2020 Annual Report

imexHS

Annual Report

IMEXHS™ is the place where **innovation and technology meet medical experience**

Why *IMEXHS®***?**

Our purpose is to democratise access to high-tech imaging management platforms with advanced clinical applications, user-friendly software and AI.

Affordable next-gen imaging tech

We are a full-service radiology enterprise software provider with platforms comprising the full suite of services including Radiology Information Systems (RIS), workflow management, patient data and image distribution systems and Picture Archiving and Communications Systems (PACS). IMEXHS was founded in 2012 with the goal of bringing high quality medical imaging to radiologists through modern technology, while keeping care accessible and affordable. We are focused on next generation AI applications and exploring other "ologies" within the hospital system. Teleradiology is central to IMEXHS's approach of providing a multimodal and fully web-based platform.

IMEXHS® is about Digital Transformation for a better future

With a background in neuroradiology and software engineering, IMEXHS is leading the digital transformation of the medical imaging industry by providing advanced technologies for hospitals and clinics that are scalable, adaptable, accessible and can offer seamless interoperability while maintaining data integrity.

At IMEXHS® we continue to demonstrate that digital transformation in the health sector is essential to the evolution of medical practice and to ensuring better patient outcomes.

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Certifications

FDA CLEARED (K191681)

CE

ANVISA
Agência Nacional de Vigilância Sanitária

ISO 9001 Certification Intertek

ANAB ACCREDITED
ISO/IEC 17021
MANAGEMENT SYSTEMS CERTIFICATIONS BODY

Certificado por invima CCAA

COFEPRIS

Ministerio de Salud Costa Rica

“Democratising access to high-tech imaging management platforms around the world”

Chairman's *Letter*

Dear Shareholder,

The financial year ended 31 December 2020 has been a year of significant achievement for IMEXHS because of the considerable progress made at every level of the business as well as in terms of its corporate governance.

One of the key changes in the Board's composition this year was the retirement of Howard Digby in April, and the Board thanks Howard for his service and support since the establishment of IME as an ASX-listed company.

I was appointed in March 2020 as an independent non-executive chairman, and Damian Banks was appointed as an independent non-executive director in May 2020. Damian brings extensive business experience and has made an important contribution to the Board's processes and decision-making.

We have sought to have our Australian services and capabilities based in Sydney. In October, Reena Minhas joined IMEXHS as Chief Financial Officer and Company Secretary taking over from Tony Thomas and Peter Webse, and we thank them for their contribution since the company listed.

As part of our process to improve governance, the Board has established committees for Audit and Risk and for Remuneration and Nominations, chaired respectively by Damian Banks and Carlos Palacio.

In July, the company set up a system to allow shareholders with holdings worth $2,000 or less to sell their shares efficiently. This also helped the company to reduce costs associated with servicing smaller holdings.

The company also repaid a loan of $1.0 million to an entity associated with director Dr Doug Lingard and at the same time agreed to issue 16,666,667 shares to Dr Lingard's entity, subject to shareholder approval.

The company held an Extraordinary General Meeting in October at which a number of matters were approved:

- Capital consolidation: by reducing the number of shares issued based on 1 share for every 50 held. This improved the attractiveness of the shares to certain institutions and reduced the scope for buy-sell spread arbitrage.

- Approval of a long-term incentive plan, which we expect to implement in 2021 as we havn't finalised this yet and the start of 2021 is almost over.

- Appointment and removal of an auditor following a competitive process, which allowed us to move the audit function to Sydney.
- Approval of the issue of shares to Dr Lingard's entity.

In October, the Company successfully raised $8.3m in capital through placement, which introduced some new institutions to the Company's register. This effort provided the Company with adequate funding for the journey ahead as we continue to invest in the development of our world-leading software and expand our sales distribution capability into new geographies.

It is important to mention that, despite travel restrictions out of Australia in relation to COVID-19, the Board is working well and closely with the senior management team. The level of engagement and professionalism of the management team is exemplary. Complexities abound for an ASX-listed company with a Board—not including its CEO—based in Australia and whose major operations are in Latin America. Very regular dialogue is important, as is ongoing improvement of processes and systems. The Board has an appropriate mix of business and industry skills, as well as international experience.

While good progress has been made in terms of governance, our management team has made great progress regarding the business. I will leave it to Dr. Arango to elaborate, however in my view we have made notable changes in:

01 Product Development
02 Organisation Development
03 Sales and Marketing
04 Distribution Network
05 Geographic Expansion

In closing, 2020 has marked a very important building block for the future. Despite the travails of COVID-19, our Company has prevailed. There is no doubt that some decision-making was slowed, particularly at larger hospitals as they dealt with more pressing matters.

I would like to thank our Board members and our management team, most ably lead by Dr Arango, for their hard work and contributions during this unusual and difficult year. I would also like to sincerely thank all our shareholders, both new and longer-term, for their ongoing support.

Doug Flynn
Chairman

Chief Executive *Officer's Report*

The 2020 financial year was an important year for IMEXHS and I am proud of the progress we have made across a number of key business areas. However, it has also been a year that was marked by a global pandemic and I would like to extend our deepest condolences to those who have been affected by COVID-19, including families who have lost loved ones. I also wish to acknowledge and express our gratitude to healthcare workers around the world who have worked tirelessly to treat and stop the spread of this virus.

The pandemic has accelerated the demand for affordable and accessible technology across many different fields including healthcare. At IMEXHS, it demonstrated the critical nature of our teleradiology solution and in May, we launched our disruptive Aquila in the Cloud offering, which is generating strong interest across our core markets. We developed this new business model to leverage the multi-tenancy capabilities of our AQUILA Radiology solution.

At the same time, we established a Partners Program to create a new channel for the distribution of this standardised offering. To support these distributors, we have produced an online centre which provides training as well as sales and post-sales support. Distributors can sign up for one of three fixed packages and receive discounts based on performance. Aquila in the Cloud will also be available on online marketplaces and I believe the combination of these two sales channels will allow us to efficiently scale this business model.

Aquila in the Cloud is hosted within Microsoft Azure so it can be rapidly deployed across multiple geographies and has an average implementation time of just 13 days. At less than 60 days, the sales cycle, is also about three times shorter than our customised solutions. At 31 December, we had received 41 orders across eleven markets which will contribute around $945,000 in ARR and we have a strong pipeline of opportunities.

With Aquila in the Cloud, we are democratising access to world-class medical imaging software for an underserved segment that has not been able to afford comprehensive on-premise solutions. This innovative offering provides us with a significant opportunity across all our geographies including the US, where the small to mid-size segment represents approximately 80% in number of sites, within an estimate US market size of US$1.5bn. We were pleased to sign and go live with our first US customer in December.

In August, we announced a global agreement with Vital Images, a subsidiary of Canon Medical Systems to integrate its advanced post-processing tools. This is the first time that Vital's advanced visualisation system will be available on the cloud and accessible to IMEXHS's customers under its subscription model.

The collaboration with Vital further strengthens our value proposition and meets our objective of providing customers of all sizes with the best and most affordable medical imaging solutions. It is also a strong vote of confidence in IMEXHS, as we were the first company Vital has worked with in order to provide availability of these tools on the cloud.

During 2020, we made key appointments to the management team and implemented a new sales structure. We have also made significant progress in our new markets the USA, Australia and Brazil.

- We established the first IMEXHS office in Miami from which we will initially target the markets of Florida and Texas.
- We filled key management positions in the US and Australia.
- In Brazil, we received ANVISA certification which means we can commence operations in Latin America's largest market.

We were also delighted to receive CE mark registration for our HIRUKO Essential software suite, which provides us with access to the European Union, one of the world's largest RIS / PACS markets which is projected to be worth approximately US$570m by 2023.

In October, ***we completed an $8.3m placement*** *which will fund the next phase of IMEXHS's growth and has introduced additional high-quality institutional investors to the register.*

The net proceeds from the placement will be used to accelerate our penetration into new markets via increased investment in sales and marketing, which will drive digital sales through cloud marketplaces. It will also allow us to expand our software development to create the world's first pathology marketplace using Alula, and enhance Aquila, our radiology platform. In addition, we will further build our AI capability and develop other –ologies or medical verticals.

The placement proceeds, together with the revenue generated by the business , are expected to fund IMEXHS's operations through to monthly run rate EBITDA breakeven by December 2021. The success of the placement and the fact that it was heavily oversubscribed, is a strong endorsement of our investment program and growth strategy.

Turning to our 2020 financial performance, revenue of $10.9m increased by 41% year on year (yoy) and was in line with our guidance of $10-12m. On a constant currency basis, revenue increased by 59%, and was underpinned by 29% growth in contracted recurring revenue to $8.5m. ARR of $10.1m, was 19% higher yoy and 33% higher on a constant currency basis.

Our revenue was impacted by decreased volumes in key markets as second waves of COVID-19 resulted in a reduction in non-essential imaging. This situation has improved since the end of September but there remains a delay in decision-making by the big hospitals. However, this is being partly offset by demand at the small to medium end of the market with strong interest in our Aquila in the Cloud offering.

IMEXHS had a consolidated loss of $3.6m; with an EBITDA loss of $1.3m which was a $3.3m improvement over 2019 and an underlying EBITDA loss of $0.7m which was a $3.8m improvement over the same period. When excluding the impact of software capitalisation in the period, underlying EBITDA improvement was $3.0m.

IMEXHS is in a strong financial position with closing cash of $10.8m and net assets of $15.5m at 31 December 2020.

2020 was a year that brought many positive changes to our Company. I would like to take this opportunity to thank the Board for their valuable contribution, our shareholders for their ongoing support and our entire IMEXHS team for their dedication to ensuring better healthcare outcomes for our customers and their patients. We are excited about the ongoing remarkable developments at IMEXHS and look forward to sharing the next phase of our journey with you.

