



ANNUAL REPORT

20
24

imexHS



2012 – 2024 JOURNEY UNFOLDS

Since our founding in 2012, IMEXHS has maintained a steadfast commitment to our core identity while continuously evolving to meet the changing needs of the healthcare industry. Our journey has been marked by growth, innovation, and a relentless focus on providing the best possible medical imaging software and reporting for our customers. Here's an overview of our key milestones and achievements:



FOUNDING AND EARLY EXPANSION

In 2012, we established IMEXHS with a clear mission: to provide cutting-edge medical imaging technology solutions for healthcare professionals working in challenging environments. This foundation set the stage for our future growth and innovation. By 2015, we had already begun to make significant strides in expanding our reach. Our services extended across Latin America, with notable presence in countries such as Mexico and Ecuador. This expansion demonstrated our ability to adapt our solutions to diverse healthcare systems and needs.



GLOBAL RECOGNITION AND TECHNOLOGICAL ADVANCEMENTS

A pivotal moment in our company's history came in 2018 when we listed on the Australian Stock Exchange (ASX:IME). This listing not only provided us with additional resources but also enhanced our global profile and credibility in the MedTech-sector. The Company achieved FDA clearance in the United States in 2019 and expanded into new medical verticals and introduced AI tools, Cloud Innovation and Operational Acquisition.

In 2020 the company launched of AQUILA in the Cloud. This modern radiology imaging solution set a new standard in the industry and served as a catalyst for accelerating our global expansion efforts. In 2021, the Company acquired RIMAB SAS. This acquisition strengthened our radiology services and provided us access to an extensive repository of data curated by in-house radiologists, enhancing our capabilities in AI and machine learning.

FOCUS ON PROFITABILITY AND SUSTAINABLE GROWTH

Recognising the evolving market dynamics, in 2022 we implemented a plan to shift our focus towards achieving profitability. This involved a comprehensive review encompassing:

1



Implementing cost reduction measures to optimize our operations,

2



Retaining and growing our recurring revenue streams, and

3



Acquiring new customers to expand our market share.

GROWTH AND STRATEGIC ADVANCEMENTS

2023 marked a year of growth and advancements for IMEXHS. We successfully expanded our market presence by undertaking larger projects, increasing our impact in the medical technology sector. We strengthened our market position by attracting industry leaders to our software and radiology business, expanding our customer base.

2024 saw the company move to a positive underlying EBITDA, increasing revenue from \$19.7m to \$26.5m. We also invested in an enhanced product offer across functionality, platforming and service in response to our growing customer needs, Product revamp - "Radiologists with superpowers":

Numbers in the right direction, achieving underlying EBITDA positive
New Value proposition

RIMAB

Ongoing cost control

Leaner operation

Price increase across all main customers



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GLOBAL FOOTPRINT



CERTIFICATIONS





KEY STATS 2024

New studies per annum:

8.9m

Images (stores – Anonymized):

1.7b

Petabytes Stored:

8

Sites benefitting from our solutions:

525

Specialists benefitting from our solutions:

3,467

Users Patient Portal:

1.9m

Patient Portal Entries:

4.5m

Current Distributors:

27

FY24 FINANCIAL HIGHLIGHTS



Sales revenue

\$26.5m

up 34% vs pcp; up 27% on a constant currency basis.



ARR

\$30.0m

up 20% vs pcp; up 24% on a constant currency basis.



Underlying EBITDA

\$0.5m

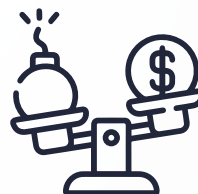
vs \$0.2m in pcp.



Cash

\$2.1m

vs \$2.4m
(31 Dec 2023)

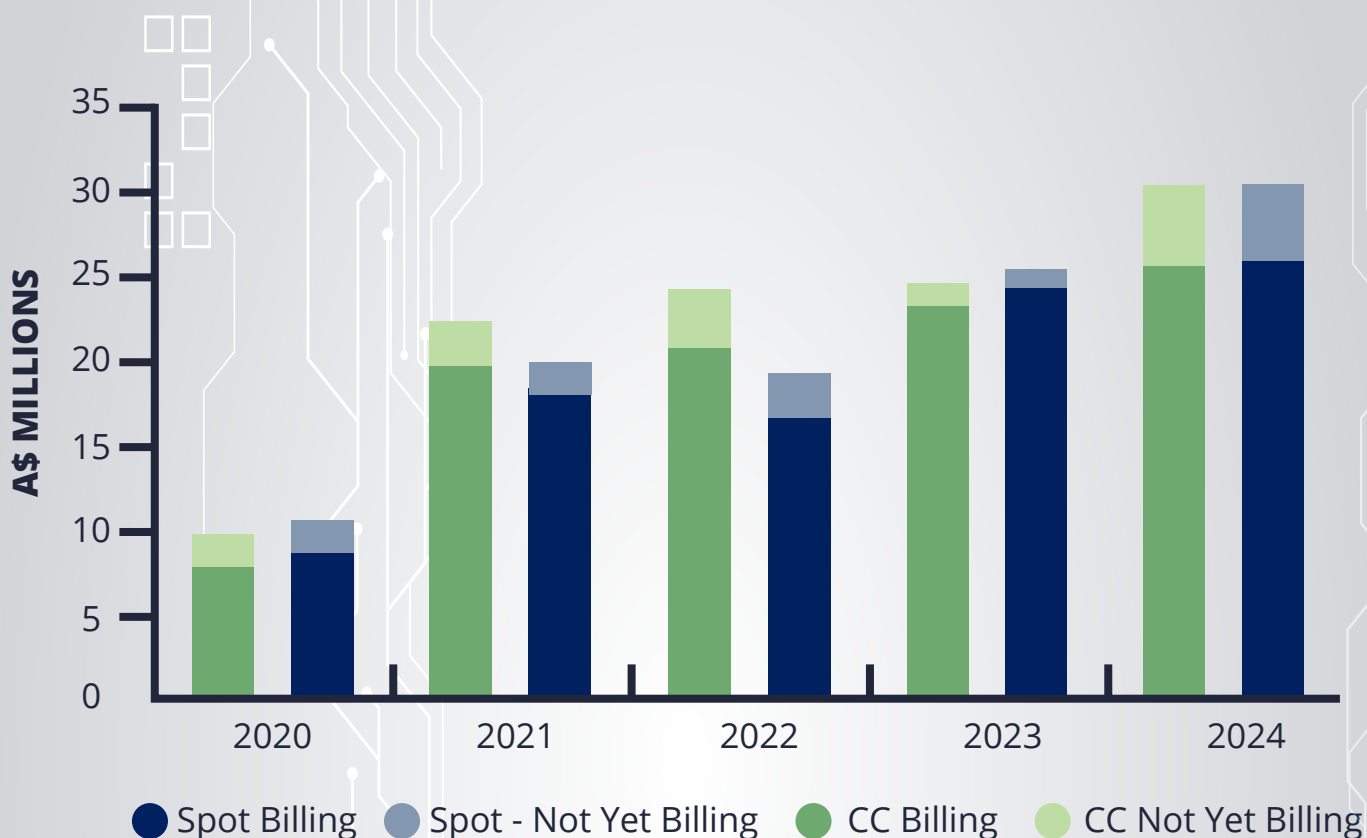


Debt

\$1.2m

vs \$1.3m
(31 Dec 2023)

ANNUALISED RECURRING REVENUE (ARR)*



SEGMENT FINANCIALS

\$m	Software	Radiology Services	Corporate	Total
Revenue	8.9	17.6	--	26.5
Underlying EBITDA**	3.1	0.1	(2.7)	0.5
ARR	9.9	20.1	--	30.0

* Constant Currency (CC) --- historical results at each year end are converted at the 31 Dec-24 exchange rate. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

** FY24 Underlying EBITDA excludes the impact of FX, share based payments and the allowance for expected credit loss of \$157,000 for a slow paying customer who has entered a binding payment agreement.



CHAIRMAN'S LETTER TO SHAREHOLDERS

IMEXHS Limited provides medical imaging software into 18 countries, focused primarily on Latin America. Colombia has currently the largest share of software contracted clients, but the company sees Mexico, Ecuador and Peru as future strong areas for growth. The company provides also contracted radiology service to hospitals and insurance companies across Colombia and provides teleradiology reporting to clients in Spain and Mexico.

Colombia's economy experienced modest growth in 2024, with a projected GDP growth rate of 1.8%. This growth rate reflects the lingering impacts of tight macroeconomic policies and slowing global growth. The country has been working on maintaining its strong macroeconomic framework and enacting reforms to create a business-friendly environment. Despite these efforts, challenges such as high informality, low access to quality education, and gender gaps in the labour market persist. Public debt has been reduced to 57% of GDP, but financing costs have increased. The government is focusing on fiscal consolidation and complying with fiscal rules to support debt sustainability.

Mexico's economy is projected to grow by 1.4% in 2024. The growth was supported by easing inflationary pressures and a gradual decline in interest rates, which helped stimulate consumption and investment. Export growth remains strong, driven by favourable economic conditions in the United States. However, domestic demand has weakened, with slowing private consumption and investment. The public deficit has widened to 5% of GDP, the highest level in 35 years, due to increased spending on infrastructure projects and support for the state-owned oil company PEMEX.

Elsewhere across Central and South America it is a mixed but mostly positive outlook with several key relevant economies reporting moderating inflation.

OUR BUSINESSES

Continued working capital pressure most particularly in RIMAB, our Radiology Services business, has been a significant issue throughout the year and has slowed initiatives we would otherwise liked to have funded more aggressively.

As at the beginning of December 2024 the company settled a long standing slow paying debtor with a legally binding payment plan. The company understands it must drive sales and revenue faster than we have been. This settlement is helpful, with the company still needing to remain focussed on cash at the same time as we seek to drive growth faster.

Despite this, the company has made good progress in several areas.

SOFTWARE

Our practice of pricing software in USD has been largely accepted and for the year ended December 2024, 59% of Software revenue was priced in hard currencies versus 45% in the prior year. Of the software booked at the end of the year, 69% of ARR was priced in USD.

Price reviews within contract terms were carried out during the year.

The value of our software to our clients was also reflected in product capability extensions to existing clients plus the addition of new sites contributing to an overall trend of increasing average revenue per customer.

Very good progress has been made in the new software architecture described as the 'New Value Proposition' (NVP) and which will deliver some major benefits to our clients. These benefits include improved robustness and reliability, digital security, speed and cost of installation, ease of adding multiple 'ologies', much lower cloud storage costs and a comprehensive suite of integrated AI tools to be used at the client's discretion and cost.

There has also been a related software product development specifically for teleradiology operators which incorporates all of the NVP architecture and designed to improve productivity and flexibility between platforms.

These product developments are at various stages of development and early-stage release. Progressive release and product launch is not planned until the end of Q1 2025. While the company continues to see new sales at a solid rate, realistically, we will not see software sales acceleration until H2 2025.

The process enhancements and software releases to date have resulted in some significant benefits both to our company and for our clients.

Commercially, several initiatives were undertaken in 2024 which would have to be described as 'in progress with more to be achieved'. These include a re-energised partner program with greater support from the company, a new, more structured approach to sales prospecting, a direct sales team on the ground in Mexico and (in aggregate) greater investment in our sales team.

As we look forward to 2025, we expect to see further progress on these initiatives as well as a stronger web presence, the marketing launch of the New Value Proposition and a more structured approach to inbound enquiry.

In 2024 we saw software revenue increase by 17% and the management of IMEXHS aim to accelerate that growth in 2025. As well as the opportunities product development brings the company has also identified several Central and South American markets it will seek to expand in 2025.

RIMAB RADIOLOGY SERVICES

RIMAB provides a high-end outsourced radiology and remote teleradiology service. We serve several of the major hospital groups in Colombia. While RIMAB provides teleradiology services into Mexico and Spain it only operates in hospitals within Colombia.

This sector is well established and growing in Latin America and around the world. It relieves hospitals of having owned and operated clinics and leaves the economics to third party specialists. One the other hand professional purchasing departments of hospitals and insurance companies have squeezed margins and extended payments.

This leaves operators funding real operating costs with high working capital requirements and (as mentioned earlier) at the beginning of December 2024 the company settled a long standing slow paying debtor with a legally binding payment plan.

Our company experienced significant inflationary cost drag entering into 2024 and has spent much of the first half renegotiating contract terms to improve the economics for us and still provide sound economics and great healthcare outcomes for our clients. RIMAB has also focussed closely on operating costs and collections.

We expect to see margins expand as we enter 2025.

During 2024 in Colombia there has been considerable political uncertainty in the sector with Colombia's President pushing a radical transformation of Colombia's health system to replace the private insurance-based system entirely with a government funded health scheme. This initiative has stalled out in Colombia's Congress and Senate. While the proposed measures are unlikely to directly affect the RIMAB business model, they do create an environment of considerable investment and other decision-making uncertainty.



