

31 August 2020

ASX ANNOUNCEMENT

## IMEXHS reports 1H20 result

### Highlights

- Sales revenue of \$4.5m, up 68% vs pcp<sup>1</sup>; up 79% on constant currency basis<sup>2</sup>
- Recurring revenue of \$4.2m, up 71% vs pcp; up 82% on constant currency basis
- Annualised Recurring Revenue (ARR<sup>3</sup>) of \$8.8m, up 5% vs pcp; up 20% on constant currency basis
- Strong financial position with closing cash balance of \$6.3m
- EBITDA loss of \$1.3m, 26% improvement on pcp, 6% excluding impact of software capitalisation
- Underlying EBITDA loss of \$0.8m, 51% improvement on pcp, 31% excluding impact of software capitalisation

IMEXHS Limited (ASX: IME) (“IMEXHS” or “the Company”) today released its financial results for the six months ended 30 June 2020.

IMEXHS CEO, Dr German Arango said: “IMEXHS continues to deliver on its operational and strategic objectives. During the first half, we made several important appointments including welcoming Doug Flynn to the board as Chairman and Damian Banks as Non-Executive Director and Chairman of the Audit Committee.

“In April, Alejandro Varettoni joined the Company as Chief Sales Officer to spearhead our expansion into new markets and recently made key appointments in the US and Australia. In addition, IMEXHS has received ANVISA certification in Brazil which means that we are now able to deploy our cloud-based enterprise imaging solution in LATAM’s largest market.

“While the COVID-19 outbreak resulted in an initial slowing in sales decision making, we have also witnessed increased interest in the multi-tenant & teleradiology capabilities of our HIRUKO™ platform which we will seek to convert into sales in the second half.”

### Financial Performance

IMEXHS had a consolidated loss for the first half of \$2.4m; with an EBITDA loss of \$1.3m which was a 26% improvement over the first half of 2019 and an underlying EBITDA loss of \$0.8m which was a 51% improvement over the same period. When excluding the impact of software capitalisation of \$360k in the period, underlying EBITDA improvement was \$0.5m (31%).

The improvement in the result was driven by 1H20 revenue from ordinary activities of \$4.6m, which was up \$1.8m (65%) when compared with pcp and up \$2.1m (77%) on a constant currency basis. This

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<sup>1</sup> Previous corresponding period

<sup>2</sup> Constant currency basis assumes FY20 results are converted at the average foreign exchange rate for FY19. This removes the impact of changes in currency rates and allows comparison of IMEXHS’s underlying operating performance.

<sup>3</sup> ARR represents the value of monthly recurring contract revenue multiplied by twelve. It provides a 12-month forward view of revenue; assuming all contracts expiring within the next twelve months will renew at the same rate and at constant exchange rates.

was underpinned by the growth in contracted recurring revenue to \$4.2m from \$2.5m in pcp. ARR was \$8.8m, 5% higher on pcp and 20% higher on a constant currency basis.

### Financial Position

IMEXHS has maintained a sound financial position with net assets at 30 June 2020 of \$8.5m and net tangible assets of \$7.8m. IMEXHS had cash on hand of \$6.3m.

### Business Highlights

During the first half, IMEXHS made key appointments to the Board and management team and implemented a new sales structure which led to an expanded presence in the new markets of the USA and Australia.

In May, IMEXHS launched an *Aquila in the Cloud* offering which is aimed at small and medium-sized businesses and has already generated strong interest and firm commitments.

### FY20 Outlook & Guidance

There has been a significant increase in interest in IMEXHS's fully web-based software in the first half as the COVID-19 pandemic accelerated the shift to the cloud. It also reflects the recent reorganisation and strengthening of IMEXHS's sales function and its partner programme.

The COVID-19 outbreak has led to an extension of the sales cycle as it impacted decision-making on larger contracts although these remain live opportunities. Recent actions to establish operations in USA, Brazil (including ANVISA certification) and Australia are unlikely to have a material impact on revenue in FY20.

Notwithstanding the impacts of COVID-19, current trading in the second half to date is in line with the Company's business plans and IMEXHS expects to achieve revenue in the range of \$10.0m - \$12.0m for the full year.