I want to share some operational highlights from 2020:

1. AQUILA in the Cloud launched in May 2020 - 41 new contracts, 11 markets, A$945k in ARR
2. Certification received to operate in Brazil and the European Union
3. AQUILA 3.0 — Aquila 3.0 - intuitive interface, improved user experience, advanced tools
4. Project implementation times reduced by 50 %
5. Partners Program adds new distribution channel
6. First place in the 2020 INGENIO Awards Category: Health Success Story
7. IMEXHS team of nearly 200 members worldwide
8. STELLA.I — Stella AI - proprietary artificial intelligence algorithms
9. Opened new office in the USA
10. Available on Ingram Micro, world's largest technology marketplace

Dr. Germán Arango Bonnet
CEO

About *IMEXHS®*

Innovative Provider of *End-to-End Imaging Software Solutions*

- **Next Generation multi-modality** cloud-based Medical Imaging Software
- **Scalable SaaS subscription model** with more than 227 customers globally
- **International distribution** with more than 15 agreements in countries including Australia, US, Spain & LATAM
- **Global RIS/PACS** market opportunity of $5.8b with a CAGR of 7.4%
- A leading **global innovator** working in medical imaging and AI

Our Global *Footprint*

We have never lost ground
+ 95%
customer retention

+ 6M
new studies per year

+400M
images stored (anonymised)

+270
sites running our application

+2,000
specialists using our application

+ 25
distributors

+ 15
countries

Headquarters
Australia
US
LATAM - Colombia

Award - *Winning*

At IMEXHS, we support the organisations that work to bring our industry together, generating dialogue and helping to set standards. We are proud when these organisations recognise our efforts.

In 2020, we won First place in the 2020 INGENIO Awards in the Health Success Story category. The INGENIO Awards are the most important awards for the ICT sector in Colombia.

2013

First place
CEEI Business Innovation Awards

2014

Special mention:
IT innovation for Health Care Ingenuity Awards 2014 Log

2018

Finalists
IT Business leader, Colciencias

2019

Finalists
in the Ingram Micro-Comet Contest

2019

First place
Society for Imaging informatics in Medicine (SiiM) Hackthon People Choice

2019

Semifinalist
"Best New Radiology Vendor In the US", Minies by Auntminnie.com

2019

First place
Digital Transformation Business Awards, for "Innovative solutions that enable Digital Transformation" ANDICOM

2020

Winner
in the category of health success case at Premios ingenio.

Enhancing the medical imaging experience, *for patients & doctors*

A. Our Value *Proposition*

IMEXHS™ is the place where innovation and technology meet medical experience.

Modern platform

- Reduce IT infrastructure, system & administration
- Multi-disciplinary imaging
- Shared Applications
- 100% Web technology

Patient centric

- Regional image exchange workflows
- Real-time exchanged networks
- Physicians & patients portals
- Care coordination

Clinical collaboration

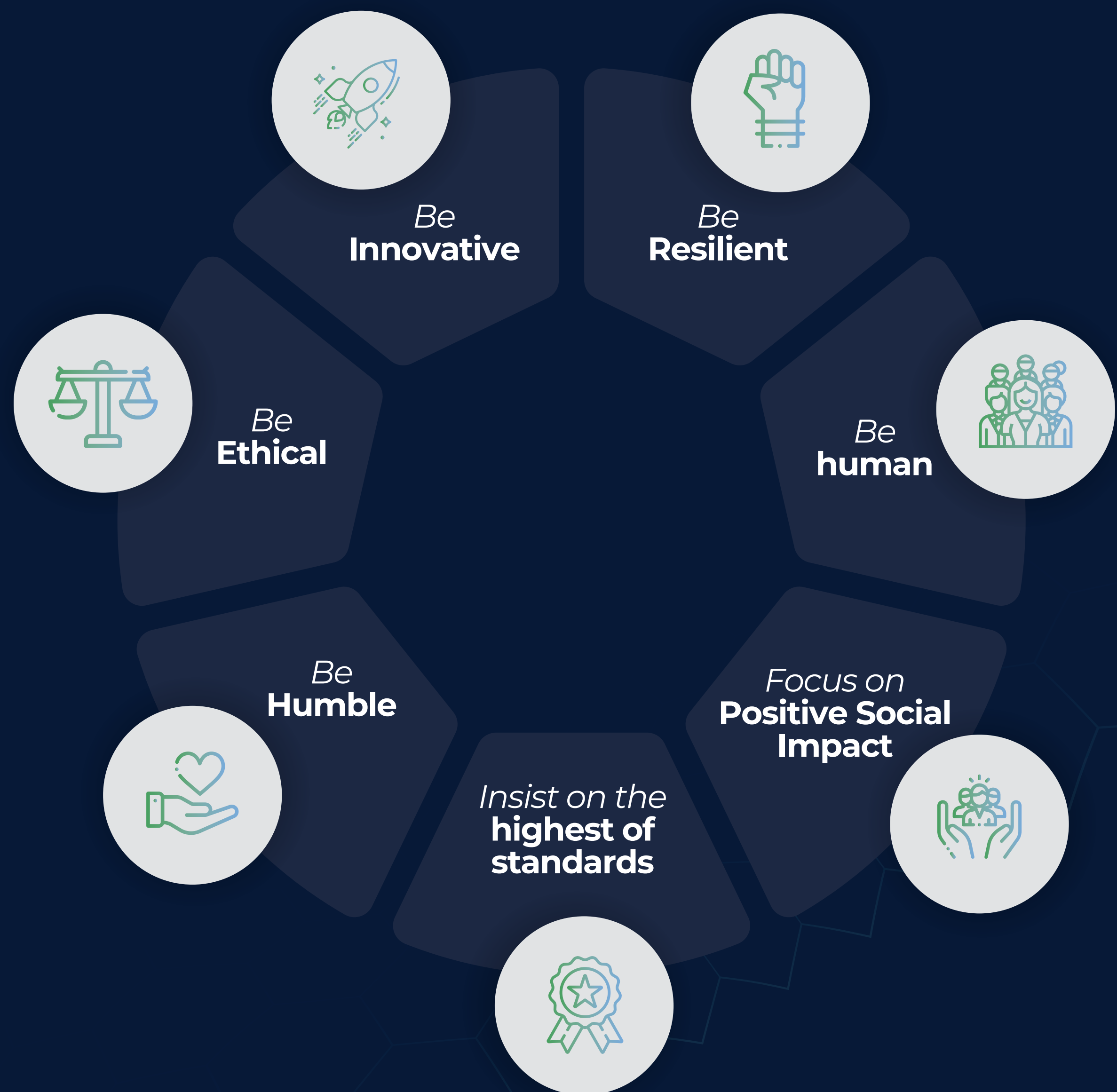
- Shared workflows
- Dynamic presentation model
- Real-time communications & collaborations
- ETR embedded workflows

Analytics

- Multi-departamental business intelligence
- Clinical intelligence
- Live dashboards
- Predictive analysis
- AI enabled

B. Company *Culture*

Every project and daily action reflects the values upon which IMEXHS ™ was founded:



C. **Development** *Pillars*

We are committed to delivering high value tools for the modern healthcare sector. Nearly one third of our team works in software development.

We assist with and facilitate academic collaborations, industrial interactions, and knowledge transfer:

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

Our *Team*

IMEXHS® is a place for passionate, enthusiastic and committed individuals to give their best every day.

We are a young and dynamic group of health, technology and business specialists committed to the development of innovative solutions for a better future.

IMEXHS Universe -
Enterprise Imaging Solutions

Aquila in the Cloud: *a disruptive and successful new business model*

Aquila in the Cloud (AiC) was launched in May 2020 to improve patient outcomes in imaging diagnosis and treatment. This new IMEXHS business model leverages the multi-tenancy capabilities of AQUILA™ to provide small to medium-sized customers with an affordable and accessible RIS/PACS product.

Hosted within Microsoft Azure, AiC can be rapidly deployed across multiple geographies, with customers paying a connection and establishment fee for the software service with ongoing user charges on a per study basis. Vitrea's advanced post-processing tools, provided by Canon Group, are also available to AiC customers. This provides small to medium-sized customer's access to sophisticated advanced imaging tools on a fee per study basis, helping to reduce overall costs while improving patient outcomes. IMEXHS' new standardised AQUILA in the Cloud (AiC) radiology solution continues to experience strong sales.

- **41 contracts across 11 markets which are expected to contribute over A$945,000 in Annual Recurring Revenue (ARR).**
- 20 AiC distribution partners
- Signed first AiC customer in US
- Significant US market opportunity as high on-premise costs limit
- Access to medical imaging technology for 80% of the market

Discover AQUILA 3.0: *the future of radiology software solutions is here.*

Intuitive, flexible, and accessible

This improved version offers a renewed design, greater ease of use and implementation, an improved user experience, and compatibility with StellA.I (Artificial Intelligence). It can be purchased as a package (Lite, Pro, Ultimate and Custom) and powered by the best advanced visualisation tools in the cloud (thanks to our alliance with Vital by Canon Group).

AQUILA

LITE
Basic

PRO
+ Lite features

ULTIMATE
+ Lite & Pro features

CUSTOM
Just for you

Benefits for patients and doctors:

Powered by Vitrea de Vital, an embedded tool that offers the possibility of making more accurate and safe diagnoses, even when it's difficult to visualise using standard technology. It also reduces waiting times for patients and facilitates clinical work, thanks to its multiple connectivity options.

Scaling revenue: *IMEXHS Partners Program*

Our new distribution model is designed to help our partners create a sustainable source of revenue, without having to make heavy initial investments, by leveraging the potential of our innovative platforms in the medical imaging field.

IMEXHS Partners Program journey:

Starter

Intermediate

Advanced

Champion

Strategic global *business alliances*

Among the objectives of IMEXHS® is growth in all areas. In order to join forces and promote growth and competitiveness, we have established alliances with different companies and entities.