PLAN AND OUTLOOK

Firstly, across our organisation, a challenge for much of 2024 was local accounting with some churn in the team. Complex invoicing, regulations and collections processes adds to the difficult task set. The company believes that has been much improved with a new local finance manager. The sales team is always a work in progress but indeed progress has been made with some talented members joining and contributing to the team. Similarly, investment in marketing most particularly for software has increased in the second half of 2024 and will do so again mostly from end of Q1 2025.

We talked about the New Value Proposition twelve months ago. In 2025 this major development is about to be a reality and we are genuinely excited about its prospects and the opportunity for the company it represents. While there is always much more to do, we believe the company can execute on that opportunity.

Working capital continues to be tight however the effort to improve margin, tight control of costs in RIMAB and the payment plan put in place with a large non-payer should see RIMAB in a position to resume profitable growth.

We appreciate the support and engagement of our shareholders and have sought to improve our communication, including detailed quarterly reporting. Your Directors and Management are highly conscious that they need to deliver on the promise this company holds. We look forward to 2025 with some optimism.

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.

CEO'S REPORT



I am pleased to present IMEXHS Ltd's Annual Report for the year ending December 31, 2024. This year has been transformative, marked by significant achievements that have strengthened our position in the medical imaging industry.

ECONOMIC TRENDS IN LATIN AMERICA AND MEDICAL IMAGING INDUSTRY

Latin America continues to experience economic fluctuations driven by currency volatility, inflationary pressures, and varying policy responses across the region. While some economies have shown resilience, others continue to face fiscal challenges and capital flow restrictions. Despite these factors, healthcare remains a key area of investment, with governments and private entities prioritizing medical infrastructure and digital transformation.

The medical imaging software and radiology markets in Latin America are experiencing significant growth, fueled by increasing demand for advanced diagnostics, cloud-based solutions and artificial intelligence integration. Public healthcare institutions and private providers alike are seeking scalable and cost-effective imaging solutions, leading to a shift from legacy systems to cloud-native PACS and RIS platforms. Additionally, compliance with international data security standards, such as ISO 27001, is becoming a critical requirement, driving further investment in secure and interoperable healthcare solutions.

FINANCIAL PERFORMANCE

In 2024 IMEXHS achieved positive underlying EBITDA, reflecting financial discipline and operational efficiency. Revenue grew by 34% year-over-year to \$26.5m (27% in constant currency), while Annual Recurring Revenue (ARR) reached \$30.0m, up 20% year-over-year (24% in constant currency). We improved our operational cash flow despite increasing working capital requirements for our recurring revenue model, while keeping debt levels below the prior year.

A significant shift in pricing methodology for software was achieved with 59% of FY24 revenue priced in hard currencies (AUD, USD, EUR), converted at spot rates to COP or local currencies, while most costs remain in COP.

As at December 31st, 69% of software ARR was priced in hard currencies.

OPERATIONAL MILESTONES

IMEXHS expanded its footprint to 525 sites across 18 countries, supporting 9 million new imaging studies. Key multi-year contract renewals, with improved pricing, and a churn rate below industry levels confirm the stickiness of our solutions.

KEY ADVANCES INCLUDE:

Enhanced Post-Sales Service:

Strengthened customer support, supporting long-term client relationships.

Security Compliance:

Adherence to ISO 27001 security standards, ensuring robust data protection.

Rapid Deployment:

Industry-leading implementation times for quicker customer adoption.

AI-Powered RIS/PACS Platform:

Embedded AI, productivity tools, academic resources, and large language model integration to enhance diagnostic accuracy and efficiency.

Cost Savings:

A redesigned platform architecture will reduce storage costs by 30–40% per unit of storage.

Through closer management our **Partner Program** is gaining traction, with a more stable distributor network of 27 partners across 16 countries. Notably, Mexico shows strong pipeline potential.

A better supported **Marketing Strategy** aims to improve brand positioning and recognition and articulate our competitive advantages.

PRODUCT AND TECHNOLOGY UPDATES

IMEXHS continues to advance its product suite with a focus on efficiency, compliance, and AI-driven improvements. Key developments include:

Enhanced RIS System (AQUILA v0.5):

Expanded workflow automation beyond teleradiology, optimizing clinical and operational processes.

Universal Viewer v6.3.3:

Integrated advanced 3D rendering and AI-powered diagnostic assistance, improving radiologist workflow.

PACS v5.30:

Strengthened security with Transport Layer Security (TLS) encryption and ISO 27001-compliant audit logging.

IMEXHS DICOM Gateway v1.5:

Introduced local study storage, reducing dependency on external servers and improving data management.

Patient Portal v3.3.0:

Upgraded for enhanced security, seamless email integration, and streamlined WhatsApp-based study sharing. These technological improvements align with our focus on scalability, security, and interoperability, ensuring our solutions remain best-in-class.



STRENGTHENING OUR TEAM

IMEXHS has cultivated a high-performing team with a more senior, stable, and mature leadership structure while maintaining the agility and innovative mindset that drives our success.



RIMAB SUBSIDIARY PERFORMANCE

RIMAB has addressed its cost structure and renewed key contracts with improved pricing. It now operates across 38 centers, employing over 150 radiologists and 20 gynecologists, handling approximately 1.2 million new studies annually. The growth achieved in 2024 strengthens our market presence and service delivery.



LOOKING AHEAD

We are on track to complete our New Value Proposition software, which we expect will accelerate our growth. Our focus in 2025 is on profitability through disciplined cost control, driving revenue growth and being cash positive over the year. I extend my gratitude to our dedicated team, valued clients, and shareholders for their support. Together, we continue advancing healthcare through innovative imaging solutions.

Dr. German Arango
Chief Executive Officer
IMEXHS Ltd



ABOUT US

MISSION

At IMEXHS, our mission is to revolutionize healthcare through cutting-edge, cloud-based imaging solutions that enhance diagnostic accuracy, streamline workflows, and improve patient outcomes. We help imaging diagnosis to change lives.

SOFTWARE SOLUTIONS

We specialize in the development and sale of our proprietary AQUILA software platform, a modular and cloud-based system designed to meet the diverse needs of the medical imaging industry.

Our solutions are cloud-based, vendor-neutral, and feature zero-footprint technology, eliminating the need for installed software and enabling seamless integration into existing systems.

RADIOLOGY SERVICES

In addition to our software solutions, IMEXHS provides radiological diagnostic services to hospitals and medical facilities, primarily in Colombia and Spain. Leveraging our advanced imaging software, we deliver high-quality teleradiology services.

COMMITMENT TO EXCELLENCE

With a dedicated team of over 400 employees, IMEXHS is committed to delivering exceptional service and support to our clients. We adhere to the highest security standards, including ISO 27001 certification, ensuring the protection of sensitive patient data. Our focus on rapid deployment and superior post-sales service has established us as a trusted partner in the medical imaging industry.

As we continue to innovate and expand our global footprint, IMEXHS remains dedicated to transforming healthcare through technology, improving the quality and accessibility of medical imaging services worldwide.

NEW VALUE PROPOSITION

As we look to the future, IMEXHS is proud to unveil our New Value Proposition, which we believe will revolutionise the radiology industry and provide our customers with unparalleled capabilities. Our vision is centred on empowering "Radiologists with Superpowers" through three key pillars:



ADVANCED PRODUCT DEVELOPMENT

Our commitment to innovation is exemplified by our new product offering, which we are confident will evolve to become "the most advanced, contemporary and secure radiology AI-enhanced software solution" in the market. We have made significant strides in this area, with the development of a new multi-tenant cloud-native Radiology Information System (RIS). This system is now poised for ISO 27001 and HIPAA certification, underscoring our dedication to maintaining the highest standards of data security and compliance.



EXCELLENCE IN CUSTOMER SERVICE AND SUPPORT

We have set a new benchmark in customer support, aiming to deliver an experience that is truly "unparalleled" and "setting a new industry standard." Our efforts have already yielded impressive results, with all service and support Key Performance Indicators (KPIs) reaching top-tier levels for the industry. We are proud to report a Service Level Agreement (SLA) compliance rate above 97%, system uptime exceeding 99.9%, and a Net Promoter Score (NPS) of 55 for our Patient Portal.



STREAMLINED IMPLEMENTATION AND CONTINUAL IMPROVEMENT

Our third pillar focuses on making our product "the most efficient, user-friendly and swiftly implementable" solution in the market. We have successfully implemented a DevOps strategy that enables bi-weekly delivery of new features and versions. This approach ensures that our customers always have access to the latest improvements and can quickly adapt to evolving needs in the radiology field.

By focusing on these three areas – product excellence, superior customer support, and efficient implementation – we are confident that IMEXHS is well-positioned to lead the next wave of innovation in medical imaging technology. Our New Value Proposition not only enhances our current offerings but also lays the foundation for sustained growth and market leadership in the years to come.

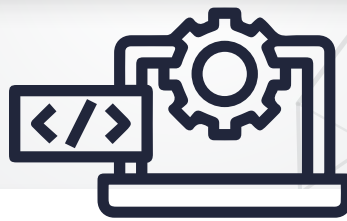
OUR OFFERING



IMEXHS CLOUD

IMEXHS CLOUD is our standardised radiology solution tailored for small and medium-sized centres. This cloud-based, multi-tenant platform offers:

- Affordable and accessible RIS/PACS functionality
- End-to-end workflow management, from scheduling to billing
- Advanced medical visualization and reporting tools
- Subscription-based pricing model tied to radiology study volumes
- Optional premium features including AI and Advanced Visualization



IMEXHS ENTERPRISE

Designed for large clinics and hospitals, IMEXHS ENTERPRISE is our highly adaptable imaging platform that provides:

- Multi-site support for complex healthcare networks
- Advanced visualization and post-processing capabilities
- Robust business intelligence and practice management features
- Unparalleled flexibility and scalability
- Custom integrations and workflows to optimize institutional processes

IMEXHS ENTERPRISE agreements are typically customised, long-term contracts averaging 5 years, with pricing based on volume tiers. These complementary solutions underscore our commitment to serving diverse healthcare providers across the LATAM region, from small practices to large hospital networks, with state-of-the-art medical imaging technology.



IMEXHS RADIOLOGY SERVICES (RIMAB)

In 2024, IMEXHS Radiology Services (RIMAB) focused on enhancing profitability through strategic price adjustments and rigorous cost management. This approach plus the high quality of our services, has solidified our position as a leading provider of medical imaging services in Colombia.

CORE SERVICE AREAS

RIMAB's operations are centered around two primary service areas:

1 | OUTSOURCING OF IMAGING FACILITIES:

This segment remains the cornerstone of our business, contributing significantly to RIMAB's revenue. By addressing the global shortage of radiologists, we combine a team of over 160 highly skilled Radiologists with advanced technology integration to deliver comprehensive imaging solutions.

2 | TELERADIOLOGY SERVICES:

We have refined our teleradiology offerings to focus on select international markets, including Spain. This strategic realignment allows us to concentrate resources on higher-margin opportunities within our core competencies, particularly in outpatient facilities and the outsourcing of imaging centers.

In 2024, RIMAB implemented strategic initiatives to enhance profitability and operational efficiency:

- **Price Renegotiations:** We successfully renegotiated contracts with our primary customers, securing improved pricing structures set to positively impact margins in early 2025.
- **Cost Control Measures:** Through rigorous cost management, we have optimized our operational expenditures, contributing to a better financial performance.
- **Volume Growth:** An increase in service volumes has further bolstered our revenue streams, reflecting the growing demand for our high-quality imaging services.
- **New procedures:** Highly advanced diagnostic and interventional procedures are constantly added to our portfolio, increasing competitiveness for new potential customers and stickiness with existing customers.
- **Colsubsidio insight:** In September 2024, IMEXHS successfully renegotiated its pricing terms with Colsubsidio to enhance margins on this key account. The new commercial conditions will be implemented in three phases, with initial benefits expected in Q1 2025 and full implementation by July 2025, thereby driving progressive gains in profitability. Additionally, the contract has been extended through June 2026, reinforcing the company's long-term partnership with one of its main clients.

These efforts have collectively strengthened RIMAB's financial foundation, positioning us for achieving growth and profitability in the following year.

VALUE PROPOSITION

Our commitment to excellence in medical imaging is driven by:



Extensive Experience:

Handling large volumes of medical images ensures comprehensive and reliable services.



Specialized Radiologist Team:

Our team possesses deep expertise across various subspecialties, including neuroradiology, abdominal imaging, chest imaging, musculoskeletal imaging, breast imaging, pediatric imaging, and interventional radiology.



Academic and Professional Recognition:

Our radiologists are distinguished by strong academic credentials and are well-recognized within the medical community, ensuring high-quality reporting and reinforcing our leadership in medical imaging services.