### Investor Conference Call

IMEXHS Chief Executive Officer Dr German Arango and CFO Tony Thomas will host a conference call with the investment community including a Q&A session at **10am AEST today (31 August 2020)**.

To listen to the conference call, please register at:

<https://s1.c-conf.com/DiamondPass/10009483-invite.html>

Authorised for release by the board of IMEXHS Limited.

-ENDS-

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## About IMEXHS

**IMEXHS Limited [ASX: IME]** is a leading imaging Software-as-a-Service (SaaS) and ancillary solutions provider with over 270 customers, and distributors in 15 countries. Founded in 2012, IMEXHS is known for its innovation in the imaging services market, offering flexible and scalable imaging solutions via its HIRUKO branded suite of solutions for next generation Picture Archiving and Communications System (PACS) and integrated medical imaging systems (including a Radiology Information System (RIS), a Cardiology Information System (CIS) and an Anatomical Pathology Laboratory Information System (APLIS)). The HIRUKO™ system is completely cloud-based, vendor neutral and zero footprint with no need for installed software. The IMEXHS products are designed to increase productivity and save money for end users, with a scalable platform that is configured for the future and enhances patient outcomes. For more information, visit [www.imexhs.com](http://www.imexhs.com)

## APPENDIX 4D

### HALF-YEAR REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

### IMEXHS LIMITED

ABN 60 096 687 839

#### Results for announcement to the Market

(This information should be read in conjunction with the last annual report and any announcements to the market by IMEXHS Limited (the Group) during the period)

Results	Half-Year	Half-Year	Change	
	Ended 30/6/20	Ended 30/6/19		
	\$	\$	\$	%
Revenue from ordinary activities	4,586,747	2,773,617	1,813,130	65
Profit/(Loss) from ordinary activities after tax attributable to members	(2,362,570)	(2,168,276)	(194,294)	(9)
Comprehensive Net Profit/(Loss) for the period attributable to members	(2,789,149)	(2,130,249)	(658,900)	(31)

#### Dividend

The Directors do not propose to recommend the payment of a dividend in respect of the period.

#### Details of associate and joint venture entities

The company has a 30% share of a joint operation supplying radiology services to the Hospital Central Policía Nacional (National Police Hospital) in Bogotá Colombia. The contribution to the results is not material.

#### Details of entities over which control has been gained or lost during the period

No entities were acquired during the period. No entities were disposed of due to loss of control during the period.

Net tangible asset per security	30/6/20	30/6/19
Net tangible assets per ordinary share	\$0.0065	\$0.0035

**Brief explanation of any of the figures reported above:**

Please refer to the attached Directors' Report for a full commentary on the results for the period and refer to the 2020 Half-Year Financial Report for the detailed financial statements and explanatory notes to the accounts.

**Compliance Statement**

The above information should be read in conjunction with the attached Half Year Financial Report for the period ended 30 June 2020.

This report is based on accounts which have been reviewed.



Doug Flynn  
Chairman  
28 August 2020

# **IMEXHS LIMITED**

ABN 60 096 687 839

## **HALF-YEAR FINANCIAL REPORT**

FOR THE PERIOD ENDED 30 JUNE 2020

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The interim Financial Report covers IMEXHS Limited, consisting of IMEXHS Limited ("IMEXHS Limited" or the "Company") and its wholly owned subsidiaries.

IMEXHS Limited is a company limited by shares, incorporated and domiciled in Australia. The financial report is presented in Australian dollars.

# CORPORATE INFORMATION

## Directors

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

## Company Secretary

Mr Peter Webse

## Registered & Principal Office

122 O’Riordan Street  
Mascot NSW 2020

## Auditors

BDO (Audit) WA Pty Ltd  
38 Station Street  
Subiaco WA 6008

## Bankers

National Australia Bank  
Level 12  
100 St Georges Tce  
Perth WA 6000

## Share Registry

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

## Stock Exchange Listing

Australian Securities Exchange  
ASX Code: **IME**



The Directors present their report, together with the financial statements, on IMEXHS Limited (“the Company” or “the Group”) for the half-year ended 30 June 2020.