2020 Alliances:

IMEXHS signed a new global partnership *agreement to license Vitrea® software by Vital Images, Inc.*

Thanks to the IMEXHS-Vital Images collaboration, the Vitrea® application suite will now be available in the cloud through an affordable subscription-on-demand model, allowing IMEXHS customers to access their data, performing advanced analysis and visualisation processes, directly from our AQUILA platform.
Vitrea® is an advanced 2D, 3D, and 4D visualisation system that allows users to analyse medical data from various modalities such as computed tomography, magnetic resonance spectroscopy, X-ray angiography, positron emission tomography, photon emission tomography, and ultrasound, improving diagnosis through its clinical tools.

AGMednet

We have expanded the clinical research collaboration agreement and provided additional resources to develop new features specifically related to clinical trials.

ENTELAI

IMEXHS entered a partnership agreement with **Entelai Pic**, an Argentinian company specialising in medical artificial intelligence (AI). Entelai's AI tools for neurology will be available through the AQUILA platform via an on-demand subscription model. As a result of this new partnership, Entelai's AI tools will be seamlessly embedded within AQUILA to perform an automated MRI analysis of the brain using the convolutional neural networks developed by Entelai for brain extraction, hyperintense lesions, tissues and other areas of the brain (starting from a volumetric T1 and a volumetric FLAIR). The use of these technologies significantly enhances the screening process across medical centres.

What's to come in Software Development

At IMEXHS, innovation is at the heart of our business as it allows us to yield patient-centered medical imaging technology. In the months to come, our highly specialised Development team will focus on further developing investigations in **Machine Learning and Artificial Intelligence (AI)** which will consolidate Stella AI, our AI portfolio, as an intelligent decision support system (IDSS).

The development of **Alula Market place,** the world's first dedicated pathology marketplace workflow platform will also be carried out. This unique platform will provide genetic diagnostics, logistics management and second opinions, among many other services.

We are also excited about venturing into the **veterinary imaging field** where we will develop a Veterinary Information Medical System (VIMS).

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 2020.

Directors

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

Mr Douglas Flynn	Chairman (appointed 12 March 2020)
Dr German Arango	Chief Executive Officer
Dr Douglas Lingard	Non-Executive Director
Mr Carlos Palacio	Non-Executive Director
Mr Damian Banks	Non-Executive Director (appointed on 22 May 2020)
Mr Howard Digby	Non-Executive Director (resigned on 30 April 2020)

Principal activities

The Group remains focussed on the development and sale of its HIRUKO™ software platform. HIRUKO™ is a modular imaging system that includes a Radiology Information System ('RIS'); a Cardiology Information System ('CIS'); an Anatomical Pathology and Laboratory Information System ('APLIS'); and a Picture Archiving and Communications System ('PACS'). The RIS, CIS and APLIS 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.

Dividends

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

Review of operations

A review of operations of the Group for the financial year ended 31 December 2020 is contained in Chairman's and Chief Executive Officer's Report. The Chairman's and Chief Executive Officer's Report precedes the Directors' Report.

Significant changes in the state of affairs

COVID-19

On 11 March 2020, the World Health Organisation recognised COVID-19 as a pandemic. IMEXHS has since adopted remote working policies and procedures for its workforce to address the health and wellbeing of our employees.

IMEXHS has operated effectively during the year and has continued to meet its service level obligations to its customers. Although there has been some delay in decision-making for some of the larger deals in the pipeline, they remain open opportunities. As a result of the pandemic, there has also been increased interest in the teleradiology capabilities of HIRUKO™ which is expected to lead to future sales opportunities.

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

Matters subsequent to the end of the financial year

On 2 March 2021, 301,680 share options were exercised and on 9 March 2021, 193,320 share options were exercised. The share options were granted on 22 July 2017 and had an exercise price of $1.25 per share option.

On 4 March 2021, 140,000 share options were granted to Ms Reena Minhas, the Group's Chief Financial Officer and Company Secretary. The share options have an exercise price of $nil and expire on the 1 March 2031.

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

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

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

Environmental regulation

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

Information on directors

Name:	Mr Douglas Flynn (appointed 12 March 2020)
Title:	Non-Executive Chairman
Qualifications:	B.Eng., MBA
Experience and expertise:	Mr Flynn is a businessman with extensive executive and non-executive leadership experience in large and small listed companies in Australia, UK and Hong Kong. He also has sound experience in early stage technology businesses.
Other current directorships:	NextDC Limited
Former directorships (last 3 years):	Konekt Limited, APN Outdoor Group Limited, iSentia Group Limited
Special responsibilities:	Member of the Remuneration and Nomination Committee and Audit and Risk Committee
Interests in shares:	591,649 ordinary shares
Interests in options:	608,340 unlisted options over ordinary shares

Name:	Dr German Arango
Title:	Chief Executive Officer
Qualifications:	Medical Doctor and Surgery (El Bosque), Diagnostic Radiology (La Sabana), Diagnostic Neuroradiology (McGill), Member of RSNA, Member of CAR, Member of ACR, Member of ASNR
Experience and expertise:	Dr Arango is the CEO and founder of Imaging Experts and Healthcare Services S.A.S. and has over 15 years’ experience as a practising radiologist in Colombia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	3,150,503 ordinary shares
Interests in options:	917,235 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:	515,825 ordinary shares
Interests in options:	888,320 options over ordinary shares

Name:	Mr Carlos Palacio
Title:	Non-Executive Director
Qualifications:	B.Elec.Eng, MBA
Experience and expertise:	Mr Palacio has over 27 years' experience internationally in IT, telecommunications and strategic management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	2,076,672 ordinary shares
Interests in options:	604,599 options over ordinary shares

Name:	Mr Damian Banks (appointed on 22 May 2020)
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics
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:	None
Former directorships (last 3 years):	Konekt Limited
Special responsibilities:	Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee
Interests in shares:	361,660 ordinary shares
Interests in options:	48,430 options over ordinary shares

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

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

Company secretary

The Company's Company Secretary is Ms Reena Minhas. Ms Minhas is also the Chief Financial Officer (appointed 1 October 2020).

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

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and Board Committees held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Douglas Flynn	13	13	3	3	3	3
German Arango	15	15	-	-	-	-
Howard Digby	4	4	-	-	-	-
Douglas Lingard	15	15	3	3	3	3
Carlos Palacio	15	15	3	3	3	3
Damian Banks	10	10	3	3	3	3

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

Message from the Chair of Remuneration and Nomination Committee

This Remuneration Report details our relatively simple executive remuneration. Importantly in 2020 we have this year established a formal Remuneration and Nominations Committee and had approved by shareholders a Long Term Incentive Plan (LTIP) at an Extraordinary General Meeting held in October 2020.

Retention of talented key staff and alignment with shareholders interest are the objectives of this LTIP plan. The LTIP plan, offered to key staff commencing from 1 January 2021, will be measured one third over two years and two thirds over three years with the comparator measure being the ASX 300 accumulation index. Details of the plan will be appropriately reported in the 2021 Annual Report . With the exception of sales staff no Short Term Incentive Plan currently exists.

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

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

The Board through the Remuneration and Nomination Committee has established a Board Skills Matrix and 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 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 have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives to run and manage the business.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

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

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

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

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

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

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

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

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

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

Executives may be offered specific performance pay incentives based on key performance areas affecting the Group's financial results where the Remuneration and Nomination Committee deems such incentives to be appropriate. No such incentives were offered during the financial year ended 31 December 2020.

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

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

Use of remuneration consultants
During the financial year ended 31 December 2020, the Group did not engage remuneration consultants to review its existing remuneration policies.

Voting and comments made at the Company's 21 May 2020 Annual General Meeting ('AGM')
At the 2020 AGM, 95.74% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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

The key management personnel of the Group consisted of the following directors of IMEXHS Limited:
- Mr Douglas Flynn - Chairman (appointed 12 March 2020)
- Dr German Arango - Chief Executive Officer
- Dr Douglas Lingard - Non-Executive Director
- Mr Carlos Palacio - Non-Executive Director
- Mr Damian Banks - Non-Executive Director (appointed on 22 May 2020)
- Mr Howard Digby - Non-Executive Director (resigned on 30 April 2020)

And the following persons:
- Ms Reena Minhas - Chief Financial Officer and Company Secretary (appointed on 1 October 2020)
- Mr Tony Thomas - Chief Financial Officer (ceased as Chief Financial Officer on 1 October 2020 and resigned on 12 December 2020)

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

* Represents remuneration from the date of appointment and/or to the date of resignation
** Share based payment relates to the issue of 28,000,000 options (560,000 options post share consolidation) granted in accordance with Mr Flynn's appointment.

2019	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr Howard Digby	36,000	-	-	-	-	-	36,000
Dr Douglas Lingard	36,000	-	-	3,420	-	9,750	49,170
Mr Carlos Palacio	39,000	-	-	3,705	-	-	42,705
Mr Tom Pascarella*	66,000	-	-	6,270	-	55,962	128,232
Executive Directors:							
Dr German Arango**	313,589	-	12,068	17,336	27,011	-	370,004
Other Key Management Personnel:							
Dr Jorge Marin	189,824	-	-	-	-	-	189,824
Mr Tony Thomas	205,650	-	-	-	-	-	205,650
Mr Andres Vanegas	139,713	-	-	-	-	-	139,713
	1,025,776	-	12,068	30,731	27,011	65,712	1,161,298

* represents remuneration from the date of appointment and/or up to the date of resignation
** 2019 comparative information has been updated to reflect all statutory payments made in the period.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2020	2019	2020	2019	2020	2019
Non-Executive Directors:						
Mr Douglas Flynn	10%	-	-	-	90%	-
Mr Howard Digby	100%	100%	-	-	-	-
Dr Douglas Lingard	80%	80%	-	-	20%	20%
Mr Carlos Palacio	100%	100%	-	-	-	-
Mr Damian Banks	100%	-	-	-	-	-
Mr Tom Pascarella	-	56%	-	-	-	44%
Executive Directors:						
Dr German Arango	100%	100%	-	-	-	-
Other Key Management Personnel:						
Ms Reena Minhas	100%	-	-	-	-	-
Dr Jorge Marin	-	100%	-	-	-	-
Mr Tony Thomas	100%	100%	-	-	-	-
Mr Andres Vanegas	-	100%	-	-	-	-

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

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

Name:	Ms Reena Minhas
Title:	Chief Financial Officer and Company Secretary
Agreement commencement:	1 October 2020
Term of agreement:	No fixed term
Remuneration package:	Remuneration comprises a base salary of $274,000 per annum including statutory superannuation. Ms Minhas will be granted 140,000 performance rights on joining the Company which will vest into ordinary shares provided she remains as an officer or employee for three years.
Termination by Executive:	6 months' written notice.
Termination by Company for cause:	At any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law.
Termination by Company:	Immediately with 6 months' payment in lieu of notice.
Other provisions:	The service agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

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

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2020.