By focusing on these core areas, RIMAB has enhanced its margins, positioning itself as a leader in the evolving medical imaging landscape across Colombia. As we advance, our dedication to innovation, quality, and strategic growth remains steadfast in our mission to provide accessible, high-quality medical imaging services to an expanding patient population.

OUR PRODUCT EXTENSIONS



IMEXHS PATIENT PORTAL

Our web-based IMEXHS Portal has proven to be a vital tool for radiologists, referring physicians, specialists, and patients, providing 24/7 access to diagnostic imaging results. The platform saw substantial usage, with over 374,000 monthly entries, totalling 4.5 million in 2024.



ADVANCED VISUALIZATION TOOL ADD-ONS

Our advanced visualization tool add-ons are designed to enhance the analysis of medical images across various specialties, including neurological, abdominal, chest, vascular, and musculoskeletal (MSK) protocols. These tools enable the rendering of complex imaging protocols from MR and CT acquisitions, providing detailed and accurate information typically found only in high-end imaging centres.

KEY CAPABILITIES

Detailed Imaging Analysis: Users can examine medical images to obtain additional qualitative or quantitative data, facilitating a deeper understanding of complex diseases.

Efficient Data Processing: Allow for the efficient post-processing of large data volumes, streamlining the analysis process.

Organ Functionality and Pathology Evaluation: Users can study the functionality of specific organs, evaluate different pathologies, and analyse structural changes associated with various diseases.

Cost-Effective and Scalable: Our solutions are engineered to help healthcare centres and clinics maximise quality and accuracy while minimising costs, ensuring scalability for future growth.



WEB VOICE RECOGNITION

Our advanced voice recognition tool, powered by Nuance, has significantly enhanced the efficiency and accuracy of dictating patient diagnosis reports for radiologists.

KEY FEATURES

Efficient Reporting: The tool enables radiologists to dictate reports swiftly and accurately, reducing the time spent on this critical task.

Preloaded Templates: It includes the ability to preload templates for common diagnoses, allowing radiologists to complete reports quickly using specific voice commands. This feature simplifies the reporting process, making it more efficient and user-friendly.

Enhanced Productivity: By leveraging advanced voice recognition technology, our tool helps radiologists focus more on patient care and less on administrative tasks, thereby improving overall workflow efficiency.

AI SUITE

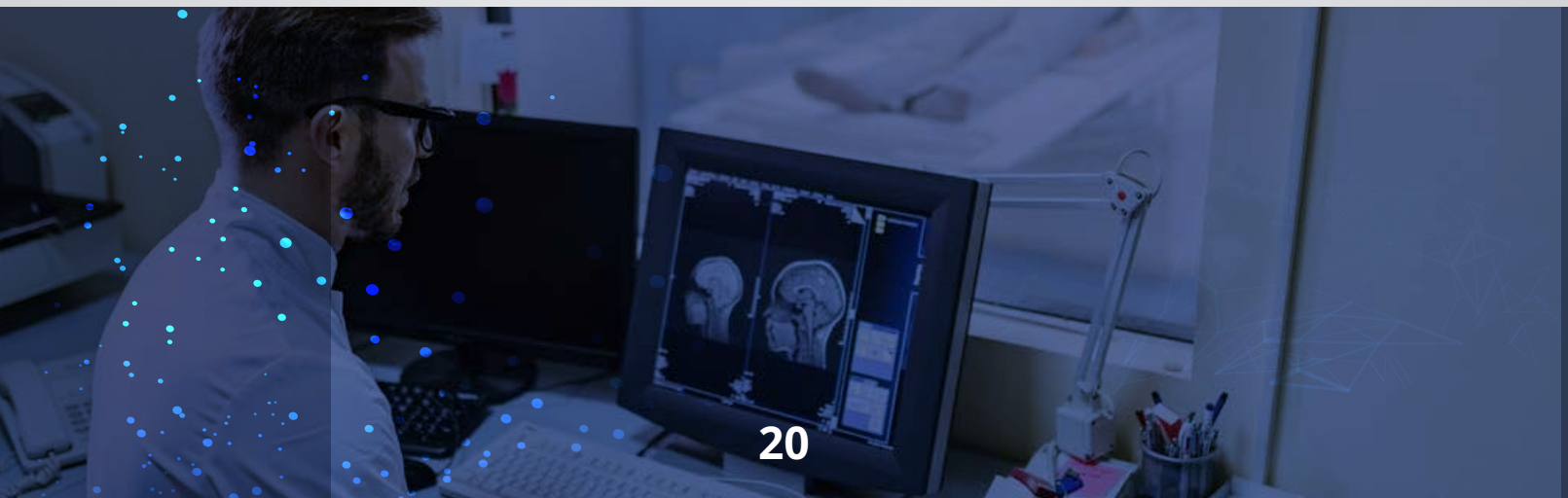


At IMEXHS, we are committed to enhancing diagnostic precision and efficiency by integrating advanced artificial intelligence (AI) tools into our medical imaging solutions. We have partnered with leading AI providers, such as DeepC and Entelai, to incorporate their innovative technologies into our platform. This collaboration enables seamless visualization and workflow integration, allowing our users to access a wide array of AI applications designed to support radiologists in their daily routines. By embedding these AI tools, we aim to streamline radiology workflows, reduce reporting times, and improve diagnostic accuracy, ultimately elevating patient care standards.

MODALITY WORKLIST GATEWAY



In 2024, we introduced our Virtual DICOM Gateway, an innovative solution that replaces traditional hardware-based interfaces for connecting imaging modalities to our software platform. This fully virtual approach eliminates the need for physical equipment, significantly reducing deployment times, on-site service requirements, costs, and engineering hours. Comprehensive flow tests, conducted in collaboration with select RIMAB clients across various modalities—including X-ray, CT, MRI, and ultrasound—have consistently demonstrated the Virtual DICOM Gateway's optimal performance and seamless integration capabilities.



PARTNERS PROGRAM

The IMEXHS Partners Program encompassed 27 partners across 16 countries, reflecting our commitment to scalable global growth.



STRATEGIC REALIGNMENT LAYING THE FOUNDATION FOR GROWTH

To maximise the effectiveness of our partnerships, the Company conducted a review of sales execution, pipeline opportunities, and partner performance. This analysis led to a decision to streamline our network, prioritising key partners that align closely with IMEXHS's strategic vision and to provide more direct support.

KEY OUTCOMES

Optimisation:

Termination of underperforming partnerships, reallocating resources to high-potential alliances.

Focus:

Strengthened relationships with core partners, fostering deeper collaboration and shared success.

Efficiency Gains:

Improved resource allocation, resulting in higher ROI on partnership initiatives.



DRIVING REGIONAL SUCCESS

2024 was marked by strategic wins and market engagement initiatives across LATAM. Our collaboration with Compensar, a major Colombian healthcare organisation, was a highlight, providing care through 4 clinics, 9 healthcare centres, and 10 primary care units.

STRATEGIC WINS

Compensar Partnership:

Positioned IMEXHS as a trusted technology ally for large healthcare networks.

UPDATES ON SOFTWARE & PRODUCT DEVELOPMENT



2024: A YEAR OF CONSOLIDATION AND INNOVATION

In 2024, IMEXHS focused on consolidating and enhancing our New Value Proposition, achieving significant milestones on two key fronts: refining our software delivery, implementation, support, and service processes, and introducing a new generation of our Aquila RIS/PACS system.

KEY ACHIEVEMENTS

Aquila New Generation

We successfully designed and implemented a new cloud-native RIS and PACS platform from the ground up. This next-generation Aquila system features a multi-tenant, multi-cloud architecture and includes innovative elements such as intelligent workflows, autopilot functionality, generative AI assistants, and multiple add-ons. All built around a Modern Software Delivery Framework.

We adopted modern software delivery practices, including DevSecOps, which enables us to deliver new features and updates on a weekly or daily basis. This framework allows for massive and automated updates for our installed base and provides the flexibility to experiment with innovative features tailored to specific segments, geographies, and user roles.

ISO 27001:2022 Pre-Certification

We obtained pre-certification for ISO 27001:2022 for the Aquila New Generation platform. This certification is the global standard for information security management systems, ensuring robust risk management, cyber-resilience, and operational excellence.

Best-in-Class Service Metrics

Our commitment to delivering exceptional service is reflected in our key performance indicators (KPIs) for 2024:

● Net Promoter Score (NPS) for the Patient Portal:	55
● Uptime:	99.9%
● Support Service Level Agreement (SLA):	97.5%
● First-Time Response Time:	6.6 minutes
● Customer Effort Score (CES) for Service:	92%

OUR TEAM



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 resources. 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 19 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.



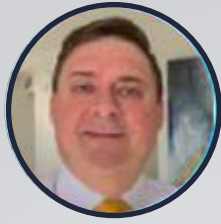
CARLOS PALACIO:
NON-EXECUTIVE DIRECTOR

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.



DR 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 merged and 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 Australian & New Zealand College of Radiologists. He is a Senior Fellow 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 Limited, 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 director for Boom Logistics and Chairman of Kip McGrath Education Centres.



DR JORGE MARIN: CHIEF MEDICAL
OFFICER & CO-FOUNDER

With more than 22 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 Doc 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 diagnostics at the University of Los Angeles and serves as an assistant professor of diagnostic neuroradiology for residency programs in neurology, neurosurgery, and neurology 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 MBA 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 DAVID FAJARDO:
VP OF GLOBAL SALES

Results-driven executive with 28 years of experience driving business development, sales, and operations across the United States, Latin America (including Brazil and Mexico), and Sub-Saharan Africa. With a strong background in Healthcare, IT, Biotechnology, and FMCG, Juan David has held senior leadership roles, including Chief Commercial Officer and General Manager, leading multinational organizations to profitable growth with full P&L responsibility. An Industrial Engineer by training, he has successfully launched and scaled operations in new markets, including opening Sub-Saharan Africa for a technology company. Having lived in Colombia and Brazil, he brings a global perspective, dual Colombian and British nationalities, and deep expertise in market expansion, strategic leadership, and operational excellence.



DR SANDRA NIÑO:
MEDICAL DIRECTOR

With more than 12 years of experience as a radiologist, Dr Niño has practiced at the Fundación Cardio Infantil and is currently the medical director of RIMAB since November 2019. Sandra is a Medical Surgeon from the Universidad del Rosario, Specialist in Radiology and Diagnostic Imaging from the same university, Fellowship in abdominal imaging and non-vascular intervention; currently pursuing an executive MBA at Inalde Business School.



ELIZABETH MENDEZ:
OPERATIONS MANAGER AND
CONTRACT AUDIT

With a master's degree in business administration with a specialization in Human Resources, a specialist in tax management, and more than 24 years of experience in administrative and financial areas, Elizabeth is an experienced professional in the health sector. She has been responsible for leading the administrative, financial and accounting processes, consolidation of accounting and financial operations for the preparation of the company's financial statements.



CASE STUDY

The Fundación Cardiovascular de Colombia (FCV) is one of the leading medical institutions in Latin America, known for excellence in health services, education and research. Founded in 1986, it has evolved into a highly medical complex, being the first institution in Colombia to be accredited by the **Joint Commission International (JCI)**, the most prestigious accreditation body in the field of health worldwide.

FCV has received multiple distinctions that reflect its commitment to quality and patient safety. In 2019, the FCV **Cardiovascular Institute** received the JCI Gold Seal of Approval for the fourth time, while the **Hospital Internacional de Colombia (HIC)**, part of the FCV ecosystem, earned this accreditation for the first time in the same year.

In addition, FCV has been accredited for its specialized programs. In 2019, the JCI certified the FCV Cardiovascular Institute as a Centre of Excellence in Heart Failure, Heart Transplantation and Ventricular Assist, the latter two being the only ones with this recognition in Latin America.

In terms of its positioning, FCV has been ranked among the best specialized hospitals 2025 in the world according to the Newsweek magazine, 6th best hospital 2024 in LATAM according to a study by LBC and in 2021 as the best Colombian hospital in cardiology and the second most outstanding in Latin America in this specialty, according to the 'Ranking Hospitals and Clinics in Latin America' of the magazine América Economía. These achievements and prizes consolidate FCV as a leading institution and a benchmark in the health sector, committed to innovation, quality and excellence in medical care worldwide.

What problem did they have in radiology?

The Fundación Cardiovascular de Colombia (FCV), including its Hospital Internacional de Colombia (HIC), faced challenges related to the centralization of information and the technological update of its RIS/PACS system. Despite having AQUILA as a central system for approximately four years, new strategic and operational needs emerged:

1 CENTRALIZATION OF INFORMATION:

The lack of integration between the radiology systems of the HIC and FCV generated information silos, making unified access to DICOM studies difficult and limiting operational efficiency.

2 EVOLUTION TO THE CLOUD:

The existing on-premises infrastructure did not meet today's needs for scalability, availability and resilience. It was essential to evolve to a 100% cloud environment to improve interoperability and optimize radiological data management.

