of shares in lieu of Director fees	25 July 2022	57,635	$0.8600	49,500
Issue of Shares - Placement	10 August 2022	1,946,208	$0.4800	934,180
Issue of Shares - Rights Issue	1 September 2022	4,114,816	$0.4800	1,975,110
Issue of Shares - Director Placement	29 September 2022	2,220,458	$0.4800	1,065,820
Issue of shares in lieu of Director fees	4 October 2022	57,895	$0.8600	49,725
Share issue transaction costs (exercise of options), net of tax		-	$0.0000	(362,789)
Balance	31 December 2022	41,257,901		38,476,999
Issue of shares in lieu of Director fees	20 February 2023	57,895	$0.8590	49,725
Issue of shares in lieu of Director fees	10 May 2023	118,234	$0.4206	49,725
Issue of shares in lieu of Director fees	3 July 2023	118,234	$0.4206	49,725
Issue of shares on exercise of options	4 September 2023	39,726	$0.0000	-
Issue of shares on exercise of options	6 September 2023	119,540	$0.0000	-
Issue of shares - acquisition of subsidiary	15 September 2023	777,393	$1.7600	-
Issue of shares in lieu of Director fees	17 November 2023	118,769	$0.4206	49,950
Share issue transaction costs, net of tax				(12,791)
Balance	31 December 2023	42,607,692		38,663,333

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.

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.

Note 20. Equity - issued capital (continued)

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 2022 Annual Report.

Note 21. Equity - reserves

	Consolidated 2023 $	Consolidated 2022 $
Foreign currency reserve	413,326	(3,286,765)
Share-based payments reserve	4,321,345	3,932,402
Options reserve	30,440	30,440
	4,765,111	676,077

Colombian Peso (COP) appreciated significantly against Australian Dollar (AUD) during 2023 causing a large movement in the foreign currency reserve. AUD/COP was 3,300 as at 31 December 2022 compared to 2,635 at 31 December 2023.

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 $	Share-based payments $	Options $	Total $
Balance at 1 January 2022	(1,575,829)	3,646,522	30,440	2,101,133
Foreign currency translation	(1,710,936)	-	-	(1,710,936)
Share-based payments - options issued	-	285,880	-	285,880
Balance at 31 December 2022	(3,286,765)	3,932,402	30,440	676,077
Foreign currency translation	3,700,091	-	-	3,700,091
Share-based payments - options issued	-	388,943	-	388,943
Balance at 31 December 2023	413,326	4,321,345	30,440	4,765,111

Note 22. Equity - accumulated losses

	Consolidated 2023 $	Consolidated 2022 $
Accumulated losses at the beginning of the financial year	(23,252,480)	(20,213,827)
Loss after income tax expense for the year	(4,192,340)	(3,038,653)
Accumulated losses at the end of the financial year	(27,444,820)	(23,252,480)

Note 23. Equity - dividends

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

Note 24. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency 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	2023 $	2022 $	2023 $	2022 $
US dollars	320,377	180,083	72,793	563,232
Euros	20,016	32,410	13,269	1,703
Colombian peso	13,690,599	8,739,047	1,366,782	5,215,088
	14,030,992	8,951,540	1,452,844	5,780,023

Based on the financial instruments held at 31 December 2023, 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 loss for the year would have been $43,207 higher (2022: $102,670 higher). If the Australian dollar had strengthened the corresponding impact would have been a decrease in pre-tax profit by the same amount.

Note 24. Financial instruments (continued)

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 2023 and 31 December 2022, 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.

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:

	2023 $	% of total loans %	2022 $	% of total loans %
Variable rate borrowings	1,265,492	100.0	1,082,972	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 24. 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 - 2023

	Weighted average interest rate %	Within 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	-	2,448,371	-	-	-	-	-	2,448,371
Other payables	-	518,283	-	-	-	-	-	518,283
Contingent consideration	-	29,951	-	-	-	-	-	29,951
Lease liabilities	3.6%	27,697	-	-	-	-	-	27,697
Borrowings - variable rate	19.0%	910,003	235,239	258,885	-	-	-	1,404,127
		3,934,305	235,239	258,885	-	-	-	4,428,429

Consolidated - 2022	Weighted average interest rate %	Within 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	-	2,026,604	-	-	-	-	2,026,604	2,026,604
Other payables	-	53,898	-	-	-	-	53,898	53,898
Contingent consideration	-	23,924	-	-	-	-	23,924	23,924
Lease liabilities	3.7%	25,146	4,015	-	-	-	29,161	29,161
Borrowings - variable rate	32.0%	10,970	-	-	-	-	10,970	10,970
Borrowings - fixed rate	10.0%	332,752	255,272	432,205	189,491	-	1,209,720	1,072,002
		2,473,294	259,287	432,205	189,491	-	3,354,277	3,216,559

Fair value of financial instruments

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

Note 25. 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 - 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Contingent consideration	-	-	29,951	29,951
Total liabilities	-	-	29,951	29,951

Consolidated - 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Contingent consideration	-	-	23,924	23,924
Total liabilities	-	-	23,924	23,924

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.