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	$1.30	100%
Mr Douglas Flynn[(a)]	26/05/2020	26/05/2020	12/03/2027	160,000	$3.50	$1.25	100%
Mr Douglas Flynn[(a)]	26/05/2020	31/12/2021	12/03/2027	240,000	$1.50	$1.35	-
Dr Douglas Lingard[(b)]	10/12/2018	10/12/2020	09/12/2023	10,000	$2.65	$0.66	100%
Dr Douglas Lingard[(b)]	10/12/2018	10/12/2021	09/12/2023	30,000	$2.65	$0.66	-

(a) On 26 May 2020, 560,000 share options (28,000,000 share options prior to the share consolidation) were granted to Mr Douglas Flynn as part of his appointment as Non-Executive Chairman. The grant consists of 3 tranches, tranche 1 and 2 each comprise of 160,000 options and tranche 3 comprises of 240,000 options. Tranche 1 and 2 vest on 26 May 2020 and tranche 3 vests when the Company's share price reaches or exceeds a 30 day VWAP of $6.00 (12 cents prior to the share consolidation). For the purposes of calculating the fair value of tranche 3, 31 December 2021 has been used as the estimated vesting date. Tranche 1, 2 and 3 have an exercise price of $2.75, $3.50 and $1.50 respectively ($0.055, $0.070 and $0.030 respectively prior to the share consolidation). All tranches expire on 12 March 2027.

(b) On 10 December 2018, 40,000 share options (2,000,000 shares options prior to the share consolidation) were issued as remuneration to Non-Executive Director, Dr Douglas Lingard subject to vesting conditions. 10,000 options vested on 10 December 2020 and the remaining 30,000 options vest on 10 December 2021, have an exercise price of $2.65 ($0.053 prior to the share consolidation) and expire on 9 December 2023.

Options granted carry no dividend or voting rights.

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Purchases	Share consolidation*	Disposals/ other**	Balance at the end of the year
Ordinary shares						
Mr Douglas Flynn	-	-	26,642,467	(26,050,818)	-	591,649
Dr German Arango	157,525,160	-	-	(154,374,657)	-	3,150,503
Mr Howard Digby	8,850,000	-	689,655	(9,348,862)	(190,793)	-
Dr Douglas Lingard	2,685,758	-	22,983,401	(25,153,334)	-	515,825
Mr Carlos Palacio	103,833,600	-	-	(101,756,928)	-	2,076,672
Mr Damian Banks	-	-	16,123,000	(15,761,340)	-	361,660
Mr Tony Thomas	2,507,745	-	325,605	(2,776,683)	(56,667)	-
Mr Andres Vanegas	102,437,920	-	-	(100,389,162)	(2,048,758)	-
	377,840,183	-	66,764,128	(435,611,784)	(2,296,218)	6,696,309

* 1:50 Share Consolidation approved at Annual General Meeting on 30 October 2020.
** Disposals/other represents no longer being designated as key management personnel, not necessarily a disposal of holding.

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

	Balance at the start of the year	Granted	Purchased	Share consolidation*	Expired/ forfeited/ other	Balance at the end of the year
Mr Douglas Flynn[(a)]	-	28,000,000	2,417,000	(29,808,660)	-	608,340
Dr German Arango	45,861,762	-	-	(44,944,527)	-	917,235
Mr Howard Digby[(b)]	1,500,000	-	-	-	(1,500,000)	-
Dr Douglas Lingard	42,000,000	-	2,416,000	(43,527,680)	-	888,320
Mr Carlos Palacio	30,230,040	-	-	(29,625,441)	-	604,599
Mr Damian Banks	-	-	2,417,000	(2,368,660)	-	48,340
	119,591,802	28,000,000	7,250,000	(150,274,968)	(1,500,000)	3,066,834

* 1:50 Share Consolidation approved at Annual General Meeting on 30 October 2020

(a) Appointed 12 March 2020. Share based payment relates to the issue of 28,000,000 Options in accordance with D Flynn appointment.
(b) Resigned on 30 April 2020 and ceased to be key management personnel from that date.

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

	Vested and exercisable	Unvested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Mr Douglas Flynn	368,340	240,000	608,340
Dr German Arango	917,235	-	917,235
Dr Doug Lingard	858,320	30,000	888,320
Mr Carlos Palacio	604,599	-	604,599
Mr Damian Banks	48,340	-	48,340
	2,796,834	270,000	3,066,834

Other transactions with key management personnel and their related parties

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

KMP and related entity	Nature of Transactions	Income amounts 2020	Income amounts 2019 $	Balance outstanding 2020 $	Balance outstanding 2019 $
G Arango - RIMAB SAS[(a)]	Sales revenue	4,424,734	3,352,350	738,602	1,681,000
C Palacio - CrossPoint Telecommunications Pty Ltd	Sales revenue	8,083	-	859	-
A Vanegas - Datamedic SAS[(d)]	Sales revenue	-	30,548	-	256,169
		4,432,817	3,382,898	739,461	1,937,169

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

KMP and related entity	Nature of transaction	Expense amounts 2020 $	Expense amounts 2019 $	Balance outstanding 2020 $	Balance outstanding 2019 $
G Arango - RIMAB SAS[(a)]	Interpretation services	1,169,703	1,684,919	-	263,046
G Arango - RIMAB SAS[(a)]	Supplies and license	1,985	-	-	-
G Arango - German Arango[(b)]	PaaS Equipment Financing	87,198	100,264	7,115	75,705
C Palacio - CrossPoint Telecommunications Pty Ltd[(c)]	Office space and IT Services	14,831	14,925	1,628	1,211
J Marin - Jorge Marin[(d)]	PaaS Equipment Financing	-	172,224	-	344,694
A Vanegas - Datamedic SAS[(d)]	Fixed Asset Purchases	-	348,067	-	-
A Vanegas - Datamedic SAS[(d)]	Technical services	-	76,123	-	-
		1,273,717	2,396,522	8,743	684,656

(a) The Company has an agreement with RIMAB S.A.S., an entity owned 65% by Dr Arango.
(b) Chief Executive Director, Dr German Arango has provided equipment to Imaging Experts and Healthcare Services S.A.S. in return for payments from a contract providing PaaS services. The equipment is repaid at a 200% rate of return on their loan which is paid in monthly instalments over the initial term of the PaaS contract.
(c) CrossPoint Telecommunications is an associated entity of Carlos Palacio, providing various services to IMEXHS and also a non-exclusive distributor in Australia of IMEXHS's HIRUKO™ product.
(d) No longer designated a KMP for the financial year ended 31 December 2020.

During 2019, the company entered into a loan with Domatorisaro Pty Ltd, a related party of Dr Douglas Lingard. This loan included the granting of 40,000,000 options (800,000 options post share consolidation) (note 33). These options have been included as a cost of borrowing (note 19) which is being amortised over the life of the loan.

At 31 December 2019, the Group had loans from Dr Doug Lingard of $1,000,000, of which the interest paid and payable amounted to $95,591. During the year ended 30 December 2020, the loan and all outstanding interest was repaid in full.

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

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
22 July 2017	31 March 2021	$1.250	205,000
28 August 2018	30 June 2021	$2.500	1,000,001
28 August 2018	28 August 2023	$1.875	1,000,001
28 August 2018	28 August 2023	$1.875	1,000,001
28 August 2018	30 June 2021	$1.875	250,000
28 August 2018	30 June 2021	$2.500	600,000
25 October 2018	25 October 2023	$3.500	80,000
10 December 2018	9 December 2023	$2.650	40,000
7 October 2019	31 March 2022	$2.700	800,000
31 October 2019	30 September 2022	$2.700	100,000
1 April 2020	1 April 2022	$3.250	30,000
1 April 2020	1 April 2023	$5.000	30,000
26 May 2020	12 March 2027	$2.750	160,000
26 May 2020	12 March 2027	$3.500	160,000
26 May 2020	12 March 2027	$1.500	240,000
4 March 2021	1 March 2031	$0.000	140,000
			5,835,003

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 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
22 July 2017	$1.250	495,000

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

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

Officers of the Company who are former partners of Nexia Sydney Audit Pty Ltd

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

Auditor's independence declaration

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

Auditor

Nexia Sydney Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Douglas Flynn
Chairman

29 March 2021

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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Nexia