3 MODERNIZATION OF BACKUP AND DRP:

Traditional backup and disaster recovery (DRP) models required an upgrade to cloud-based solutions, offering greater reliability, redundancy and ease of management. These challenges prompted the renewal of the contract with AQUILA, opting for a solution that not only solved the current problems, but also prepared the institution for the future challenges of radiology care.

What was the solution and what were the results?

To meet the challenges of centralization, modernization and scalability, the Fundación Cardiovascular de Colombia (FCV) chose to renew its contract with AQUILA, migrating to a 100% cloud-based solution. This change marked a milestone in the digital transformation of the institution, unifying and optimizing its radiological ecosystem.

THE IMPLEMENTED SOLUTION



1 | COMPLETE MIGRATION TO THE CLOUD:

The cloud version of AQUILA RIS/PACS provides a modern and scalable infrastructure, eliminating the limitations of on-premises systems. Now, both HIC and FCV are connected in a single integrated system, centralizing DICOM studies in a secure and accessible environment.



2 | OPTIMISED WORKFLOW:

With the unification of the HIC and FCV systems, specialists can access radiological studies from anywhere at any time, speeding up diagnostic times and improving patient care.

RESULTS ACHIEVED



1

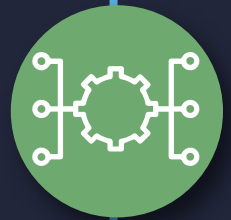
MIGRATION TO THE CLOUD:

The transition to AQUILA RIS/PACS in the cloud unified the HIC and FCV systems, centralising more than 80.000 DICOM studies in a secure and accessible environment.

2

OPERATIONAL OPTIMISATION:

The integration significantly improved workflow, enabling access to radiological studies and speeding up diagnosis times.



3

EFFICIENCY AND SECURITY:

The migration to the cloud resulted in cost reductions, increasing operational efficiency in the radiology area by 15-20%, thanks to the implementation of AI. In addition, the security of patient data was reinforced, protecting it with actions such as: dual storage; ERP recovery plan, local and cloud storage.



4

FINANCIAL IMPACT:

The migration from local storage to the cloud generated a 19% saving in FCV's recurring monthly billing, demonstrating efficiency in financial and administrative management.



A man wearing glasses is shown from the chest up, pointing his right index finger towards a digital line graph. The graph features a white line connecting several data points, with a vertical bar chart element. The background is a dark blue gradient with a network of white dots and lines, suggesting a data-driven or technological environment.

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 2024.

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

The loss for the Group after providing for income tax amounted to \$2,625,449 (31 December 2023: \$4,449,896).

A review of operations of the Group for the financial year ended 31 December 2024 is contained in the 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

On 13 February 2025, the Group contracted a new loan facility of \$300,872 with Banco De Bogota. The loan is unsecured with an interest rate of 12.2% per annum and is repayable over 1 year.

No other matter or circumstance has arisen since 31 December 2024 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 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, Social, and Governance (ESG)

IMEXHS is committed to ESG principles as part of its long-term strategy for sustainable growth. IMEXHS recognise the importance of reducing our environmental footprint by optimising energy-efficient technologies in medical imaging and cloud-based solutions. Socially, IMEXHS prioritise diversity, inclusion, and employee well-being while fostering innovation to improve global healthcare accessibility. Strong governance remains a cornerstone of our operations, ensuring transparency, ethical decision-making, and regulatory compliance. By integrating ESG into our business framework, IMEXHS aims to create long-term value for stakeholders while making a positive impact on society and the environment.

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:	2,110,179 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:	5,359,011 ordinary shares
Interests in options:	324,926 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: 1,812,631 ordinary shares
Interests in options: 87,715 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: 2,885,120 ordinary shares
Interests in options: 107,434 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 Kip McGrath Education Centres
Former directorships (last 3 years): RPM Automotive Group Limited and Vection Technologies Limited
Special responsibilities: Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee

Interests in shares: 1,562,294 ordinary shares
Interests in options: Nil

'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.

Ms 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 2024, 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	3	3	7	7
Dr German Arango	10	10	3	3	7	7
Dr Douglas Lingard	9	10	3	3	6	7
Mr Carlos Palacio	10	10	3	3	7	7
Mr Damian Banks	10	10	3	3	7	7

Remuneration report (audited)

Message from the Chair of Remuneration and Nomination Committee

This Remuneration Report outlines our relatively simple executive remuneration. At IMEXHS we are focused on creating a corporate culture aligned with our core values and remuneration aligned with shareholder's interest and the delivery of performance. Retention and reward for performance and talent is a balancing act with affordability and fairness.

2024 was the fourth year of awards under the Long-term Incentive Plan ('LTIP') which had been approved in 2020. The LTIP awards made in 2020 and in 2021 have not vested and therefore the performance rights under those plans have lapsed.

The Board remains of the view that the LTIP structure, which uses relative TSR metrics over a two and three year measurement period, is appropriate and provides the necessary alignment with Shareholders.

The key objectives of the plan are retention and motivation of talented key staff. Details of the 2024 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 and again at the Annual General Meeting held on 23 April 2024. The current arrangements are continuing through 31 December 2025.

To help preserve cash and align directors' interests with shareholders, non-executive directors received an aggregate of 139,725 nil priced options with a total value of \$75,451 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 superannuation, plus the fair value of any options issued.

The base remuneration packages (excluding superannuation) 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 four 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 2025 will help establish these relationships.

Use of remuneration consultants

During the financial year ended 31 December 2024, the Group did not engage remuneration consultants to review its existing remuneration policies.

Voting and comments made at the Company's 23 April 2024 Annual General Meeting ('AGM')

At the 2024 AGM, 98.21% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. 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	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Termination benefits \$	Long service leave \$	Equity-settled \$	
2024								
<i>Non-Executive Directors:</i>								
Mr Douglas Flynn	-	-	-	-	-	-	110,281	110,281
Dr Douglas Lingard	-	-	-	-	-	-	55,140	55,140
Mr Carlos Palacio	-	-	-	-	-	-	55,140	55,140
Mr Damian Banks	-	-	-	-	-	-	55,140	55,140
<i>Total Non-Executive Directors</i>	-	-	-	-	-	-	275,701	275,701
<i>Executive Directors:</i>								
Dr German Arango	299,030	-	16,125	23,185	27,108	-	54,412	419,860
<i>Other Key Management Personnel:</i>								
Ms Reena Minhas	275,251	-	13,045	30,966	-	7,917	65,365	392,544
Total	574,281	-	29,170	54,151	27,108	7,917	395,478	1,088,105

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Termination benefits \$	Long service leave \$	Equity-settled \$	
2023								
<i>Non-Executive Directors:</i>								
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
<i>Total Non-Executive Directors</i>	-	-	-	-	-	-	308,599	308,599
<i>Executive Directors:</i>								
Dr German Arango	301,967	-	15,445	19,677	26,529	-	28,199	391,817
<i>Other Key Management Personnel:</i>								
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

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
Mr Douglas Flynn	100%	100%	-	-	-	-
Dr Douglas Lingard	100%	100%	-	-	-	-
Mr Carlos Palacio	100%	100%	-	-	-	-
Mr Damian Banks	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Dr German Arango	87%	93%	-	-	13%	7%
<i>Other Key Management Personnel:</i>						
Ms Reena Minhas	83%	67%	-	-	17%	33%

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 \$275,250 per annum plus 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 2024 (as approved at the Annual General Meeting held on 23 April 2024), as set out below:

Name	Date	Number of shares	Issue Price
Mr Douglas Flynn	Various dates*	133,368	0.6006
Dr Douglas Lingard	Various dates*	66,682	0.6006
Mr Carlos Palacio	Various dates*	66,682	0.6006
Mr Damian Banks	Various dates*	66,682	0.6006

* The shares issued to the Directors during the year were at various dates, being 23 April 2024, 5 September 2024 and 30 December 2024.

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	100%
Mr Carlos Palacio (c)	14/05/2021	14/05/2021	14/05/2025	19,719	\$0.00	\$1.815	100%
Dr Douglas Lingard (d)	19/05/2022	19/05/2022	19/05/2026	20,044	\$0.00	\$0.705	100%
Mr Carlos Palacio (d)	19/05/2022	19/05/2022	19/05/2026	20,044	\$0.00	\$0.705	100%
Dr German Arango (e)	19/05/2022	01/03/2024	19/05/2032	49,173	\$0.00	\$0.501	-
Ms Reena Minhas (f)	18/07/2022	01/03/2025	18/07/2032	57,888	\$0.00	\$0.470	-
Dr Douglas Lingard (g)	16/05/2023	16/05/2023	16/05/2027	39,726	\$0.00	\$0.550	100%
Mr Carlos Palacio (g)	16/05/2023	16/05/2023	16/05/2027	39,726	\$0.00	\$0.550	100%
Dr German Arango (h)	16/05/2023	01/03/2025	25/04/2033	53,520	\$0.00	\$0.439	-
Dr German Arango (h)	16/05/2023	01/03/2026	25/04/2033	108,662	\$0.00	\$0.439	-
Ms Reena Minhas (i)	25/04/2023	01/03/2025	25/04/2033	51,029	\$0.00	\$0.512	-
Ms Reena Minhas (i)	25/04/2023	01/03/2026	25/04/2033	103,604	\$0.00	\$0.510	-
Dr Douglas Lingard (j)	23/04/2024	23/04/2024	23/04/2028	27,945	\$0.00	\$0.540	100%
Mr Carlos Palacio (j)	23/04/2024	23/04/2024	23/04/2028	27,945	\$0.00	\$0.540	100%
Dr German Arango (k)	23/04/2024	01/03/2026	23/04/2034	37,478	\$0.00	\$0.341	-
Dr German Arango (k)	23/04/2024	01/03/2027	23/04/2034	76,093	\$0.00	\$0.318	-
Ms Reena Minhas (l)	30/05/2024	01/03/2026	23/04/2034	38,771	\$0.00	\$0.341	-
Ms Reena Minhas (l)	30/05/2024	01/03/2027	23/04/2034	78,717	\$0.00	\$0.288	-

- (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) In 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.
- (d) On 18 July 2022, 100,219 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 18 July 2026. 40,087 of the Options were exercised during 2023 and 20,044 options were exercised during 2024. 40,088 options remain on issue.
- (e) On 19 May 2022, 73,393 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 24,220 options and tranche 2 of 49,173. Both tranches have a nil exercise price and expire on 18 July 2032. 24,220 Tranche 1 Options lapsed during the year.
- (f) On 19 May 2022, 86,400 share options were granted to Reena Minhas under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 28,512 options and tranche 2 of 57,888. Both tranches have a nil exercise price and expire on 18 July 2032. 28,512 Tranche 1 Options lapsed during the year.
- (g) On 16 May 2023, 198,631 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 16 May 2027. 119,179 of the Options were exercised during 2023. 79,452 options remain on issue.
- (h) On 16 May 2023, 162,182 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 53,520 options and tranche 2 of 108,662. Both tranches have a nil exercise price and expire on 25 April 2033.
- (i) On 25 April 2023, 154,633 share options were granted to Reena Minhas under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 51,029 options and tranche 2 of 103,604. Both tranches have a nil exercise price and expire on 25 April 2033.

- (j) On 23 April 2024, 139,725 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 23 April 2028. 83,835 of the Options were exercised during 2024. 55,890 of the options remain on issue.
- (k) On 23 April 2024, 113,571 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 37,478 options and tranche 2 of 76,093. Both tranches have a nil exercise price and expire on 23 April 2034.
- (l) On 30 May 2024, 117,488 share options were granted to Reena Minhas under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 38,771 options and tranche 2 of 78,717. Both tranches have a nil exercise price and expire on 23 April 2034.

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 2024 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 %
<i>Non-Executive Directors:</i>					
Mr Douglas Flynn	30,181	26,268	55,890	-	27%
Dr Douglas Lingard	15,090	-	27,945	-	27%
Mr Carlos Palacio	15,090	-	27,945	-	27%
Mr Damian Banks	15,090	21,835	27,945	-	27%
<i>Executive Director:</i>					
Dr German Arango	37,866	-	-	53,378	9%
<i>Other Key Management Personnel:</i>					
Ms Reena Minhas	32,828	-	-	51,469	8%

Additional information

The earnings of the Group for the five years to 31 December 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Sales revenue	26,449,689	19,669,043	17,117,357	13,372,709	10,913,968
Loss before income tax	(2,567,835)	(4,277,223)	(2,946,233)	(4,556,356)	(3,528,088)

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

	2024	2023	2022	2021	2020
Share price at financial year end (\$)	0.33	0.67	0.49	1.03	1.71
Basic earnings per share (cents per share)	(5.84)	(10.66)	(8.54)	(15.22)	(14.62)

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	Balance at the end of the year
<i>Ordinary shares</i>						
Mr Douglas Flynn	1,782,505	180,875	90,909	55,890	-	2,110,179
Dr Douglas Lingard	1,631,286	90,436	90,909	-	-	1,812,631
Mr Carlos Palacio	2,869,907	90,436	90,909	-	(166,132)	2,885,120
Mr Damian Banks	1,332,960	90,436	90,909	47,989	-	1,562,294
Dr German Arango	5,268,102	-	90,909	-	-	5,359,011
	<u>12,884,760</u>	<u>452,183</u>	<u>454,545</u>	<u>103,879</u>	<u>(166,132)</u>	<u>13,729,235</u>

* Includes shares issued during 2024 (13 February 2024) for Quarter 4 2023 remuneration.