## 1 DIRECTORS

The following persons were Directors of the Company during the half-year and until the date of this report unless otherwise stated:

Name	Role	Appointed	Resigned
Mr Doug Flynn	Chairman	12/3/2020	Current
Dr German Arango	CEO	28/8/2018	Current
Mr Damian Banks	Non-Executive Director	22/5/2020	Current
Dr Doug Lingard	Non-Executive Director	10/12/2018	Current
Mr Carlos Palacio*	Non-Executive Director	28/8/2018	Current
Mr Howard Digby	Non-Executive Director	1/8/2017	30/4/2020

\* Mr Palacio acted as interim Chairman for the period 1 January 2020 to 12 March 2020.

## 2 PRINCIPAL ACTIVITY

The Company 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.

## 3 DIVIDENDS

There were no dividends paid, recommended or declared during the half-year ended 30 June 2020 (2019: \$nil).

## 4 REVIEW OF OPERATIONS

### Financial Performance

The consolidated financial results for the Group for the half-year ended 30 June 2020 (1H20) was underpinned by continued revenue growth. The result for the Company from ordinary activities for 1H20 was a loss of \$2,362,570 (1H19: loss of \$2,168,276), after providing for income tax.

### EBITDA

The Group's EBITDA was a loss of \$1,302,562 (1H19: loss of \$1,768,406), representing a 26% or \$465,844 improvement over 1H19. The Group also saw an improvement in its underlying EBITDA with a loss of \$848,262 (1H19: loss of \$1,741,251), representing a 51%, or \$892,989 improvement compared with the prior corresponding period.

<b>Consolidated</b>	<b>1H20</b> \$	<b>1H19</b> \$	<b>Movement</b> %
<b>Result before tax</b>	(2,362,570)	(2,168,276)	(9%)
<i>Adjusted for:</i>			
Net interest & borrowing costs	544,705	50,982	
Depreciation and amortisation	515,303	348,888	
<b>Reported EBITDA</b>	(1,302,562)	(1,768,406)	26%
<i>Adjusted for:</i>			
Net exchange gains/losses	(21,823)	11,280	
Share Based Payments Expenses	476,123	15,875	
<b>Underlying EBITDA</b>	(848,262)	(1,741,251)	51%

### Revenue Growth

The Company experienced growth in its revenue from operating activities in the period to \$4,586,747 (1H19: \$2,773,617). This is 65% higher than pcp<sup>1</sup> on a reported currency basis and 77% higher on a constant currency<sup>2</sup> basis.

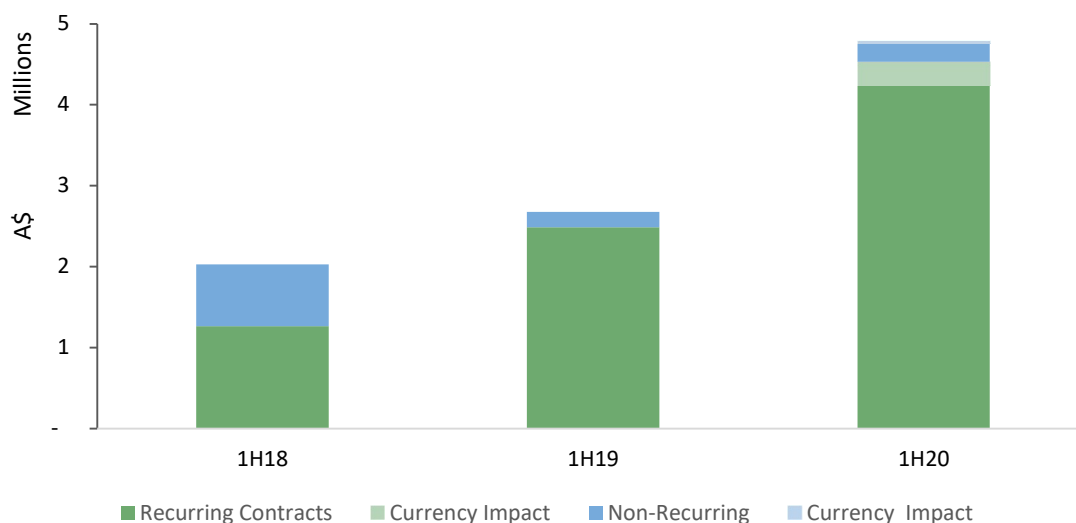
<b>Consolidated</b>	<b>Reported Currency 1H20</b> \$	<b>Constant Currency 1H20</b> \$	<b>1H19</b> \$	<b>Reported Currency Movement</b> %	<b>Constant Currency Movement</b> %
Recurring Revenue	4,249,114	4,528,946	2,485,490	71%	82%
Other Sales Revenue	242,666	251,999	190,071	28%	33%
Other Revenue	94,967	115,032	98,056	(3%)	17%
	<u>4,586,747</u>	<u>4,895,977</u>	<u>2,773,617</u>	65%	77%