Nexia Sydney Audit Pty Ltd

Andrew Hoffmann
Director

Date: 29 March 2021

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	Note	Consolidated 2020 $	2019 $
Revenue	5	10,913,968	7,727,260
Other income		67,674	9,027
Interest revenue calculated using the effective interest method		20,068	2,774
Expenses			
Hardware and licence expenses		(1,433,397)	(1,090,415)
Research and development and support expenses		(646,665)	(2,121,479)
Platform as a service expense		(572,396)	(760,571)
Clinical services expenses		(4,536,638)	(3,120,907)
Administration and sales expenses	6	(4,441,049)	(4,294,600)
Share-based payments expenses		(598,457)	(65,712)
Depreciation and amortisation expense		(1,024,386)	(825,929)
Reversal of impairment/(impairment) of inventories		86,617	(63,784)
Expected credit losses		(54,386)	(669,527)
Net foreign exchange losses		(31,315)	(60,946)
Other expenses		(72,990)	(112,310)
Finance costs	6	(1,204,736)	(595,512)
Loss before income tax (expense)/benefit		(3,528,088)	(6,042,631)
Income tax (expense)/benefit	7	(87,889)	40,343
Loss after income tax (expense)/benefit for the year attributable to the owners of IMEXHS Limited		(3,615,977)	(6,002,288)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(498,095)	(5,840)
Other comprehensive loss for the year, net of tax		(498,095)	(5,840)
Total comprehensive loss for the year attributable to the owners of IMEXHS Limited		(4,114,072)	(6,008,128)
		Cents	Cents
Basic earnings per share	32	(14.62)	(30.85)
Diluted earnings per share	32	(14.62)	(30.85)

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

	Note	Consolidated 2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	8	10,796,484	7,149,683
Trade and other receivables	9	3,756,525	3,403,028
Inventories	10	389,668	107,354
Other	11	302,187	250,619
Total current assets		15,244,864	10,910,684
Non-current assets			
Trade receivables	12	997,688	-
Property, plant and equipment	13	3,346,293	3,376,006
Right-of-use assets	14	102,046	40,805
Intangibles	15	1,113,256	469,887
Total non-current assets		5,559,283	3,886,698
Total assets		20,804,147	14,797,382
Liabilities			
Current liabilities			
Trade and other payables	16	2,382,531	1,425,203
Contract liabilities	17	53,548	63,936
Borrowings	18	868,777	1,232,589
Lease liabilities		101,469	40,574
Income tax		6,611	41,469
Employee benefits		1,045,997	850,081
Total current liabilities		4,458,933	3,653,852
Non-current liabilities			
Borrowings	19	727,951	826,894
Deferred tax	7	81,277	-
Total non-current liabilities		809,228	826,894
Total liabilities		5,268,161	4,480,746
Net assets		15,535,986	10,316,636
Equity			
Issued capital	20	28,461,991	19,757,466
Reserves	21	2,588,050	2,457,248
Accumulated losses		(15,514,055)	(11,898,078)
Total equity		15,535,986	10,316,636

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2019	10,553,259	1,193,326	(5,895,790)	5,850,795
Loss after income tax benefit for the year	-	-	(6,002,288)	(6,002,288)
Other comprehensive loss for the year, net of tax	-	(5,840)	-	(5,840)
Total comprehensive loss for the year	-	(5,840)	(6,002,288)	(6,008,128)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	9,204,207	-	-	9,204,207
Share-based payments (note 33)	-	1,269,762	-	1,269,762
Balance at 31 December 2019	19,757,466	2,457,248	(11,898,078)	10,316,636

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2020	19,757,466	2,457,248	(11,898,078)	10,316,636
Loss after income tax expense for the year	-	-	(3,615,977)	(3,615,977)
Other comprehensive loss for the year, net of tax	-	(498,095)	-	(498,095)
Total comprehensive loss for the year	-	(498,095)	(3,615,977)	(4,114,072)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	8,704,525	-	-	8,704,525
Share-based payments (note 33)	-	598,457	-	598,457
Share options issued	-	30,440	-	30,440
Balance at 31 December 2020	28,461,991	2,588,050	(15,514,055)	15,535,986

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

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Loss before income tax (expense)/benefit for the year		(3,528,088)	(6,042,631)
Adjustments for:			
Depreciation and amortisation		1,024,386	825,929
Share-based payments		598,457	65,712
Foreign exchange differences		65,635	-
Expected credit losses		54,386	669,527
(Reversal of impairment)/impairment in inventories		(86,617)	63,784
Interest received		(20,068)	(2,774)
Interest and other finance costs		1,204,736	491,419
		(687,173)	(3,929,034)
Change in operating assets and liabilities:			
Increase in trade and other receivables		(1,272,319)	(442,411)
Decrease/(increase) in inventories		(195,697)	640,172
Increase/(decrease) in trade and other payables		952,246	(1,027,322)
Decrease in contract liabilities		(10,388)	(27,545)
Increase in employee benefits		195,916	430,929
Increase in other operating liabilities		-	387,358
		(1,017,415)	(3,967,853)
Interest received		20,068	2,774
Interest paid		(428,225)	(82,848)
Income taxes paid		(41,470)	(41,880)
Net cash used in operating activities		(1,467,042)	(4,089,807)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(1,264,915)	(2,303,069)
Payments for intangibles	15	(921,435)	(157,420)
Net cash used in investing activities		(2,186,350)	(2,460,489)
Cash flows from financing activities			
Proceeds from issue of shares	20	9,280,000	10,000,000
Proceeds from issue of options		30,440	4,050
Proceeds from borrowings		939,825	2,383,134
Repayment of borrowings		(2,174,009)	(338,670)
Share issue transaction costs		(575,475)	(675,794)
Repayment of lease liabilities		(96,021)	(93,085)
Net cash from financing activities		7,404,760	11,279,635
Net increase in cash and cash equivalents		3,751,368	4,729,339
Cash and cash equivalents at the beginning of the financial year		7,149,683	2,445,329
Effects of exchange rate changes on cash and cash equivalents		(104,567)	(24,985)
Cash and cash equivalents at the end of the financial year	8	10,796,484	7,149,683

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

Note 1. General information

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

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

122 O'Riordan Street
Mascot NSW 2020

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 March 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

The Group has prepared the financial statements for the year ended 31 December 2020 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 2020, the Group generated a consolidated loss of $3,615,977 (2019: loss of $6,002,288) and incurred operating cash outflows of $1,467,042 (2019: outflows of 4,089,807). As at 31 December 2020, the Group had cash and cash equivalents of $10,796,484 (2019: $7,149,683), a surplus of net current assets of $10,785,931 (2019: $7,256,832) and surplus of net assets of $15,535,986 (2019: $10,316,636).

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.

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 28.

Note 2. Significant accounting policies (continued)

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 2020 and the results of all subsidiaries for the year then ended. IMEXHS Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

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

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

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

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.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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.

Note 2. Significant accounting policies (continued)

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Inventories

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

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

Joint operations

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

Investments and other financial assets

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

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.

Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

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 their finite life of 10 years.

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

Licences
The acquisition of licences are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5-10 years.

Impairment of non-financial assets
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
These amounts 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.

Note 2. Significant accounting policies (continued)

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

Finance costs

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

Employee benefits

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

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

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

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

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

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

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.

Note 2. Significant accounting policies (continued)

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.

Earnings per share

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

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

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

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

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

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

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 2020. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

Note 4. Operating segments

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

Note 5. Revenue

	Consolidated	
	2020	2019
	$	$
Medical equipment and licences	2,078,376	862,009
Leasing equipment and software and services	8,414,224	6,670,570
Sale of inputs	228,709	305,960
Service and maintenance of equipment and software	192,659	210,863
Returns and discounts given	-	(322,142)
Revenue	10,913,968	7,727,260

Note 5. Revenue (continued)

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

	Consolidated 2020 $	Consolidated 2019 $
Timing of revenue recognition		
Goods transferred at a point in time	2,037,930	1,021,204
Services transferred over time	8,876,038	6,706,056
	10,913,968	7,727,260

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

Note 6. Expenses

	Consolidated 2020 $	Consolidated 2019 $
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable on borrowings	1,199,655	586,377
Interest and finance charges paid/payable on lease liabilities	5,081	9,135
	1,204,736	595,512
Administration expenses		
Employee and Director benefits expense	2,290,579	1,726,610
Professional and consultancy fees	545,853	403,467
Taxes	200,465	179,173
Office expenses	262,382	283,645
Insurance	103,031	96,560
Advertising and marketing	74,962	180,220
Corporate expenses	734,949	606,901
Maintenance	719	4,090
Travel expenses	31,944	223,940
Other	196,165	589,994
	4,441,049	4,294,600
Leases		
Short-term lease payments	26,734	19,380

Note 6. Expenses (continued)

Employee and Director benefits expense		
Included in administration expenses:		
Employee benefits expense excluding superannuation and share-based payments	2,153,494	1,609,485
Defined contribution superannuation expense	137,085	117,125
	2,290,579	1,726,610
Included in research and development and support expenses and clinical services expenses:		
Employee benefits expense excluding superannuation and share-based payments	2,596,366	2,630,758
Defined contribution superannuation expense	130,217	189,107
	2,726,583	2,819,865
Share-based payments expense	598,457	65,712
	5,615,619	4,612,187

Note 7. Income tax

	Consolidated	
	2020	2019
	$	$
Income tax expense/(benefit)		
Current tax	6,612	41,880
Deferred tax - origination and reversal of temporary differences	81,277	(82,223)
Aggregate income tax expense/(benefit)	87,889	(40,343)
Deferred tax included in income tax expense/(benefit) comprises:		
Increase/(decrease) in deferred tax liabilities	81,277	(82,223)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit	(3,528,088)	(6,042,631)
Tax at the statutory tax rate of 27.5% (2019: 28.5%)	(970,224)	(1,722,150)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expected credit losses	63,198	190,815
Provision for inventories	1,834	18,178
Non-deductible taxes	68,030	156,703
Non-deductible employee contributions	(210,504)	8,793
Non-deductible interest, fines and levies	21,629	29,842
Non-deductible financial transactions levy	7,308	6,718
Other non-deductible expenses	223,233	131,401
Effect of overseas tax rates	32,834	96,623
Deferred tax assets not recognised	762,649	1,083,077
Income tax applied to companies in tax loss in overseas jurisdiction	6,612	41,468
	6,599	41,468
Movement in deferred taxes	81,290	(81,811)
Income tax expense/(benefit)	87,889	(40,343)

Note 7. Income tax (continued)

	Consolidated 2020 $	Consolidated 2019 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	31,082	-
Intangible assets	257,801	-
Allowance for expected credit losses	(176,524)	-
Lease liabilities	(31,082)	-
Deferred tax liability	81,277	-
Movements:		
Opening balance	-	82,223
Charged/(credited) to profit or loss	81,277	(82,223)
Closing balance	81,277	-

Note 8. Current assets - cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank	10,796,484	7,149,683

Note 9. Current assets - trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Trade receivables	3,603,545	3,576,937
Less: Allowance for expected credit losses	(866,708)	(884,467)
	2,736,837	2,692,470
Other receivables	6,651	9,718
Indirect taxes receivable	1,013,037	700,840
	3,756,525	3,403,028

Allowance for expected credit losses

The Group has recognised a loss of $54,386 (2019: $669,527) in profit or loss in respect of the expected credit losses for the year ended 31 December 2020.