Valuation techniques for fair value measurements categorised within 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 2022	292,454
Paid	(284,139)
Foreign exchange differences	15,609
Balance at 31 December 2022	23,924
Foreign exchange differences	6,027
Balance at 31 December 2023	29,951

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 26. 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 2023 $	Consolidated 2022 $
Short-term employee benefits	564,272	614,009
Post-employment benefits	77,570	81,392
Share-based payments	474,661	375,324
	1,116,503	1,070,725

Note 27. 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 2023 $	Consolidated 2022 $
Audit services - Nexia Sydney Audit Pty Ltd		
Audit or review of the financial statements	125,138	120,006
Other services - Nexia Sydney Audit Pty Ltd		
Preparation of the tax return	11,500	9,500
Other services - Nexia Sydney Corporate Advisory Pty Ltd		
Corporate Advisory	7,000	-
	143,638	129,506
Audit services - network firms		
Audit or review of the financial statements	49,227	39,813
	192,865	169,319

Note 28. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2023 (2022: none).

Note 29. Related party transactions

Parent entity
IMEXHS Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Note 29. Related party transactions (continued)

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

	Consolidated 2023 $	Consolidated 2022 $
Sale of goods and services:		
Sale of goods to key management personnel [(i)]	-	1,338
Payment for goods and services:		
Payment for services from key management personnel[(ii)]	-	14,942

(i) In 2022 the Group acquired services from entities that were controlled by a member of the Group's key management personnel. This arrangement is no longer in place.
(ii) CrossPoint Telecommunications was an associated entity of Non-Executive Director, Carlos Palacio until 31 December 2022, providing various services to IMEXHS and also a non-exclusive distributor in Australia of IMEXHS's products.

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

	Consolidated 2023 $	Consolidated 2022 $
Current receivables:		
Trade receivables from key management personnel	-	239
Current payables:		
Trade payables to key management personnel	-	20

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

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

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Loss after income tax	(2,000,654)	(5,506,873)
Total comprehensive loss	(2,000,654)	(5,506,873)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	97,999	1,534,386
Total assets	5,458,932	6,895,633
Total current liabilities	4,221	15,544
Total liabilities	4,221	15,544
Equity		
Issued capital	42,344,795	42,158,461
Share-based payments reserve	3,975,525	3,586,583
Options reserve	30,440	30,440
Accumulated losses	(40,896,049)	(38,895,395)
Total equity	5,454,711	6,880,089

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 2023 and 31 December 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

Material accounting policy information
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 31. 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 2023 %	Ownership interest 2022 %
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%
RIMAB SAS	Colombia	100.00%	100.00%
OMT Operations (AU) Pty Ltd*	Australia	100.00%	100.00%
IMEXVR SAS*	Colombia	100.00%	100.00%
IMEXMB SAS*	Colombia	100.00%	100.00%

* Dormant.

Note 32. Non-cash investing and financing activities

	Consolidated 2023 $	2022 $
Additions to the right-of-use assets	72,170	80,101
Modifications of lease terms	(28,250)	-
	43,920	80,101

Note 33. Changes in liabilities arising from financing activities

Consolidated	Borrowings $	Lease liabilities $	Total $
Balance at 1 January 2022	2,367,441	30,157	2,397,598
Net cash used in financing activities	(1,279,495)	(81,097)	(1,360,592)
Acquisition of leases	-	80,101	80,101
Balance at 31 December 2022	1,087,946	29,161	1,117,107
Net cash used in financing activities	(40,436)	(45,384)	(85,820)
Acquisition of leases	-	72,170	72,170
Modifications of lease terms	-	(28,250)	(28,250)
Exchange differences	217,982	-	217,982
Balance at 31 December 2023	1,265,492	27,697	1,293,189