Revenue growth was particularly strong for recurring revenue contracts, which were \$4,249,114 for the period (1H19: \$2,485,490), up 71% on reported currency and 82% on constant currency basis.

<sup>1</sup> Prior corresponding period

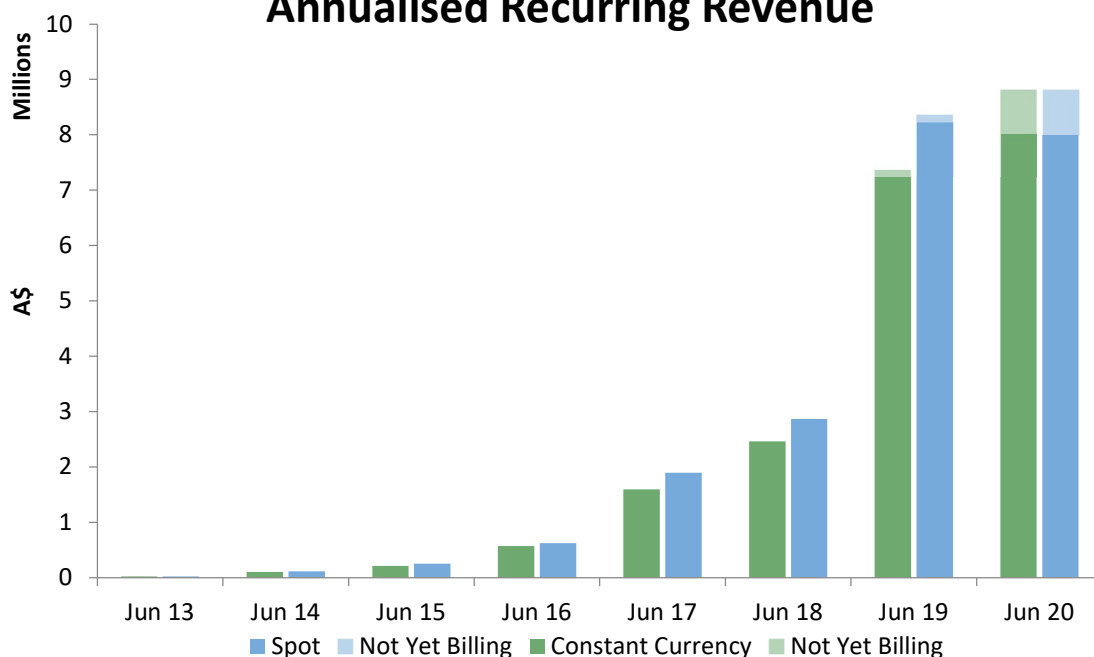
<sup>2</sup> Constant currency basis assumes FY20 results are converted at the average foreign exchange rate for FY19. This removes the impact of changes in currency rates and allows comparison of IMEXHS's underlying operating performance.

### Sales Revenue (incl Constant Currency impact)



At 30 June 2020, the Company’s Annualised Recurring Revenue (ARR<sup>3</sup>) was \$8.8m. This was 5% higher than the prior corresponding period and 20% higher when compared on a constant currency basis. The Company’s ARR has achieved a Compound Annual Growth Rate (CAGR) of 137% since the Company’s inception in 2013 (143% on constant currency basis).