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

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

Consolidated	Expected credit loss rate 2020 %	Expected credit loss rate 2019 %	Carrying amount 2020 $	Carrying amount 2019 $	Allowance for expected credit losses 2020 $	Allowance for expected credit losses 2019 $
Not overdue	-	-	3,279,190	2,388,217	-	-
0 to 3 months overdue	6.46%	3.89%	453,659	241,109	29,327	9,389
3 to 6 months overdue	75.00%	50.00%	124,012	92,148	93,009	46,074
6 to 12 months overdue	100.00%	75.00%	56,992	105,837	56,992	79,378
Over 6 months overdue	100.00%	100.00%	687,380	749,626	687,380	749,626
			4,601,233	3,576,937	866,708	884,467

	Consolidated 2020 $	Consolidated 2019 $
Opening balance	884,467	263,318
Additional provisions recognised	52,755	666,222
Amounts recovered during the year	-	(43,756)
Foreign exchange differences	(70,514)	(1,317)
Closing balance	866,708	884,467

Note 10. Current assets - inventories

	Consolidated 2020 $	Consolidated 2019 $
Merchandise not manufactured by the Group - at cost	371,627	183,474
Materials and spare parts - at cost	53,877	61,642
Less: Provision for impairment	(35,836)	(137,762)
	389,668	107,354

The cost of inventories recognised as an expense during the year ended 31 December 2020 was $1,433,397 (2019: $1,090,415).

The cost of inventories recognised as an expense includes $86,617 (2019: write downs of $63,784) in respect of reversal of write downs of inventory to net realisable value.

Note 11. Current assets - other

	Consolidated 2020 $	Consolidated 2019 $
Prepayments	27,354	16,800
Other receivables	274,833	233,819
	302,187	250,619

Note 12. Non-current assets - trade receivables

	Consolidated 2020 $	Consolidated 2019 $
Trade receivables	997,688	-

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

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

	Consolidated 2020 $	Consolidated 2019 $
Leasehold improvements - at cost	32,340	-
Less: Accumulated depreciation	(359)	-
	31,981	-
Furniture and fittings - at cost	23,117	26,286
Less: Accumulated depreciation	(13,922)	(8,709)
	9,195	17,577
Computer equipment - at cost	1,435,049	1,640,412
Less: Accumulated depreciation	(773,137)	(433,092)
	661,912	1,207,320
Medical equipment - at cost	3,259,322	2,519,140
Less: Accumulated depreciation	(616,117)	(368,031)
	2,643,205	2,151,109
	3,346,293	3,376,006

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 $	Computer equipment $	Medical equipment $	Total $
Balance at 1 January 2019	-	17,088	793,274	780,749	1,591,111
Additions	-	6,203	781,941	1,552,571	2,340,715
Disposals	-	(364)	(21,782)	(8,979)	(31,125)
Exchange differences	-	(57)	(2,631)	(3,834)	(6,522)
Depreciation expense	-	(5,293)	(343,482)	(169,398)	(518,173)
Balance at 31 December 2019	-	17,577	1,207,320	2,151,109	3,376,006
Additions	33,066	18,647	75,014	1,138,188	1,264,915
Disposals	-	(19,091)	(92,233)	(61,319)	(172,643)
Exchange differences	(718)	(2,777)	(130,017)	(263,084)	(396,596)
Depreciation expense	(367)	(5,161)	(398,172)	(321,689)	(725,389)
Balance at 31 December 2020	31,981	9,195	661,912	2,643,205	3,346,293

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

	Consolidated 2020 $	Consolidated 2019 $
Land and buildings - right-of-use	153,185	133,288
Less: Accumulated depreciation	(51,139)	(92,483)
	102,046	40,805

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 2019	129,436
Modifications of lease terms	4,417
Exchange differences	(193)
Depreciation expense	(92,855)
Balance at 31 December 2019	40,805
Additions	159,257
Modifications of lease terms	(2,341)
Exchange differences	(6,202)
Depreciation expense	(89,473)
Balance at 31 December 2020	102,046

Note 15. Non-current assets - intangibles

	Consolidated 2020 $	Consolidated 2019 $
Internally developed software - at cost	805,629	-
Copyright - at cost	24,275	27,768
Less: Accumulated amortisation	(18,198)	(17,355)
	6,077	10,413
Licenses - at cost	892,058	959,465
Less: Accumulated amortisation	(590,508)	(499,991)
	301,550	459,474
	1,113,256	469,887

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

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

Consolidated	Internally developed software $	Copyright $	Licences $	Total $
Balance at 1 January 2019	-	13,535	513,833	527,368
Additions	-	-	159,201	159,201
Exchange differences	-	368	(2,149)	(1,781)
Amortisation expense	-	(3,490)	(211,411)	(214,901)
Balance at 31 December 2019	-	10,413	459,474	469,887
Additions	805,629	-	115,806	921,435
Disposals	-	-	(12,177)	(12,177)
Exchange differences	-	(1,228)	(55,137)	(56,365)
Amortisation expense	-	(3,108)	(206,416)	(209,524)
Balance at 31 December 2020	805,629	6,077	301,550	1,113,256

Note 16. Current liabilities - trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Trade payables	1,457,945	870,151
Withholding tax payable	617,161	442,511
Other payables	307,425	112,541
	2,382,531	1,425,203

Refer to note 23 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated 2020 $	Consolidated 2019 $
Contract liabilities	53,548	63,936

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

	2020 $	2019 $
Opening balance	63,936	91,480
Payments received in advance	42,533	48,868
Transfer to revenue - included in the opening balance	(45,837)	(76,412)
Exchange differences	(7,084)	-
Closing balance	53,548	63,936

Note 17. Current liabilities - contract liabilities (continued)

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 $53,548 as at 31 December 2020 ($63,936 as at 31 December 2019) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2020	2019
	$	$
Within 6 months	24,042	60,845
6 to 12 months	1,868	3,091
12 to 18 months	27,638	-
	53,548	63,936

Note 18. Current liabilities - borrowings

	Consolidated	
	2020	2019
	$	$
Credit cards	2,759	6,866
Unsecured Revolving Credit Loans	40,833	91,652
Unsecured Fixed term loans	808,588	612,501
Unsecured other loans	-	4,388
PaaS equipment financing loan*	16,597	517,182
	868,777	1,232,589

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

Refer to note 19 for further information on assets pledged as security and financing arrangements.

Refer to note 23 for further information on financial instruments.

Note 19. Non-current liabilities - borrowings

	Consolidated	
	2020	2019
	$	$
Unsecured revolving credit loans	40,056	13,276
Unsecured fixed term loans	687,895	585,047
Secured loans from related parties	-	1,000,000
Cost of borrowing*	-	(771,429)
	727,951	826,894

* The cost of borrowing relates to the net amortised value of the cost of options issued on the loan to Domatorisaro Pty Ltd, a related party of Dr Douglas Lingard. The cost of the options is amortised over the length of the loan. This loan comprised two possible tranches of $1,000,000 each at an annual interest rate of 12.5% on each tranche and 4% on the facility. The loan was repaid during the financial year ended 31 December 2020.

Refer to note 23 for further information on financial instruments.

Note 19. Non-current liabilities - borrowings (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Secured loans from related parties	-	1,000,000

Assets pledged as security
The secured loans from related parties were secured by a $1,000,000 term deposit included in cash and cash equivalents.

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

	Consolidated 2020 $	Consolidated 2019 $
Total facilities		
Unsecured revolving credit loans	80,889	104,928
Unsecured fixed term loans	1,496,483	1,197,548
Unsecured other loans	-	4,388
	1,577,372	1,306,864
Used at the reporting date		
Unsecured revolving credit loans	80,889	104,928
Unsecured fixed term loans	1,496,483	1,197,548
Unsecured other loans	-	4,388
	1,577,372	1,306,864
Unused at the reporting date		
Unsecured revolving credit loans	-	-
Unsecured fixed term loans	-	-
Unsecured other loans	-	-
	-	-

Note 20. Equity - issued capital

	Consolidated 2020 Shares	Consolidated 2019 Shares	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares - fully paid	29,699,842	1,175,657,186	28,461,991	19,757,466

Note 20. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2019	925,657,186		10,553,259
Issue of shares pursuant to placement	24 October 2019	250,000,000	$0.040	10,000,000
Share issue transaction costs, net of tax		-	$0.000	(675,793)
Issue of lead advisor options	24 October 2019	-	$0.000	(120,000)
Balance	31 December 2019	1,175,657,186		19,757,466
Issue of shares	26 May 2020	16,666,667	$0.030	500,000
Conversion of class A performance shares	23 July 2020	6	$0.030	-
Issue of shares	30 October 2020	276,000,000	$0.030	8,280,000
Issue of shares	30 October 2020	16,666,667	$0.030	500,000
Consolidation of shares 50 to 1	6 November 2020	(1,455,290,684)	$0.000	-
Share issue transaction costs, net of tax		-	$0.000	(575,475)
Balance	31 December 2020	29,699,842		28,461,991

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.