Note 34. Earnings per share

	Consolidated 2023 $	2022 $
Loss after income tax attributable to the owners of IMEXHS Limited	(4,192,340)	(3,038,653)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	41,738,019	35,599,795
Weighted average number of ordinary shares used in calculating diluted earnings per share	41,738,019	35,599,795
	Cents	**Cents**
Basic earnings per share	(10.04)	(8.54)
Diluted earnings per share	(10.04)	(8.54)

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 35. Share-based payments

The following shares were issued to key management personnel during the year:

Issue date	Number of shares	Issue Price	Value $
20/02/2023	57,895	$0.8590	49,725
10/05/2023	118,234	$0.4210	49,725
03/07/2023	118,234	$0.4206	49,725
17/11/2023	118,769	$0.4206	49,950
	413,132		199,125

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

- On 28 August 2018, 1,000,001 Class B share options 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 and expire on 28 August 2023. 1,000,001 options have lapsed during 2023.
- On 28 August 2018, 1,000,001 Class C share options 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 and expire on 28 August 2023. 1,000,001 options have lapsed during 2023.
- On 25 October 2018, 80,000 share options 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 and expire on 25 October 2023. 80,000 options have lapsed during 2023.
- On 10 December 2018, 40,000 share options 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 vested on 10 December 2021, have an exercise price of $2.65 and expire on 9 December 2023. 40,000 options have lapsed during 2023.
- On 26 May 2020, 560,000 share options 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. Tranche 1, 2 and 3 have an exercise price of $2.75, $3.50 and $1.50 respectively. All tranches expire on 12 March 2027.
- On 1 March 2021, 140,000 share options were granted to Reena Minhas under the Company's Long Term incentive Plan. The options vest on 1 October 2023, have a nil exercise price and expire on 1 March 2031.
- On 16 April 2021, 204,280 share options were granted to Employees under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 67,411 options and tranche 2 of 136,869 options. Both tranches have a nil exercise price and expire on 16 April 2031. 88,932 options lapsed during the 2022 and 46,725 options lapsed during 2023.
- On 14 May 2021, 43,519 share options were granted to the CEO German Arango under the Company's Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 14,361 options and tranche 2 of 29,158 options. Both tranches have a nil exercise price and expire on 14 May 2031. 14,361 options lapsed during 2023.
- On 14 May 2021, 98,594 share options were granted to Non-Executive Directors under the Company's 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 were exercised during 2021. 19,719 options remain on issue.
- On 19 May 2022, 73,393 share options were granted to the CEO German Arango under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 24,220 options and tranche 2 of 49,173 options. Both tranches have a nil exercise price and expire on 19 May 2032.
- On 19 May 2022, 100,219 share options were granted to Non-Executive Directors under the Company's Long Term incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 19 May 2026. 40,087 options have been exercised during 2023.
- On 18 July 2022, 416,018 share options were granted to Employees under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 161,507 options and tranche 2 of 327,904 options. Both tranches have a nil exercise price and expire on 18 July 2032. 35,174 options lapsed during the 2022 and 13,698 options have lapsed during 2023.
- On 16 May 2023, 198,631 share options were granted to Non-Executive Directors under the Company's Long Term incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 16 May 2027. 119,179 options have been exercised during 2023.

Note 35. Share-based payments (continued)

- On 16 May 2023, 162,182 share options were granted to the CEO German Arango under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 53,520 options and tranche 2 of 108,662 options. Both tranches have a nil exercise price and expire on 16 May 2033.
- On 30 June 2023, 813,576 share options were granted to Employees under the Company's Long Term incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 268,480 options and tranche 2 of 545,096 options. Both tranches have a nil exercise price and expire on 25 April 2033. 57,174 options have lapsed during the 2023.

Options granted to the CEO and CFO under the Company's Long Term Incentive Plan during the year have performance conditions. The number of options that vest is based on the total shareholder return (TSR) of IMEXHS over the respective performance periods, relative to the performance of the S&P/ASX 300 Accumulation Index (the Index).