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
<i>Options over ordinary shares</i>					
Mr Douglas Flynn	560,000	55,890	(55,890)	-	560,000
Dr German Arango	264,733	113,571	-	(53,378)	324,926
Dr Douglas Lingard	59,770	27,945	-	-	87,715
Mr Carlos Palacio	79,489	27,945	-	-	107,434
Mr Damian Banks	20,044	27,945	(47,989)	-	-
Ms Reena Minhas	403,990	117,488	-	(51,469)	470,009
	<u>1,388,026</u>	<u>370,784</u>	<u>(103,879)</u>	<u>(104,847)</u>	<u>1,550,084</u>

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
<i>Options over ordinary shares</i>			
Mr Douglas Flynn	320,000	240,000	560,000
Dr German Arango	-	324,926	324,926
Dr Doug Lingard	87,715	-	87,715
Mr Carlos Palacio	107,434	-	107,434
Ms Reena Minhas	140,000	330,009	470,009
	<u>655,149</u>	<u>894,935</u>	<u>1,550,084</u>

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-20	12-Mar-27	\$2.7500	160,000
26-May-20	12-Mar-27	\$3.5000	160,000
26-May-20	12-Mar-27	\$1.5000	240,000
1-Mar-21	1-Mar-31	\$0.0000	140,000
14-May-21	14-May-25	\$0.0000	19,719
19-May-22	19-May-26	\$0.0000	40,088
19-May-22	19-May-32	\$0.0000	49,173
18-Jul-22	18-Jul-32	\$0.0000	231,227
16-May-23	16-May-27	\$0.0000	79,452
16-May-23	25-Apr-33	\$0.0000	874,293
23-Apr-24	23-Apr-28	\$0.0000	55,890
23-Apr-24	23-Apr-34	\$0.0000	113,571
30-May-24	23-Apr-34	\$0.0000	558,533
			2,721,946

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 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
19 May 2022	\$0.0000	20,044
23 April 2024	\$0.0000	83,835
		103,879

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 28 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 28 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 (including Independence Standards) 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

31 March 2025

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 2024, 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 Sydney Audit Pty Ltd



Lester Wills

Director

Dated: 31 March 2025

	Note	Consolidated 2024 \$	2023 (restated) \$
Revenue	6	26,449,689	19,669,043
Other income		87,821	218,508
Interest revenue calculated using the effective interest method		31,927	33,512
Expenses			
Hardware and licence expenses		(1,205,490)	(548,105)
Research and development and support expenses		(1,962,065)	(1,480,536)
Platform as a service expense		(1,338,874)	(357,570)
Clinical services expenses		(12,980,314)	(11,104,902)
Administration and sales expenses	7	(7,852,888)	(5,904,846)
Share-based payments expenses	7,22	(363,659)	(388,943)
Depreciation and amortisation expense		(2,151,184)	(2,429,802)
Impairment of goodwill		-	(1,276,940)
(Write-down)/reversal of write-down of inventories		(5,058)	4,122
Net expected credit loss		(652,180)	(156,995)
Net foreign exchange gain/(loss)		15,588	(73,666)
Other expenses		(172,290)	(129,367)
Finance costs	7	(468,858)	(350,736)
Loss before income tax expense		(2,567,835)	(4,277,223)
Income tax expense	8	(57,614)	(172,673)
Loss after income tax expense for the year attributable to the owners of IMEXHS Limited	23	(2,625,449)	(4,449,896)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	22	(617,810)	3,700,091
Other comprehensive (loss)/income for the year, net of tax		(617,810)	3,700,091
Total comprehensive loss for the year attributable to the owners of IMEXHS Limited		<u>(3,243,259)</u>	<u>(749,805)</u>
		Cents	Cents
Basic earnings per share	35	(5.84)	(10.66)
Diluted earnings per share	35	(5.84)	(10.66)

Refer to note 4 for detailed information on Restatement of immaterial error.

	Note	Consolidated 2024 \$	2023 (restated) \$
Assets			
Current assets			
Cash and cash equivalents		2,072,025	2,361,809
Trade and other receivables	9	4,955,839	5,331,305
Contract assets	10	1,416,364	844,332
Inventories	11	327,951	112,029
Prepayments		483,845	267,128
Total current assets		<u>9,256,024</u>	<u>8,916,603</u>
Non-current assets			
Trade receivables	12	1,125,197	512,399
Property, plant and equipment	13	3,274,059	4,617,558
Right-of-use assets	14	23,719	27,697
Intangibles	15	8,127,760	8,579,017
Total non-current assets		<u>12,550,735</u>	<u>13,736,671</u>
Total assets		<u>21,806,759</u>	<u>22,653,274</u>
Liabilities			
Current liabilities			
Trade and other payables	16	3,513,601	3,421,385
Contract liabilities	17	525,652	61,978
Borrowings	18	794,042	1,049,744
Lease liabilities		29,984	27,697
Income tax payable		50,178	-
Employee benefits		1,975,470	2,039,408
Contingent consideration	19	-	29,951
Total current liabilities		<u>6,888,927</u>	<u>6,630,163</u>
Non-current liabilities			
Borrowings	20	365,270	215,748
Deferred tax	8	78,658	81,295
Total non-current liabilities		<u>443,928</u>	<u>297,043</u>
Total liabilities		<u>7,332,855</u>	<u>6,927,206</u>
Net assets		<u>14,473,904</u>	<u>15,726,068</u>
Equity			
Issued capital	21	40,290,769	38,663,333
Reserves	22	4,510,960	4,765,111
Accumulated losses	23	(30,327,825)	(27,702,376)
Total equity		<u>14,473,904</u>	<u>15,726,068</u>

Refer to note 4 for detailed information on Restatement of immaterial error.

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	-	-	(4,449,896)	(4,449,896)
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	(4,449,896)	(749,805)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	186,334	-	-	186,334
Share-based payments (note 36)	-	388,943	-	388,943
Balance at 31 December 2023	<u>38,663,333</u>	<u>4,765,111</u>	<u>(27,702,376)</u>	<u>15,726,068</u>

Refer to note 4 for detailed information on Restatement of immaterial error.

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2024	38,663,333	4,765,111	(27,702,376)	15,726,068
Loss after income tax expense for the year	-	-	(2,625,449)	(2,625,449)
Other comprehensive loss for the year, net of tax	-	(617,810)	-	(617,810)
Total comprehensive loss for the year	-	(617,810)	(2,625,449)	(3,243,259)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	1,627,436	-	-	1,627,436
Share-based payments (note 36)	-	363,659	-	363,659
Balance at 31 December 2024	<u>40,290,769</u>	<u>4,510,960</u>	<u>(30,327,825)</u>	<u>14,473,904</u>

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

	Consolidated	
	2023	
Note	2024	(restated)
	\$	\$
Cash flows from operating activities		
Loss before income tax expense for the year	(2,567,835)	(4,277,223)
Adjustments for:		
Depreciation and amortisation	2,151,184	2,429,802
Equity settled transactions (directors' fees)	250,200	199,125
Impairment of goodwill	-	1,276,940
Net loss on disposal of property, plant and equipment	-	1,843
Share-based payments	363,659	388,943
Foreign exchange differences	(118,646)	732,221
Net expected credit losses	652,180	(28,200)
Impairment/(write back) of inventories	5,058	(4,122)
Interest revenue	(31,927)	(33,512)
Interest and other finance costs	468,858	332,139
	<u>1,172,731</u>	<u>1,017,956</u>
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,631,376)	36,194
Increase in inventories	(220,980)	(11,082)
Increase in trade and other payables	92,215	1,293,632
Increase in contract liabilities	463,674	79,302
(Decrease)/increase in employee benefits	(63,938)	672,553
	<u>(187,674)</u>	<u>3,088,555</u>
Interest received	31,927	33,512
Interest paid	(468,858)	(332,139)
Income taxes paid	(10,073)	(180,287)
	<u>(634,678)</u>	<u>2,609,641</u>
Net cash (used in)/from operating activities		
	<u>(634,678)</u>	<u>2,609,641</u>
Cash flows from investing activities		
Payment for purchase of subsidiary (contingent consideration)	(29,951)	-
Payments for property, plant and equipment	13 (370,443)	(1,230,876)
Payments for intangibles	15 (1,090,219)	(964,173)
Proceeds from disposal of property, plant and equipment	724,701	42,687
Proceeds from disposal of intangibles	-	19,262
	<u>(765,912)</u>	<u>(2,133,100)</u>
Net cash used in investing activities		
	<u>(765,912)</u>	<u>(2,133,100)</u>
Cash flows from financing activities		
Proceeds from issue of shares	21 1,500,000	-
Proceeds from borrowings	34 550,661	559,644
Repayment of borrowings	34 (656,841)	(600,080)
Share issue transaction costs	21 (122,764)	(12,791)
Repayment of lease liabilities	34 (89,952)	(45,384)
	<u>1,181,104</u>	<u>(98,611)</u>
Net cash from/(used in) financing activities		
	<u>1,181,104</u>	<u>(98,611)</u>
Net (decrease)/increase in cash and cash equivalents	(219,486)	377,930
Cash and cash equivalents at the beginning of the financial year	2,361,809	1,911,910
Effects of exchange rate changes on cash and cash equivalents	(70,298)	71,969
	<u>2,072,025</u>	<u>2,361,809</u>
Cash and cash equivalents at the end of the financial year		
	<u>2,072,025</u>	<u>2,361,809</u>

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:

7/32 Martin Place
Sydney
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 31 March 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Note 2. Material accounting policy information (continued)

Going concern

The Group has prepared the financial statements for the year ended 31 December 2024 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 2024, the Group generated a consolidated loss of \$2,625,449 (2023 (restated): \$4,449,896) and incurred operating cash outflows of \$634,678 (2023: cash inflows of \$2,609,641). As at 31 December 2024, the Group had cash and cash equivalents of \$2,072,025 (2023: \$2,361,809), a surplus of net current assets of \$2,367,097 (2023: \$2,286,440) and surplus of net assets of \$14,473,904 (2023: \$15,726,068).

The Group has experienced growth in revenue in the year ended 31 December 2024 of approximately 27% on a consistent currency basis, however, there continues to be higher costs in radiology and corporate overhead to deliver. The Group has renewed multiple contracts during the year with more favourable pricing and continues to review customer pricing and delivery costs with an aim of improving margins. The forecasted growth for 2025 and through 2026 will require additional working capital.

The radiology business exited a slow paying customer in September 2024 and the customer entered a binding term payment schedule to settle the outstanding monies owed to us. However there is a working capital impact with the funds being recovered over 36 months.

In response to the above 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 refinancing, the issuance of preference shares, convertible notes or undertaking an ordinary equity capital raise.

In the unlikely scenario that the Group is not able to achieve these targets or obtain additional capital 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.

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 31.

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 2024 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.

Note 2. Material accounting policy information (continued)

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

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

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

Operating segments

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

Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

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

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.

Note 2. Material accounting policy information (continued)

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

Interest

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

Other revenue

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

Income tax

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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 right at the end of the reporting period 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.

Note 2. Material accounting policy information (continued)

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.

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

Joint operations

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

Investments and other financial assets

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

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.

Note 2. Material accounting policy information (continued)

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

Property, plant and equipment

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

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

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

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

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

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

Right-of-use assets

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

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

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

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.

Note 2. Material accounting policy information (continued)

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.

Licences

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

Impairment of non-financial assets

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

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

Trade and other payables

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

Contract liabilities

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

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.

Note 2. Material accounting policy information (continued)

Finance costs

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

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

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

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

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

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.

Note 2. Material accounting policy information (continued)

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of 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 2024. 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 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

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

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.

Joint arrangements

The Group holds interests in the following arrangements:

- (1) 75% in Union Temporal RIMAB Sur
- (2) 97% in Union Temporal RIMAB AI-RAD

The partnership agreements require unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. Interests the entities are therefore classified as joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2.

Note 4. Restatement of immaterial error

Correction of error

Subsequent to the 31 December 2023 year end, it was noted that some prior year expenses were incorrectly recorded in one of the subsidiary's accounts for the year ended 31 December 2023. As a result total expenses of the Group for the year ended 31 December 2023 were understated by \$257,556 and accruals were understated by \$257,556 as at 31 December 2023. Comparative information has been amended for this immaterial error as per below.