Class A performance shares
The Company had 750,000 unquoted class A performance shares. These class A performance shares were converted into 6 ordinary shares on 23 July 2020.

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

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

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

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

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

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

The capital risk management policy remains unchanged from the 31 December 2019 Annual Report.

Note 21. Equity - reserves

	Consolidated 2020 $	Consolidated 2019 $
Foreign currency reserve	(519,327)	(21,232)
Share-based payments reserve	3,076,937	2,478,480
Options reserve	30,440	-
	2,588,050	2,457,248

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

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

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

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

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Options reserve $	Total $
Balance at 1 January 2019	(15,392)	1,208,718	-	1,193,326
Foreign currency translation	(5,840)	-	-	(5,840)
Share-based payments - options issued pursuant to loan agreement	-	1,080,000	-	1,080,000
Share-based payments - options issued to advisor pursuant to placement	-	120,000	-	120,000
Share-based payments - options issued to KMP	-	65,712	-	65,712
Amounts paid on issue of options	-	4,050	-	4,050
Balance at 31 December 2019	(21,232)	2,478,480	-	2,457,248
Foreign currency translation	(498,095)	-	-	(498,095)
Share-based payments - options issued to KMP	-	598,457	-	598,457
Amounts paid on issue of options	-	-	30,440	30,440
Balance at 31 December 2020	(519,327)	3,076,937	30,440	2,588,050

Note 22. Equity - dividends

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

Note 23. Financial instruments

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

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

Market risk

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

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

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

	Assets		Liabilities	
Consolidated	2020 $	2019 $	2020 $	2019 $
US dollars	322,814	246,708	784,699	32,706
Euros	22,748	-	-	9,909
Colombian peso	4,556,964	3,476,151	551,517	389,768
	4,902,526	3,722,859	1,336,216	432,383

Based on the financial instruments held at 31 December 2020, had the Australian dollar weakened by 5% against the Colombian Peso, US Dollar and Euro, with all other variables held constant, the Group’s pre-tax profit for the year would have been $27,962 higher (2019: $149,228 higher). If the Australian dollar had strengthened the corresponding impact would have been a decrease in pre-tax profit by the same amount.

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

Interest rate risk
The Group’s main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to have mainly fixed rate loans directly. During the financial years ended 31 December 2020 and 31 December 2019, 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:

Note 23. Financial instruments (continued)

	2020 $	% of total loans %	2019 $	% of total loans %
Variable rate borrowings	2,759	0.2	6,866	0.3
Fixed rate borrowings (no repricing dates)	1,577,373	99.8	2,306,864	99.7
	1,580,132	100.0	2,313,730	100.0

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

Credit risk

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

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

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

Liquidity risk

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

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

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 - 2020	< 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 Years $	Over 5 Years $	Total contractual cash flows $	Carrying amount $
Trade payables	1,457,945	-	-	-	-	1,457,945	1,457,945
Other payables	307,425	-	-	-	-	307,425	307,425
Lease liabilities	101,469	-	-	-	-	101,469	101,469
Borrowings - variable rate	2,759	-	-	-	-	2,759	2,759
Borrowings - fixed rate	146,728	117,780	447,937	867,686	-	1,580,132	1,580,132
	2,016,326	117,780	447,937	867,686	-	3,449,730	3,449,730

Note 23. Financial instruments (continued)

Consolidated - 2019

	< 6 months $	6-12 months $	Between 1 and 2 years $	Between 2 and 5 Years $	Over 5 Years $	Total contractual cash Flows $	Carrying amount $
Trade payables	870,151	-	-	-	-	870,151	870,151
Other payables	112,541	-	-	-	-	112,541	112,541
Lease liabilities	40,574	-	-	-	-	40,574	40,574
Borrowings - variable rate	6,866	-	-	-	-	6,866	6,866
Borrowings - fixed rate	-	116,567	1,562,484	627,814	-	2,306,865	1,535,435
	1,030,132	116,567	1,562,484	627,814	-	3,336,997	2,565,567

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

Note 24. 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 2020 $	Consolidated 2019 $
Short-term employee benefits	796,289	1,037,844
Post-employment benefits	62,319	57,742
Share-based payments	565,023	65,712
	1,423,631	1,161,298

Note 25. Remuneration of auditors

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

	Consolidated	
	2020	2019
	$	$
Audit services - Nexia Sydney Audit Pty Ltd/BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements - Nexia Sydney Audit Pty Ltd	26,500	-
Audit or review of the financial statements - BDO Audit (WA) Pty Ltd	41,601	71,847
Other services - Nexia Sydney Audit Pty Ltd/BDO Audit (WA) Pty Ltd		
Preparation of the tax return - Nexia Sydney Audit Pty Ltd	-	-
Preparation of the tax return - BDO Audit (WA) Pty Ltd	18,762	9,862
	86,863	81,709
Audit services - network firms		
Audit or review of the financial statements	31,835	46,999
Other services - network firms		
Other	1,341	660
	120,039	129,368

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

Note 26. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2020 (2019: none)

Note 27. Related party transactions

Parent entity
IMEXHS Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Joint operations
Interests in joint operations are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Note 27. Related party transactions (continued)

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

	Consolidated 2020 $	Consolidated 2019 $
Sale of goods and services:		
Sale of goods to key management personnel	4,432,817	3,382,898
Payment for goods and services:		
Purchase of fixed assets from key management personnel	-	348,067
Payment for services from key management personnel	1,186,519	1,775,967
Payment for other expenses:		
Interest paid to key management personnel - on secured loans	-	95,591
Interest paid to key management personnel - on PaaS equipment financing loan	87,198	272,488

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

	Consolidated 2020 $	Consolidated 2019 $
Current receivables:		
Trade receivables from key management personnel	739,461	1,937,969
Current payables:		
Trade payables to key management personnel	1,628	264,257

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

	Consolidated 2020 $	Consolidated 2019 $
Non-current borrowings:		
Loan from key management personnel - secured loans	-	1,000,000
Loan from key management personnel - PaaS equipment financing loan	7,115	420,399

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

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	(10,419,073)	(11,341,404)
Total comprehensive loss	(10,419,073)	(11,341,404)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	9,324,261	10,866,778
Total assets	9,326,465	10,869,936
Total current liabilities	5,109	880
Total liabilities	5,109	229,451
Equity		
Issued capital	32,142,799	23,438,273
Share-based payments reserve	2,731,118	2,366,141
Options reserve	30,440	-
Accumulated losses	(25,583,001)	(15,163,929)
Total equity	9,321,356	10,640,485

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 2020 and 31 December 2019.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2020 and 31 December 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2020 and 31 December 2019.

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

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

Note 29. 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 2020 %	Ownership interest 2019 %
OMT Operations (AU) Pty Ltd*	Australia	100.00%	100.00%
Imaging Experts and Healthcare Services Pty Ltd	Australia	100.00%	100.00%
Imaging Experts and Healthcare Services S.A.S.	Colombia	100.00%	100.00%
IMEXHS Corp	US	100.00%	-
IMEXVR SAS*	Colombia	100.00%	100.00%
IMEXMB SAS*	Colombia	100.00%	100.00%
Dictatech Inc*	US	100.00%	100.00%

* Dormant.

Note 30. Interests in joint operations

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. Information relating to joint operations that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Hospital Central Policía Nacional (National Police Hospital)	Colombia	30.00%	30.00%

Note 31. Changes in liabilities arising from financing activities

Consolidated	Borrowings $	Lease liabilities $	Total $
Balance at 1 January 2019	440,233	-	440,233
Net cash from/(used in) financing activities	1,619,250	(93,085)	1,526,165
Adoption of AASB 16	-	129,436	129,436
Modification of lease terms	-	4,407	4,407
Exchange differences	-	(184)	(184)
Balance at 31 December 2019	2,059,483	40,574	2,100,057
Net cash used in financing activities	(1,234,184)	(96,021)	(1,330,205)
Acquisition of leases	-	159,257	159,257
Modifications of lease terms	-	(2,341)	(2,341)
Unwinding deferred borrowing costs	771,429	-	771,429
Balance at 31 December 2020	1,596,728	101,469	1,698,197

Note 32. Earnings per share

	Consolidated 2020 $	2019 $
Loss after income tax attributable to the owners of IMEXHS Limited	(3,615,977)	(6,002,288)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	24,730,188	19,458,381
Weighted average number of ordinary shares used in calculating diluted earnings per share	24,730,188	19,458,381
	Cents	Cents
Basic earnings per share	(14.62)	(30.85)
Diluted earnings per share	(14.62)	(30.85)

The weighted average number of ordinary shares in the comparative period are calculated based on the number of shares that would have been in existence had the capital restructure occurred on 1 January 2019.