Set out below are summaries of options granted:

2023

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
28/08/2018	28/08/2023	$1.8750	1,000,001	-	-	(1,000,001)	-
28/08/2018	28/08/2023	$1.8750	1,000,001	-	-	(1,000,001)	-
25/10/2018	25/10/2023	$3.5000	80,000	-	-	(80,000)	-
10/12/2018	09/12/2023	$2.6500	40,000	-	-	(40,000)	-
26/05/2020	12/03/2027	$2.7500	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$3.5000	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$1.5000	240,000	-	-	-	240,000
01/03/2021	01/03/2031	$0.0000	140,000	-	-	-	140,000
16/04/2021	16/04/2031	$0.0000	115,348	-	-	(46,725)	68,623
14/05/2021	14/05/2031	$0.0000	43,519	-	-	(14,361)	29,158
14/05/2021	14/05/2025	$0.0000	19,719	-	-	-	19,719
19/05/2022	19/05/2026	$0.0000	100,219	-	(40,087)	-	60,132
19/05/2022	19/05/2032	$0.0000	73,393	-	-	-	73,393
18/07/2022	18/07/2032	$0.0000	380,844	-	-	(13,698)	367,146
16/05/2023	16/05/2027	$0.0000	-	198,631	(119,179)	-	79,452
16/05/2023	16/05/2033	$0.0000	-	162,182	-	-	162,182
30/06/2023	25/04/2033	$0.0000	-	813,576	-	(57,654)	755,922
			3,553,044	1,174,389	(159,266)	(2,252,440)	2,315,727
Weighted average exercise price			$1.5468	$0.0000	$0.0000	$1.8360	$0.5870

Note 35. Share-based payments (continued)

2022

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
28/08/2018	28/08/2023	$1.8750	1,000,001	-	-	-	1,000,001
28/08/2018	28/08/2023	$1.8750	1,000,001	-	-	-	1,000,001
25/10/2018	25/10/2023	$3.5000	80,000	-	-	-	80,000
10/12/2018	09/12/2023	$2.6500	40,000	-	-	-	40,000
07/10/2019	31/03/2022	$2.7000	800,000	-	-	(800,000)	-
31/10/2019	30/09/2022	$2.7000	100,000	-	-	(100,000)	-
01/04/2020	01/04/2022	$3.2500	30,000	-	-	(30,000)	-
01/04/2020	01/04/2023	$5.0000	30,000	-	-	(30,000)	-
26/05/2020	12/03/2027	$2.7500	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$3.5000	160,000	-	-	-	160,000
26/05/2020	12/03/2027	$1.5000	240,000	-	-	-	240,000
01/03/2021	01/03/2031	$0.0000	140,000	-	-	-	140,000
16/04/2021	16/04/2031	$0.0000	204,280	-	-	(88,932)	115,348
14/05/2021	14/05/2031	$0.0000	43,519	-	-	-	43,519
14/05/2021	14/05/2025	$0.0000	19,719	-	-	-	19,719
19/05/2022	19/05/2026	$0.0000	-	100,219	-	-	100,219
19/05/2022	19/05/2032	$0.0000	-	73,393	-	-	73,393
18/07/2022	18/07/2032	$0.0000	-	416,018	-	(35,174)	380,844
			4,047,520	589,630	-	(1,084,106)	3,553,044
Weighted average exercise price			$2.0190	$0.0000	$0.0000	$2.4700	$1.5468

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

Grant date	Expiry date	2023 Number	2022 Number
25/10/2018	25/10/2023	-	80,000
10/12/2018	09/12/2023	-	40,000
26/05/2020	12/03/2027	320,000	320,000
01/03/2021	11/03/2031	140,000	-
14/05/2021	14/05/2025	19,719	19,719
19/05/2022	19/05/2026	60,132	100,219
16/05/2023	16/05/2027	79,452	-
		619,303	559,938

The weighted average share price during the financial year was $0.55 (2022: $0.70).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 7.02 years (2022: 3.08 years).

An external expert was engaged to determine the fair value of the new options issued in the year. The options issued to the non-executive directors were measured using a Block-Scholes model. The options issued to the CEO and Employees contain market conditions tied to Total Shareholder Return. These were measured using a Monte Carlo Simulation. Volatility has been determined by the external expert based and was calculated based on one, two and three-year periods of historic volatility.

Note 35. 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
16/05/2023	16/05/2027	$0.5500	$0.0000	65.00%	-	3.14%	$0.550
16/05/2023	16/05/2027	$0.5500	$0.0000	65.00%	-	3.25%	$0.439
16/05/2023	16/05/2033	$0.5500	$0.0000	65.00%	-	3.10%	$0.439
30/06/2023	25/04/2033	$0.6000	$0.0000	65.00%	-	4.18%	$0.512
30/06/2023	25/04/2033	$0.6000	$0.0000	65.00%	-	4.03%	$0.510

Note 36. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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 2023 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

29 February 2024

Nexia Australia

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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 2023, 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 material accounting policy information, 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 2023 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group has experienced delays in receiving outstanding debts and increased costs in delivering radiology services. As stated in Note 2, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Nexia Australia

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 14 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	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.