Note 4. Restatement of immaterial error (continued)

Consolidated statement of profit or loss and other comprehensive income

	2023 \$ Reported	Consolidated \$ Adjustment	2023 \$ Restated
Extract Expenses			
Platform as a service expense	(303,859)	(53,711)	(357,570)
Clinical services expenses	(10,946,757)	(158,145)	(11,104,902)
Administration and sales expenses	(5,877,743)	(27,103)	(5,904,846)
Finance costs	(332,139)	(18,597)	(350,736)
Loss before income tax expense	(4,019,667)	(257,556)	(4,277,223)
Income tax expense	(172,673)	-	(172,673)
Loss after income tax expense for the year attributable to the owners of IMEXHS Limited	(4,192,340)	(257,556)	(4,449,896)
Other comprehensive income for the year, net of tax	3,700,091	-	3,700,091
Total comprehensive loss for the year attributable to the owners of IMEXHS Limited	<u>(492,249)</u>	<u>(257,556)</u>	<u>(749,805)</u>
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(10.04)	(0.62)	(10.66)
Diluted earnings per share	(10.04)	(0.62)	(10.66)

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 January 2023. However, as there were no adjustments made as at 1 January 2023, the Group has elected not to show the 1 January 2023 statement of financial position.

Consolidated statement of financial position at the end of the earliest comparative period

	2023 \$ Reported	Consolidated \$ Adjustment	2023 \$ Restated
Extract Liabilities			
Current liabilities			
Trade and other payables	3,163,829	257,556	3,421,385
Total current liabilities	6,372,607	257,556	6,630,163
Total liabilities	6,669,650	257,556	6,927,206
Net assets	<u>15,983,624</u>	<u>(257,556)</u>	<u>15,726,068</u>
Equity			
Accumulated losses	(27,444,820)	(257,556)	(27,702,376)
Total equity	<u>15,983,624</u>	<u>(257,556)</u>	<u>15,726,068</u>

Note 5. 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.

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.

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 6 for geographical information.

Major customers

During the year ended 31 December 2024, one customer individually contributed to approximately 34% of the total external revenue generated by the Group (2023: 38%).

Note 5. Operating segments (continued)

Operating segment information

	Software \$	Radiology \$	Corporate \$	Total \$
Consolidated - 2024				
Revenue				
Sales to external customers	8,897,098	17,552,591	-	26,449,689
Intersegment sales	-	583,400	-	583,400
Total sales revenue	8,897,098	18,135,991	-	27,033,089
Total segment revenue	8,897,098	18,135,991	-	27,033,089
Intersegment eliminations				(583,400)
Total revenue				26,449,689
Underlying EBITDA				
Depreciation and amortisation	(1,801,491)	(348,269)	(1,424)	(2,151,184)
Finance costs	(153,996)	(314,849)	(13)	(468,858)
Interest revenue	18,615	11,794	1,518	31,927
Foreign exchange, share based payments and other	19,290	(160,747)	(363,614)	(505,071)
Profit/(loss) before income tax expense	1,254,842	(760,761)	(3,061,916)	(2,567,835)
Income tax expense				(57,614)
Loss after income tax expense				(2,625,449)
Consolidated - 2023 (restated)				
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				
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)	(251,024)	(4)	(350,736)
Interest revenue	27,564	252	5,696	33,512
Foreign exchange and share based payments expenses	(53,500)	(20,276)	(388,833)	(462,609)
Profit/(loss) before income tax expense	792,715	(2,732,961)	(2,336,977)	(4,277,223)
Income tax expense				(172,673)
Loss after income tax expense				(4,449,896)

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 6. Revenue

	Consolidated	
	2024	2023
	\$	\$
Medical equipment and licences	701,954	267,698
Leasing equipment and software and services	25,055,245	18,750,133
Sale of inputs	84,036	57,384
Service and maintenance of equipment and software	608,454	593,828
Revenue	26,449,689	19,669,043

Note 6. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	
	2024	2023
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	723,323	318,307
Services transferred over time	25,726,366	19,350,736
	<u>26,449,689</u>	<u>19,669,043</u>

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

Note 7. Expenses

	Consolidated	
	2024	2023 (restated)
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	172,032	200,823
Interest and finance charges paid/payable on lease liabilities	6,628	4,175
Penalty interest and fines	290,198	145,738
	<u>468,858</u>	<u>350,736</u>
<i>Administration expenses</i>		
Employee and Director benefits expense	4,769,689	3,385,793
Professional and consultancy fees	716,780	615,643
Taxes	417,680	334,745
Office expenses	1,121,116	681,839
Insurance	183,325	226,960
Advertising and marketing	42,703	113,670
Corporate expenses	379,187	294,306
Maintenance	13,581	3,691
Travel expenses	165,822	182,239
Other	43,005	65,960
	<u>7,852,888</u>	<u>5,904,846</u>

	Consolidated	
	2024	2023 (restated)
	\$	\$
<i>Leases</i>		
Short-term lease payments	<u>379,110</u>	<u>244,191</u>

Note 7. Expenses (continued)

Employee and Director benefits expense

Included in administration expenses:

Employee benefits expense excluding superannuation and share-based payments ^(a)	4,418,422	3,130,613
Defined contribution superannuation expense	351,267	255,180
	<u>4,769,689</u>	<u>3,385,793</u>

Included in research and development and support expenses and clinical services expenses:

Employee benefits expense excluding superannuation and share-based payments	5,539,256	5,738,994
Defined contribution superannuation expense	521,761	497,962
	<u>6,061,017</u>	<u>6,236,956</u>

Share-based payments expense

Share-based payments expense on issue of Director options	129,863	137,447
Share-based payments expense on issue of Employee options	233,796	251,496
	<u>363,659</u>	<u>388,943</u>

<i>Total Employee and Director benefits expense</i>	<u>11,194,365</u>	<u>10,011,692</u>
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(a) Administrative expenses for the year ended 31 December 2024 include \$200,250 worth of shares issued to the Directors in lieu of directors' fees.

(b) Further employee benefit expense of \$896,588 were capitalised as per note 15.

Refer to note 4 for detailed information on Restatement of immaterial error.

Note 8. Income tax

	Consolidated	
	2024	2023
	\$	\$
<i>Income tax expense</i>		
Current tax	57,614	172,673
Aggregate income tax expense	<u>57,614</u>	<u>172,673</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,567,835)	(4,277,223)
Tax at the statutory tax rate of 25%	(641,959)	(1,069,306)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expected credit losses	29,059	(3,702)
Provision for inventories	799	(953)
Intangibles	238,112	238,961
Non-deductible taxes	3,882	3,190
Non-deductible employee contributions	(213,214)	(167,967)
Non-deductible interest, fines and levies	81,420	39,901
Non-deductible financial transactions levy	12,136	9,730
Other non-deductible expenses	294,557	361,628
Effect of overseas tax rates	6,544	32,522
Deferred tax assets not recognised	224,345	669,821
	<u>35,681</u>	<u>113,825</u>
Adjustment of tax for prior period	21,933	58,848
Income tax expense	<u>57,614</u>	<u>172,673</u>

Note 8. Income tax (continued)

	Consolidated	
	2024	2023
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	30,081	31,089
Intangible assets	249,496	257,859
Allowance for expected credit losses	(170,838)	(176,564)
Lease liabilities	(30,081)	(31,089)
	<u>78,658</u>	<u>81,295</u>
Deferred tax liability	<u>78,658</u>	<u>81,295</u>
Movements:		
Opening balance	81,295	64,935
Foreign exchange differences	(2,637)	16,360
	<u>78,658</u>	<u>81,295</u>

Note 9. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Trade receivables	4,906,924	5,230,692
Less: Allowance for expected credit losses	(432,588)	(99,876)
	<u>4,474,336</u>	<u>5,130,816</u>
Other receivables	145,521	166,883
Indirect taxes receivable	335,982	33,606
	<u>4,955,839</u>	<u>5,331,305</u>

Refer to note 30 for further details on related party receivables.

Allowance for expected credit losses

The Group has recognised a net loss of \$652,180 (2023: \$350,414) in profit or loss in respect of the expected credit losses for the year ended 31 December 2024.

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	
	2024	2023	2024	2023	2024	2023
Consolidated	%	%	\$	\$	\$	\$
Not overdue	4.44%	-	3,527,127	2,458,984	156,619	-
0 to 3 months overdue	-	-	1,961,955	1,378,250	-	-
3 to 6 months overdue	5.48%	2.09%	124,830	520,179	6,844	10,888
6 to 12 months overdue	50.78%	6.44%	159,958	1,057,348	81,231	68,138
Over 12 months overdue	72.75%	6.35%	258,258	328,333	187,894	20,850
			<u>6,032,128</u>	<u>5,743,094</u>	<u>432,588</u>	<u>99,876</u>

Note 9. Current assets - trade and other receivables (continued)

The provision amount of \$156,619 within the "not overdue" category relates to a receivable with a customer which the Group has stopped servicing since August 2024 due to lack of payment. The matter was brought to Courts and the Group has reached a settlement agreement with the customer who has agreed to repay the balance due over a 36 month-period. The first payment was received on 29 November 2024. The account receivable balance as at 31 December 2024 was \$1,000,000, of which \$156,619 has been provided for.

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

	Consolidated	
	2024	2023
	\$	\$
Opening balance	99,876	94,119
Additional provisions recognised	652,180	350,414
Amounts recovered during the year	(33,031)	(378,614)
Amounts written off	(288,188)	-
Foreign exchange differences	1,751	33,957
	<u>432,588</u>	<u>99,876</u>

Note 10. Current assets - contract assets

	Consolidated	
	2024	2023
	\$	\$
Contract assets	<u>1,416,364</u>	<u>844,332</u>

Reconciliation

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

Opening balance	844,332	850,780
Additions	1,416,364	844,332
Transfer to trade receivables	(816,947)	(1,065,124)
Exchange differences	(27,385)	214,344
	<u>1,416,364</u>	<u>844,332</u>

Note 11. Current assets - inventories

	Consolidated	
	2024	2023
	\$	\$
Merchandise not manufactured by the Group - at cost	333,727	119,447
Materials and spare parts - at cost	52,254	49,102
Less: Provision for impairment	(58,030)	(56,520)
	<u>327,951</u>	<u>112,029</u>

The cost of inventories recognised as an expense during the year ended 31 December 2024 was \$1,205,490 (2023: \$548,105).

The cost of inventories recognised as an expense includes \$5,058 (2023: write downs of \$4,122) in respect of reversal of write downs of inventory to net realisable value.

Note 12. Non-current assets - trade receivables

	Consolidated	Consolidated
	2024	2023
	\$	\$
Trade receivables	<u>1,125,197</u>	<u>512,399</u>

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

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

	Consolidated	Consolidated
	2024	2023
	\$	\$
Leasehold improvements - at cost	81,165	229,484
Less: Accumulated depreciation	<u>(17,015)</u>	<u>(138,397)</u>
	<u>64,150</u>	<u>91,087</u>
Furniture and fittings - at cost	25,224	40,896
Less: Accumulated depreciation	<u>(14,353)</u>	<u>(29,889)</u>
	<u>10,871</u>	<u>11,007</u>
Motor vehicles - at cost	2,008	2,076
Less: Accumulated depreciation	<u>(738)</u>	<u>(555)</u>
	<u>1,270</u>	<u>1,521</u>
Computer equipment - at cost	1,412,743	1,397,856
Less: Accumulated depreciation	<u>(1,064,249)</u>	<u>(957,381)</u>
	<u>348,494</u>	<u>440,475</u>
Medical equipment - at cost	4,753,681	6,306,506
Less: Accumulated depreciation	<u>(1,904,407)</u>	<u>(2,233,038)</u>
	<u>2,849,274</u>	<u>4,073,468</u>
	<u><u>3,274,059</u></u>	<u><u>4,617,558</u></u>

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 2023	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	<u>(50,764)</u>	<u>(9,570)</u>	<u>(193)</u>	<u>(343,978)</u>	<u>(721,352)</u>	<u>(1,125,857)</u>
Balance at 31 December 2023	91,087	11,007	1,521	440,475	4,073,468	4,617,558
Additions	1,641	8,172	-	110,853	249,777	370,443
Disposals	(3,030)	2,972	-	-	(724,643)	(724,701)
Exchange differences	2,564	1,179	(48)	(9,956)	(125,238)	(131,499)
Depreciation expense	<u>(28,112)</u>	<u>(12,459)</u>	<u>(203)</u>	<u>(192,878)</u>	<u>(624,090)</u>	<u>(857,742)</u>
Balance at 31 December 2024	<u><u>64,150</u></u>	<u><u>10,871</u></u>	<u><u>1,270</u></u>	<u><u>348,494</u></u>	<u><u>2,849,274</u></u>	<u><u>3,274,059</u></u>

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

	Consolidated	
	2024	2023
	\$	\$
Land and buildings - right-of-use	98,568	91,355
Less: Accumulated depreciation	(74,849)	(63,658)
	<u>23,719</u>	<u>27,697</u>

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 2023	29,162
Additions	72,170
Modifications of lease terms	(3,219)
Exchange differences	6,839
Depreciation expense	<u>(77,255)</u>
Balance at 31 December 2023	27,697
Additions	92,239
Exchange differences	747
Depreciation expense	<u>(96,964)</u>
Balance at 31 December 2024	<u>23,719</u>

For other lease related disclosures refer to:

- note 7 for details of interest on lease liabilities and other lease expenses;
- consolidated statement of financial position for lease liabilities at 31 December 2024;
- note 25 for maturity analysis of lease liabilities; and
- consolidated statement of cash flow for repayment of lease liabilities.