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 33. Share-based payments

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

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

Note 33. Share-based payments (continued)

Set out below are summaries of options granted:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
22/07/2017	31/03/2021	$1.250	35,000,000	-	-	(34,300,000)	700,000
28/08/2018	30/06/2021	$2.500	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	28/08/2023	$1.875	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	28/08/2023	$1.875	50,000,000	-	-	(48,999,999)	1,000,001
28/08/2018	30/06/2021	$1.875	12,500,000	-	-	(12,250,000)	250,000
28/08/2018	30/06/2021	$2.500	30,000,000	-	-	(29,400,000)	600,000
25/10/2018	25/10/2023	$3.500	4,000,000	-	-	(3,920,000)	80,000
10/12/2018	09/12/2023	$2.650	2,000,000	-	-	(1,960,000)	40,000
07/10/2019	31/03/2022	$2.700	40,000,000	-	-	(39,200,000)	800,000
31/10/2019	30/09/2022	$2.700	5,000,000	-	-	(4,900,000)	100,000
01/04/2020	01/04/2022	$3.250	-	1,500,000	-	(1,470,000)	30,000
01/04/2020	01/04/2023	$5.000	-	1,500,000	-	(1,470,000)	30,000
26/05/2020	12/03/2027	$2.750	-	8,000,000	-	(7,840,000)	160,000
26/05/2020	12/03/2027	$3.500	-	8,000,000	-	(7,840,000)	160,000
26/05/2020	12/03/2027	$1.500	-	12,000,000	-	(11,760,000)	240,000
			278,500,000	31,000,000	-	(303,309,997)	6,190,003
Weighted average exercise price			$2.140	$2.590	$0.000	$2.180	$2.180

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

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/07/2017	31/03/2021	$0.025	35,000,000	-	-	-	35,000,000
28/08/2018	30/06/2021	$0.050	50,000,000	-	-	-	50,000,000
28/08/2018	28/08/2023	$0.038	50,000,000	-	-	-	50,000,000
28/08/2018	28/08/2023	$0.038	50,000,000	-	-	-	50,000,000
28/08/2018	30/06/2021	$0.038	12,500,000	-	-	-	12,500,000
28/08/2018	30/06/2021	$0.050	30,000,000	-	-	-	30,000,000
25/10/2018	25/10/2023	$0.070	4,000,000	-	-	-	4,000,000
10/12/2018	09/12/2023	$0.053	2,000,000	-	-	-	2,000,000
07/10/2019	31/03/2022	$0.054	-	40,000,000	-	-	40,000,000
31/10/2019	30/09/2022	$0.054	-	5,000,000	-	-	5,000,000
			233,500,000	45,000,000	-	-	278,500,000
Weighted average exercise price			$0.041	$0.054	$0.000	$0.000	$0.043

Note 33. Share-based payments (continued)

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

Grant date	Expiry date	2020 Number	2019 Number
22/07/2017	31/03/2021	700,000	35,000,000
28/08/2018	30/06/2021	1,000,001	50,000,000
28/08/2018	30/06/2021	250,000	12,500,000
28/08/2018	30/06/2021	600,000	30,000,000
25/10/2018	25/10/2023	80,000	4,000,000
10/12/2018	09/12/2023	10,000	-
07/10/2019	31/03/2022	800,000	40,000,000
31/10/2019	30/09/2022	100,000	5,000,000
01/04/2020	01/04/2022	30,000	-
26/05/2020	12/03/2027	160,000	-
26/05/2020	12/03/2027	160,000	-
		3,890,001	176,500,000

The weighted average share price during the financial year was $1.60 (2019: $1.96).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.85 years (2019: 2.38 years).

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
01/04/2020	01/04/2022	$1.200	$3.250	100.00%	-	0.21%	$0.350
01/04/2020	01/04/2023	$1.200	$5.000	100.00%	-	0.21%	$0.400
26/05/2020	12/03/2027	$1.750	$2.750	100.00%	-	0.46%	$1.300
26/05/2020	12/03/2027	$1.750	$3.500	100.00%	-	0.46%	$1.250
26/05/2020	12/03/2027	$1.750	$1.500	100.00%	-	0.46%	$1.350

Note 34. Events after the reporting period

On 2 March 2021, 301,680 share options were exercised and on 9 March 2021, 193,320 share options were exercised. The share options were granted on 22 July 2017 and had an exercise price of $1.25 per share option.

On 4 March 2021, 140,000 share options were granted to Ms Reena Minhas, the Group's Chief Financial Officer and Company Secretary. The share options have an exercise price of $nil and expire on the 1 March 2031.

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

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

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

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

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Douglas Flynn
Chairman

29 March 2021

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 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

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

Basis for opinion

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

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

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

Key audit matters

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

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Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to note 5 in the financial report. Revenue recognition is considered a key audit matter as it is the most significant balance in the Group's Statement of Profit or Loss and Other Comprehensive Income, and is the key driver to the Group's performance. Furthermore, there are complexities and significant management judgements associated with interpreting the key contractual terms of revenue contracts entered into by the Group against the requirements of the AASB 15 'Revenue from Contracts with Customers' (AASB 15).	Our audit procedures in respect of this area included but were not limited to the following: ▪ Assessing the adequacy of the disclosures in notes 2 and 5 of the financial report. ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: - obtaining and reviewing 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 the 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.
Recoverability of trade receivables – valuation of the expected credit loss provision. Refer to notes 9 and 12 in the financial report. The recoverability and valuation of trade receivables is considered a key audit matter due to the quantum of the receivable balance and the use of significant management estimates and judgements in determining expected credit losses in accordance with AASB 9 'Financial Instruments' (AASB 9).	Our audit procedures in respect of this area included but were not limited to the following: ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: - Testing, on a sample basis, the recognition of accounts receivable in accordance with the Group's accounting policies; - Recalculating the provision for expected credit loss on the outstanding trade receivables in accordance with the requirements of AASB 9; - Confirming the existence of accounts receivable balances recorded at year-end; ▪ Tested a sample of debtors to ascertain whether the recorded amounts are recognised net of any material deferred financing amounts; ▪ Assessing the reasonableness of the basis, estimates and judgements applied by management in assessing expected credit losses on trade receivables; ▪ Assessing the accuracy of the classification of trade receivables between current and non-current assets in notes 9 and 12 of the financial report; ▪ Assessed the adequacy of the disclosure in notes 2, 9 and 12 of the financial report.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of internally generated software intangibles Refer to note 15 in the financial report. The capitalisation of internally generated software intangibles is considered a key audit matter due to the significant judgement in the assessment of development project costs in accordance with the requirements of AASB 138 'Intangible Assets' (AASB 138). The Group has a number of active internal software development programs which are at various stages of development. Given the unique nature of the software in development there is significant management judgement in the application of the recognition criteria under AASB 138.	Our audit procedures in respect of this area included by were not limited to the following: ▪ We obtained an understanding of the Group's current software development programme processes to ensure capitalised costs met the requirements for recognition as intangible assets in accordance with AASB 138; ▪ We obtained an understanding of the records and data that management applies to document development time incurred by core development staff; ▪ Instructing and reviewing the audit work papers of the component auditor in Columbia, which included the following specific procedures: - For a sample of capitalised development costs, reviewed the underlying data and supporting documentation to ensure the activities recorded were consistent with the recognition requirements of AASB 138. ▪ We have obtained representations from Management, including the Head of Development that the allocation of costs to individual projects are determined in accordance with AASB 138.

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 2020, 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 26 to 34 of the directors' Report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of IMEXHS Limited for the year ended 31 December 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

Nexia

Nexia Sydney Audit Pty Ltd

Andrew Hoffmann
Director
Dated: 29 March 2021

Sydney

The shareholder information set out below was applicable as at 28 February 2021.

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	343	0.52	-	-
1,001 to 5,000	483	4.40	-	-
5,001 to 10,000	180	4.68	3	0.35
10,001 to 100,000	246	23.86	22	18.61
100,001 and over	34	66.54	13	81.04
	1,286	100.00	38	100.00
Holding less than a marketable parcel	96	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
National Nominees Limited	3,761,248	12.66
Digital Imaging Solutions Sas	3,150,503	10.61
Jaava Asesores Integrales Sas	2,048,758	6.90
Volegna Holdings Pty Ltd (The Csa A/C)	1,240,190	4.18
Irukandji Investments Pty Ltd (Longreach Family A/C)	1,187,836	4.00
Hsbc Custody Nominees (Australia) Limited	975,326	3.28
Rio Negro Pty Ltd (The Medallo A/C)	888,836	2.99
Dr & Lc Flynn Nominees Pty Limited (Flynn Super Fund A/C)	571,649	1.92
Dixson Trust Pty Limited	448,737	1.51
Mr James Woulfe & Mrs Catherine Maria Woulfe (Debhulbh Family A/C)	425,495	1.43
Tisia Nominees Pty Ltd (Henderson Family A/C)	345,500	1.16
Citicorp Nominees Pty Limited	343,331	1.16
Ilewise Pty Ltd (Lingard Family A/C)	333,333	1.12
Optim8 Pty Ltd (The Gic Super Fund A/C)	312,490	1.05
Virgina Marin Munoz	290,857	0.98
Carmen Cecilia Arango Bonnet	290,857	0.98
Mr Barry Assaf	282,011	0.95
John Alexander Sanz Ramirez	253,625	0.85
Bannaby Investments Pty Limited (Bannaby Super Fund A/C)	250,000	0.84
Dirdot Pty Limited (Griffith Super Fund A/C)	205,970	0.69
	17,606,552	59.26

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	6,190,003	38

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
National Nominees Limited	3,761,248	12.66
Digital Imaging Solutions Sas	3,150,503	10.61
Jaava Asesores Integrales Sas	2,048,758	6.90

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 10:00AM on Thursday, 13 May 2021 The location is yet to be determined
Registered office	122 O'Riordan Street Mascot NSW 2020
Principal place of business	122 O'Riordan Street Mascot NSW 2020
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664 Tel: +61 2 9698 5414 (international) Email: hello@automic.com.au
Auditor	Nexia Sydney Audit Pty Ltd Level 16, 1 Market Street Sydney NSW 2000
Bankers	National Australia Bank Level 12, 100 St Georges Tce Perth WA 6000
Stock exchange listing	IMEXHS Limited shares are listed on the Australian Securities Exchange (ASX code: IME)
Corporate Governance Statement	The directors and management are committed to conducting the business of IMEXHS Limited in an ethical manner and in accordance with the highest standards of corporate governance. IMEXHS Limited has adopted and has complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed was approved by the Board of Directors at the same time as the Annual Report and can be found at www.imexhs.com

2020

Annual Report

IMEXHS™ is the place where **innovation and technology meet medical experience**

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