Key audit matter	How our audit addressed the key audit matter
application of the recognition criteria under AASB 138.	
Impairment testing of goodwill Refer to Note 14 in the financial report. Goodwill acquired from a previous business acquisition amounted to \$4,803,696 as at 31 December 2023. We consider the above to be a key audit matter due to its importance to the intended users' understanding of the financial report as a whole, in particular, its materiality to the financial report.	Our audit procedures in respect of this area included by were not limited to the following: ▪ Assessed the impairment model used to calculate the recoverable amount against the requirements of AASB 136 "Impairment of Assets"; ▪ Assessed the appropriateness of key assumptions used in the model such as revenue growth, margin, discount rate and terminal value and challenged these assumptions with management; ▪ Evaluated the underlying cash flow assumptions with reference to current year results and current economic market conditions; ▪ Assessed the accuracy of management's forecasting by assessing the reliability of historical forecasts; ▪ Engaged with Nexia's valuation experts to evaluate the weighted average cost of capital (discount rate); ▪ Performed sensitivity analysis on the recoverable amount of goodwill to reasonably possible changes in the key cash flow forecast assumptions; and ▪ Assessed whether appropriate the disclosures were made in the notes to the financial statements in accordance with AASB 136.

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 2023, 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.

Nexia Australia

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 29 to 37 of the directors' Report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of IMEXHS Limited for the year ended 31 December 2023, 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

Lester Wills
Director
Dated: 29 February 2024
Sydney

The shareholder information set out below was applicable as at 31 January 2024.

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	260	0.25	2	0.07
1,001 to 5,000	286	1.81	15	1.91
5,001 to 10,000	117	2.02	14	4.09
10,001 to 100,000	213	15.68	22	26.39
100,001 and over	45	80.24	5	67.54
	921	100.00	58	100.00
Holding less than a marketable parcel	149	0.05	-	-

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
Sandhurst Trustees Ltd (Jmfg Consol A/C)	6,314,293	14.82
Digital Imaging Solutions Sas	3,407,708	8.00
Jaava Asesores Integrales Sas	2,048,758	4.81
Hsbc Custody Nominees (Australia) Limited	1,873,868	4.40
German Anibal Arango Bonnet	1,860,394	4.37
Dr & Lc Flynn Nominees Pty Limited (Flynn Super Fund A/C)	1,712,498	4.02
Volegna Holdings Pty Ltd (The Csa A/C)	1,448,524	3.40
Rio Negro Pty Ltd (The Medallo A/C)	1,426,417	3.35
Dixson Trust Pty Limited	1,400,602	3.29
Altor Capital Management Pty Ltd (Altor Alpha Fund A/C)	1,349,505	3.17
Irukandji Investments Pty Ltd (Longreach Family A/C)	1,336,316	3.14
Mr Christian James Haustead	1,250,000	2.93
Ilewise Pty Ltd (Lingard Super Fund A/C)	945,803	2.22
Jorge H Marin Munoz	884,671	2.08
National Nominees Limited	590,002	1.38
Goldstake Corporation Pty Ltd	444,938	1.04
Prof Alan Jonathan Berrick	382,079	0.90
Heff Super Pty Ltd (J & A Heff Super Fund A/C)	381,312	0.89
Ilewise Pty Ltd (Lingard Family A/C)	375,000	0.88
Optim8 Pty Ltd (The Gic Super Fund A/C)	350,000	0.82
	29,782,688	69.91

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	2,315,727	58

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

	Ordinary shares	
	Number held	% of total shares issued
Sandhurst Trustees Ltd (Jmfg Consol A/C)	6,314,293	14.82
Digital Imaging Solutions Sas	3,407,708	8.00
Milla Paula Inari Palacio*	2,762,733	6.48

* Irukandji Investments Pty Ltd (Longreach Family A/C) 1,336,316 shares (3.14%), Rio Negro Pty Ltd (The Medallo A/C) 1,426,417 shares (3.34%).

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 11am on Tuesday 23 April 2024
The location is yet to be determined
The full details of the annual general meeting will be lodged with the ASX.

REGISTERED OFFICE

122 O'Riordan Street
Mascot NSW 2020
Tel: +61 2 9030 0040

PRINCIPAL PLACE OF BUSINESS

122 O'Riordan Street
Mascot NSW 2020
Tel: +61 2 9030 0040

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 22, 2 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

ANNUAL REPORT 2023

Leading the way in life-changing diagnostics.