Note 15. Non-current assets - intangibles

	Consolidated	
	2024	2023
	\$	\$
Goodwill - at cost	5,883,408	6,080,636
Less: Impairment	(1,276,940)	(1,276,940)
	<u>4,606,468</u>	<u>4,803,696</u>
Internally developed software - at cost	5,242,633	4,506,138
Less: Accumulated amortisation	(2,630,845)	(1,734,663)
	<u>2,611,788</u>	<u>2,771,475</u>
Customer contracts - at cost	1,027,824	1,062,279
Less: Accumulated amortisation	(222,695)	(159,342)
	<u>805,129</u>	<u>902,937</u>
Licenses - at cost	273,412	294,348
Less: Accumulated amortisation	(169,037)	(193,439)
	<u>104,375</u>	<u>100,909</u>
	<u><u>8,127,760</u></u>	<u><u>8,579,017</u></u>

Reconciliations

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

	Goodwill	Internally developed software	Customer contracts	Copyright	Licences	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 January 2023	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	645,638	191,106	-	(15,963)	2,044,435
Impairment of assets	(1,276,940)	-	-	-	-	(1,276,940)
Amortisation expense	-	(958,342)	(65,968)	(6)	(227,400)	(1,251,716)
	<u>4,803,696</u>	<u>2,771,475</u>	<u>902,937</u>	<u>-</u>	<u>100,909</u>	<u>8,579,017</u>
Balance at 31 December 2023	4,803,696	2,771,475	902,937	-	100,909	8,579,017
Additions	-	896,588	-	-	193,631	1,090,219
Exchange differences	(197,228)	(94,501)	(28,451)	-	(7,922)	(328,102)
Amortisation expense	-	(961,774)	(69,357)	-	(182,243)	(1,213,374)
	<u>4,606,468</u>	<u>2,611,788</u>	<u>805,129</u>	<u>-</u>	<u>104,375</u>	<u>8,127,760</u>
Balance at 31 December 2024	<u><u>4,606,468</u></u>	<u><u>2,611,788</u></u>	<u><u>805,129</u></u>	<u><u>-</u></u>	<u><u>104,375</u></u>	<u><u>8,127,760</u></u>

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 5, the Group has two main CGUs being the radiology and software CGUs.

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.

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

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.

No impairment existed at 31 December 2024. Based on the value-in-use calculation methodology and assumptions stated below, the carrying amount of each group of CGUs at balance date does not exceed its recoverable amount.

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 \$13.1m.

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 2024 and 31 December 2023:

Assumptions	How determined	Rate used in the VIU calculation 2024	Rate used in the VIU calculation 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.	25.63%	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.	7%-40%	9%-38%
Terminal value growth rate	Assumed to be nil.	Nil	Nil
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.	5%-11%	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.

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

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 2024 and 31 December 2023 was most sensitive to the following assumptions:

Assumptions used	2024 %	2024 Impact	2023 %	2023 Impact
Post-tax discount rate	16.66%	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 would still not result in an impairment.
Average projected revenue growth rate for recurring revenue	14.00%	a 2% decrease in the growth rate per year with all other factors remaining consistent in the model will result in an impairment of \$1,238,649.	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.
Average EBITDA Margin (after allocating Corporate Cost)	15.00%	a 2% decrease in EBITDA Margin rate per year with all other factors remaining consistent in the model will result in an impairment of \$318,662.	17.00%	a 2% decrease in EBITDA Margin rate per year with all other factors remaining consistent in the model would still not result in an impairment.

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 16. Current liabilities - trade and other payables

	Consolidated	
	2024	2023 (restated)
	\$	\$
Trade payables	3,124,185	2,705,927
Withholding tax payable	367,354	197,175
Other payables	22,062	518,283
	<u>3,513,601</u>	<u>3,421,385</u>

Refer to note 4 for detailed information on Restatement of immaterial error.

Refer to note 25 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated	
	2024	2023
	\$	\$
Contract liabilities	<u>525,652</u>	<u>61,978</u>
<i>Reconciliation</i>		
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:		
Opening balance	61,978	14,276
Payments received in advance	1,691,869	25,744
Transfer from revenue - included in the opening balance	(1,167,036)	53,558
Exchange differences	<u>(61,159)</u>	<u>(31,600)</u>
Closing balance	<u>525,652</u>	<u>61,978</u>
Representing:		
Contract liabilities - current	<u>525,652</u>	<u>61,978</u>

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 \$525,652 as at 31 December 2024 (\$61,978 as at 31 December 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2024	2023
	\$	\$
Within 6 months	439,148	56,528
6 to 12 months	54,316	-
12 to 18 months	32,033	-
18 to 24 months	155	5,450
	<u>525,652</u>	<u>61,978</u>

Note 18. Current liabilities - borrowings

	Consolidated	
	2024	2023
	\$	\$
Credit cards	364	8,041
Unsecured fixed term loans	<u>793,678</u>	<u>1,041,703</u>
	<u>794,042</u>	<u>1,049,744</u>

Refer to note 20 for further information on financing arrangements and note 25 for further information on financial instruments.

Note 19. Current liabilities - Contingent consideration

	Consolidated	
	2024	2023
	\$	\$
Contingent consideration	<u>-</u>	<u>29,951</u>

Refer to note 26 for further information.

Note 20. Non-current liabilities - borrowings

	Consolidated 2024	2023
	\$	\$
Unsecured fixed term loans	365,270	215,748

Refer to note 25 for further information on financial instruments.

Financing arrangements

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

	Consolidated 2024	2023
	\$	\$
Total facilities		
Unsecured fixed term loans	1,158,948	1,257,451
Used at the reporting date		
Unsecured fixed term loans	1,158,948	1,257,451
Unused at the reporting date		
Unsecured fixed term loans	-	-

Note 21. Equity - issued capital

	2024	Consolidated 2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	45,891,027	42,607,692	40,290,769	38,663,333

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2023	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	-
Share issue transaction costs, net of tax		-	\$0.0000	(12,791)
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
Balance	31 December 2023	42,607,692		38,663,333
Issue of shares in lieu of Director fees	13 February 2024	118,769	\$0.4210	49,950
Issue of shares - Director placement	14 March 2024	2,272,728	\$0.5500	1,250,000
Issue of shares- Director placement	23 April 2024	454,545	\$0.5500	250,000
Issue of shares in lieu of Director fees	23 April 2024	83,166	\$0.6006	49,950
Issue of shares on exercise of options	2 September 2024	47,989	\$0.0000	-
Issue of shares in lieu of Director fees	5 September 2024	83,166	\$0.6006	49,950
Issue of shares on exercise of options	6 September 2024	55,890	\$0.0000	-
Issue of shares in lieu of Director fees	30 December 2024	167,082	\$0.6006	100,350
Share issue transaction costs, net of tax		-		(122,764)
Balance	31 December 2024	45,891,027		40,290,769

Note 21. Equity - issued capital (continued)

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.

To support growth and any additional requirements for working capital, the Board and management consider various options, including but not limited to external debt funding, owned equipment refinancing, the issuance of preference shares, convertible notes or undertaking an ordinary equity capital raise.

There have been no events of default on the financing arrangements during the financial year.

Note 22. Equity - reserves

	Consolidated	
	2024	2023
	\$	\$
Foreign currency reserve	(204,484)	413,326
Share-based payments reserve	4,685,004	4,321,345
Options reserve	30,440	30,440
	<u>4,510,960</u>	<u>4,765,111</u>

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.

Note 22. Equity - reserves (continued)

Movements in reserves

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

	Foreign currency \$	Share-based payments \$	Options \$	Total \$
Consolidated				
Balance at 1 January 2023	(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
Foreign currency translation	(617,810)	-	-	(617,810)
Share-based payments - options issued	-	363,659	-	363,659
Balance at 31 December 2024	<u>(204,484)</u>	<u>4,685,004</u>	<u>30,440</u>	<u>4,510,960</u>

The Colombian Peso (COP) appreciated significantly against Australian Dollar (AUD) during the first 6 months of 2024, but subsequently weakened in the second half. This has caused a large movement in the foreign currency reserve. The average exchange rate for the year ended 31 December 2024 was COP 2,699 compared to the average rate of COP 2,851 for the year ended 31 December 2023. The closing rate as at 31 December 2024 was COP 2,724 (31 December 2023: COP 2,636).

Note 23. Equity - accumulated losses

	Consolidated	
	2024 \$	2023 \$
Accumulated losses at the beginning of the financial year	(27,702,376)	(23,252,480)
Loss after income tax expense for the year	<u>(2,625,449)</u>	<u>(4,449,896)</u>
Accumulated losses at the end of the financial year	<u>(30,327,825)</u>	<u>(27,702,376)</u>

Note 24. Equity - dividends

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

Note 25. 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.

Note 25. Financial instruments (continued)

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

	Assets		Liabilities	
	2024	2023	2024	2023
Consolidated	\$	\$	\$	\$
US dollars	405,882	320,377	12,441	72,793
Euros	664	20,016	35	13,269
Colombian peso	7,128,758	7,223,072	2,766,836	2,639,801
Mexican peso	1,164	-	62	-
	<u>7,536,468</u>	<u>7,563,465</u>	<u>2,779,374</u>	<u>2,725,863</u>

Based on the financial instruments held at 31 December 2024, had the Australian dollar weakened by 5% against the above foreign currencies, with all other variables held constant, the Group's pre-tax loss for the year would have been \$78,000 higher (2023: \$69,725 higher). If the Australian dollar had strengthened the corresponding impact would have been a decrease in pre-tax profit by the same amount.

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. During the financial years ended 31 December 2024 and 31 December 2023, 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:

	2024	% of total loans	2023	% of total loans
	\$	%	\$	%
Variable rate borrowings	<u>1,159,312</u>	<u>100.0</u>	<u>1,265,492</u>	<u>100.0</u>

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.

Note 25. Financial instruments (continued)

The Group has a credit risk exposure with two major customers, which as at 31 December 2024 owed the Group \$2,500,000 in aggregate (51% of trade receivables) (2023: \$2,100,000 - 41% of trade receivables).

As noted in note 9, there is a court approved 36 month payment agreement for \$1,000,000 for one of the customers. This balance was within its terms of trade, however an impairment charge of \$156,619 has been taken as at 31 December 2024.

There are no guarantees against the trade receivable amount of \$2,500,000 owed from these two major customers but management closely monitors the receivable balance on a monthly basis and is in regular contact with these customers to mitigate any risk.

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.

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 - 2024

	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	-	3,124,185	-	-	-	-	3,124,185	3,124,185
Other payables	-	22,062	-	-	-	-	22,062	22,062
Contingent consideration	-	-	-	-	-	-	-	-
Lease liabilities	3.0%	29,984	-	-	-	-	29,984	29,984
Borrowings - variable rate	16.0%	454,277	432,654	427,261	13,353	-	1,327,545	-
		<u>3,630,508</u>	<u>432,654</u>	<u>427,261</u>	<u>13,353</u>	<u>-</u>	<u>4,503,776</u>	<u>3,176,231</u>

	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	-	2,705,927	-	-	-	-	2,705,927	2,705,927
Other payables	-	518,283	-	-	-	-	518,283	518,283
Contingent consideration	-	29,951	-	-	-	-	29,951	29,951
Lease liabilities	3.6%	27,697	-	-	-	-	27,697	27,697
Borrowings - variable rate	19.0%	910,003	235,239	258,885	-	-	1,404,127	1,404,127
		<u>4,191,861</u>	<u>235,239</u>	<u>258,885</u>	<u>-</u>	<u>-</u>	<u>4,685,985</u>	<u>4,685,985</u>

Fair value of financial instruments

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

Note 26. 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 \$
<i>Liabilities</i>				
Contingent consideration	-	-	29,951	29,951
Total liabilities	-	-	29,951	29,951

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 were 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 2023	23,924
Foreign exchange differences	6,027
Balance at 31 December 2023	29,951
Paid	(29,951)
Balance at 31 December 2024	-

Note 27. 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	
	2024 \$	2023 \$
Short-term employee benefits	603,451	564,272
Post-employment benefits	89,176	77,570
Share-based payments	395,478	474,661
	<u>1,088,105</u>	<u>1,116,503</u>

Note 28. 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	
	2024	2023
	\$	\$
<i>Audit services - Nexia Sydney Audit Pty Ltd</i>		
Audit or review of the financial statements	133,624	125,138
<i>Other services - Nexia Sydney Audit Pty Ltd</i>		
Preparation of the tax return	8,500	11,500
<i>Other services - Nexia Sydney Corporate Advisory Pty Ltd</i>		
Corporate Advisory	-	7,000
	<u>142,124</u>	<u>143,638</u>
<i>Audit services - network firms</i>		
Audit or review of the financial statements	<u>55,421</u>	<u>49,227</u>
	<u><u>197,545</u></u>	<u><u>192,865</u></u>

Note 29. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2024 (2023: none).

Note 30. Related party transactions

Parent entity

IMEXHS Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties

Contingent consideration in relation to the acquisition of RIMAB SAS of \$29,951 was paid during the year (2023 - \$nil).

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

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

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Loss after income tax	<u>(2,070,779)</u>	<u>(2,000,654)</u>
Total comprehensive loss	<u><u>(2,070,779)</u></u>	<u><u>(2,000,654)</u></u>

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2024	2023
	\$	\$
Total current assets	25,756	97,999
Total assets	5,424,540	5,458,932
Total current liabilities	49,513	4,221
Total liabilities	49,513	4,221
Equity		
Issued capital	40,290,769	38,663,333
Share-based payments reserve	4,685,004	4,321,345
Options reserve	30,440	30,440
Accumulated losses	(39,631,186)	(37,560,407)
Total equity	<u>5,375,027</u>	<u>5,454,711</u>

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 2024 and 31 December 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

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 32. 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	
		2024 %	2023 %
Imaging Experts and Healthcare Services Pty Ltd	Australia	100%	100%
Imaging Experts and Healthcare Services S.A.S.	Colombia	100%	100%
IMEXHS Corp	US	100%	100%
RIMAB SAS	Colombia	100%	100%
OMT Operations (AU) Pty Ltd*	Australia	100%	100%
IMEXVR SAS*	Colombia	100%	100%
IMEXMB SAS*	Colombia	100%	100%
Imagen Soft	Mexico	100%	100%

* Dormant.

Note 33. Non-cash investing and financing activities

	Consolidated 2024	Consolidated 2023
	\$	\$
Additions to the right-of-use assets	92,239	72,170
Modifications of lease terms	-	(28,250)
	<u>92,239</u>	<u>43,920</u>

Note 34. Changes in liabilities arising from financing activities

	Borrowings	Lease liabilities	Total
	\$	\$	\$
Balance at 1 January 2023	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
	<u>1,265,492</u>	<u>27,697</u>	<u>1,293,189</u>
Balance at 31 December 2023	1,265,492	27,697	1,293,189
Net cash used in financing activities	(106,180)	(89,952)	(196,132)
Acquisition of leases	-	92,239	92,239
	<u>1,159,312</u>	<u>29,984</u>	<u>1,189,296</u>

Note 35. Earnings per share

	Consolidated 2024	Consolidated 2023 (restated)
	\$	\$
Loss after income tax attributable to the owners of IMEXHS Limited	<u>(2,625,449)</u>	<u>(4,449,896)</u>
	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares used in calculating basic earnings per share	44,956,322	41,738,019
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>44,956,322</u>	<u>41,738,019</u>
	<u>Cents</u>	<u>Cents</u>
Basic earnings per share	(5.84)	(10.66)
Diluted earnings per share	(5.84)	(10.66)

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 36. Share-based payments

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

Issue date	Number of shares	Issue Price	Value \$
23/04/2024	83,166	\$0.6006	49,950
05/09/2024	83,166	\$0.6006	49,950
30/12/2024	167,082	\$0.6006	100,350
	<u>333,414</u>		<u>200,250</u>

Note 36. Share-based payments (continued)

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

- 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, 46,725 options lapsed during 2023 and 68,623 options lapsed during 2024.
- 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 and 29,158 options lapsed during 2024.
- 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 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. Both tranches have a nil exercise price and expire on 19 May 2032. 24,220 options lapsed during 2024.
- 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 were exercised during 2023 and 20,044 during 2024.
- 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, 13,698 options have lapsed during 2023 and 135,919 during 2024.
- 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.
- 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. Both tranches have a nil exercise price and expire on 25 April 2033. 57,654 options lapsed during the 2023 and 43,811 options during 2024.
- On 23 April 2024, 139,725 share options were granted to Non-Executive Directors under the companies Long Term Incentive Plan. The options vested immediately on the grant date with a nil exercise price and expire on 23 April 2028. 83,835 options were exercised during 2024.
- On 23 April 2024, 113,571 share options were granted to the CEO German Arango under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 37,478 options and tranche 2 of 76,093. Both tranches have a nil exercise price and expire on 23 April 2034.
- On 30 May 2024, 577,312 share options were granted to Employees under the companies Long Term Incentive Plan. The grant consists of 2 tranches, tranche 1 comprises 190,512 options and tranche 2 of 386,800. Both tranches have a nil exercise price and expire on 23 April 2034. 18,779 options lapsed during the 2024.

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).

Note 36. Share-based payments (continued)

Set out below are summaries of options granted:

2024

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
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	68,623	-	-	(68,623)	-
14/05/2021	14/05/2031	\$0.0000	29,158	-	-	(29,158)	-
14/05/2021	14/05/2025	\$0.0000	19,719	-	-	-	19,719
19/05/2022	19/05/2026	\$0.0000	60,132	-	(20,044)	-	40,088
19/05/2022	19/05/2032	\$0.0000	73,393	-	-	(24,220)	49,173
18/07/2022	18/07/2032	\$0.0000	367,146	-	-	(135,919)	231,227
16/05/2023	16/05/2027	\$0.0000	79,452	-	-	-	79,452
16/05/2023	16/05/2033	\$0.0000	162,182	-	-	-	162,182
30/06/2023	25/04/2033	\$0.0000	755,922	-	-	(43,811)	712,111
23/04/2024	23/04/2028	\$0.0000	-	139,725	(83,835)	-	55,890
23/04/2024	23/04/2034	\$0.0000	-	113,571	-	-	113,571
30/05/2024	23/04/2034	\$0.0000	-	577,312	-	(18,779)	558,533
			<u>2,315,727</u>	<u>830,608</u>	<u>(103,879)</u>	<u>(320,510)</u>	<u>2,721,946</u>
Weighted average exercise price			\$0.5870	\$0.0000	\$0.0000	\$0.0000	\$0.5000

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
			<u>3,553,044</u>	<u>1,174,389</u>	<u>(159,266)</u>	<u>(2,252,440)</u>	<u>2,315,727</u>
Weighted average exercise price			\$1.5468	\$0.0000	\$0.0000	\$1.8360	\$0.5870

Note 36. Share-based payments (continued)

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

Grant date	Expiry date	2024 Number	2023 Number
26/05/2020	12/03/2027	320,000	320,000
01/03/2021	01/03/2031	140,000	140,000
14/05/2021	14/05/2025	19,719	19,719
19/05/2022	19/05/2026	40,088	60,132
16/05/2023	16/05/2027	79,452	79,452
23/04/2024	23/04/2028	55,890	-
		<u>655,149</u>	<u>619,303</u>

The weighted average share price during the financial year was \$0.48 (2023: \$0.55).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 6.68 years (2023: 7.02 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 Black-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.

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
23/04/2024	23/04/2028	\$0.5400	\$0.0000	60.00%	-	3.91%	\$0.540
23/04/2024	23/04/2034	\$0.5400	\$0.0000	60.00%	-	3.89%	\$0.318
23/04/2024	23/04/2034	\$0.5400	\$0.0000	60.00%	-	3.85%	\$0.341
30/05/2024	23/04/2034	\$0.4800	\$0.0000	60.00%	-	4.14%	\$0.262
30/05/2024	23/04/2034	\$0.4800	\$0.0000	60.00%	-	4.07%	\$0.288

Note 37. Events after the reporting period

On 13 February 2025, the Group contracted a new loan facility of \$300,872 with Banco De Bogota. The loan is unsecured with an interest rate of 12.2% per annum and is repayable over 1 year.

No other matter or circumstance has arisen since 31 December 2024 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.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
IMEXHS Limited	Body corporate	Australia	100%	Australia
Imaging Experts and Healthcare Services Pty Ltd	Body corporate	Australia	100%	Australia
Imaging Experts and Healthcare Services S.A.S.	Body corporate	Colombia	100%	Colombia
IMEXHS Corp	Body corporate	US	100%	US
RIMAB SAS	Body corporate	Colombia	100%	Colombia
OMT Operations (AU) Pty Ltd*	Body corporate	Australia	100%	Australia
IMEXVR SAS*	Body corporate	Colombia	100%	Colombia
IMEXMB SAS*	Body corporate	Colombia	100%	Colombia
Imagen Soft	Body corporate	Mexico	100%	Mexico

* Dormant.

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

31 March 2025

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 2024, 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, the consolidated entity disclosure statement 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 2024 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 Company in accordance with the auditor independence requirements of 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 generated a loss of \$2,625,449 and net operating cash outflows of \$634,679. 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.

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
<p>Revenue recognition</p> <p>Refer to notes 2 and 6 in the financial report.</p> <p>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.</p> <p>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).</p>	<p>Our audit procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ Assessed the adequacy of the disclosures in notes 2 and 6 of the financial report. ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: <ul style="list-style-type: none"> - 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.
<p>Impairment testing of goodwill</p> <p>Refer to notes 2 and 15 in the financial report.</p> <p>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.</p>	<p>Our audit procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ 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

Key audit matter	How our audit addressed the key audit matter
	<p>goodwill to reasonably possible changes in the key cash flow forecast assumptions; and</p> <ul style="list-style-type: none"> ▪ 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 2024, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Directors' responsibility for the financial report

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

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

Auditor's responsibility for the audit of the financial report

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 44 of the directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of IMEXHS Limited for the year ended 31 December 2024, 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 Sydney Audit Pty Ltd



Lester Wills

Director

Dated: 31 March 2025

Sydney

The shareholder information set out below was applicable as at 28 February 2025.

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	247	0.21	-	-
1,001 to 5,000	253	1.50	6	0.86
5,001 to 10,000	108	1.73	7	2.08
10,001 to 100,000	194	14.18	23	26.69
100,001 and over	44	82.38	7	70.37
	846	100.00	43	100.00
Holding less than a marketable parcel	268	0.26	-	-

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)	8,532,461	18.59
Digital Imaging Solutions Sas	3,407,708	7.43
HSBC Custody Nominees (Australia) Limited	2,102,044	4.58
Jaava Asesores Integrales Sas	2,048,758	4.46
DR & LC Flynn Nominees Pty Limited (Flynn Super Fund A/C)	2,020,845	4.40
German Anibal Arango Bonnet	1,860,394	4.05
Dixon Trust Pty Limited	1,673,329	3.65
Rio Negro Pty Ltd (The Medallo A/C)	1,517,326	3.31
Volegna Holdings Pty Ltd (The Csa A/C)	1,448,524	3.16
Mr Christian James Haustead	1,437,000	3.13
Irukandji Investments Pty Ltd (Longreach Family A/C)	1,170,184	2.55
J P Morgan Nominees Australia Pty Limited	1,122,724	2.45
Ilewise Pty Ltd (Lingard Super Fund A/C)	945,803	2.06
Barrijag Pty Limited (Hadley Family A/C)	909,091	1.98
Jorge H Marin Munoz	884,671	1.93
Heff Super Pty Ltd (J & A Heff Super Fund A/C)	472,221	1.03
Ilewise Pty Ltd (Lingard Family A/C)	465,909	1.02
Goldstake Corporation Pty Ltd	444,938	0.97
Dr Vern Thomas Madden & Mrs Clare Maree Madden (Mad-Boy Super Fund A/C)	409,000	0.89
Prof Alan Jonathan Berrick	382,079	0.83
	33,255,009	72.47

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	2,721,946	43

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)	8,532,461	18.59
Digital Imaging Solutions Sas	3,407,708	7.43
Milla Paula Inari Palacio*	2,687,510	5.86

* Irukandji Investments Pty Ltd (Longreach Family A/C) 1,170,184 shares (2.55%), Rio Negro Pty Ltd (The Medallo A/C) 1,517,326 shares (3.31%).

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.

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 11 AM on Monday, 19 May 2025 Level 7, 32 Martin Place SYDNEY NSW 2000
Registered office	7/32 Martin Place Sydney NSW 2020 Tel: +61 2 9030 0040
Principal place of business	7/32 Martin Place Sydney NSW 2020 Tel: +61 2 9030 0040
Share register	Automatic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664 Tel: +61 2 9698 5414 (international) Email: hello@automatic.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	<p>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.</p> <p>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</p>

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ANNUAL REPORT

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