### Annualised Recurring Revenue



<sup>3</sup> ARR represents the value of monthly recurring contract revenue multiplied by twelve. It provides a 12-month forward view on revenue; assuming all contracts expiring within the next twelve months will renew at the same rate and at constant exchange rates.

## Financial Position

At 30 June 2020, the Company had net assets of \$8,529,827 and net tangible assets of \$7,777,046. The cash and cash equivalents were \$6,293,533.

The following table provides a summary of key balances from the Group's Statement of Financial Position at 30 June 2020:

<b>Consolidated</b>	<b>30 June 2020 \$</b>	<b>31 December 2019 \$</b>	<b>30 June 2019 \$</b>
Cash and cash equivalents	6,293,533	7,149,683	220,009
Trade & other receivables	3,190,895	3,653,647	3,824,562
Inventories	469,615	107,354	820,351
Current Assets	9,954,043	10,910,684	4,864,922
Non-Current Assets	3,703,748	3,886,698	3,162,890
Total Assets	13,657,791	14,797,382	8,027,812
Trade & other payables	837,433	870,151	1,821,083
Other current liabilities	3,229,173	2,693,701	2,382,338
Current liabilities	4,066,606	3,563,852	4,203,421
Non-current liabilities	1,061,358	826,895	82,223
Total Liabilities	5,127,964	4,480,746	87,971
Net Assets	8,529,827	10,316,636	7,939,841
<i>Net Tangible Assets</i>	<i>7,777,046</i>	<i>9,846,749</i>	<i>7,469,954</i>

## Highlights for the Half Year

### Organisational Developments

During the first half of the year the Company made a number of key appointments to the organisation.

#### Board Chairman

After an extensive search, IMEXHS appointed a new Chairman, Mr Doug Flynn, on 12 March. Mr Flynn has held senior management roles and directorships in major companies in Australia and overseas, and was successively Managing Director of News International plc, Chief Executive of Aegis Group plc and Chief Executive of Rentokil Initial plc. Mr Flynn has chaired several ASX-listed companies including Isentia, APN Outdoor and Konekt and is currently Chairman of NextDC. He has also been a director of ASX-listed West Australian Newspapers and Seven West Media.

#### Non-Executive Director

On 11 May, IMEXHS announced the appointment of Damian Banks as Non-Executive Director. Mr Banks has had a successful career with leadership roles across the Financial Services, Health and Employment sectors. Most recently, Mr Banks was CEO and Managing Director of Konekt Ltd, an ASX-listed technology-focused health and employment business which was sold to private equity in December 2019.

#### Chief Sales Officer

The Company appointed a new Chief Sales Officer, Mr Alejandro Varettoni on 1 April. Mr Varettoni has had a long and outstanding career in the healthcare imaging sector, including as Head of Agfa Medical Imaging in

Latin America, and has a proven track record of generating new business and developing strong client relationships.

#### USA Subsidiary & Country Manager

During the period, IMEXHS took further steps to establish its US subsidiary and appointed Mr Marlon Bustos as USA Country Manager. Mr. Bustos has had a successful commercial career with global companies including Unilever and Procter and Gamble, and has a track record in developing and successfully implementing business plans in the United States over the past 15 years.

#### General Manager–Business Development, Australia & NZ

In August 2020, IMEXHS announced the appointment of Mr German Fumis as General Manager–Business Development for Australia and New Zealand. Mr Fumis has considerable experience in Healthcare IT and Radiology in the ANZ and Latin American markets.

### **Sales and Market Update**

During the half year IMEXHS continued to focus on key initiatives to develop sales activities in its key markets.

In April, the Company announced that its HIRUKO multi-tenant, cloud-based software had been accepted for inclusion on Ingram Micro Cloud, the world's premium cloud services provider. This agreement allows IMEXHS to sell its products and solutions across multiple marketplace platforms including Australia, Latin America and the United States.

IMEXHS also launched its *Aquila in the Cloud* which leverages HIRUKO™'s multi-tenancy capabilities to target small to medium-sized customers with an affordable and accessible RIS/PACS product. The technical design allows IMEXHS to rapidly deploy across multiple countries.

During the half, IMEXHS continued to develop its relationships with government entities including the Australian Trade and Investment Commission (Austrade), and the Colombian Ministry of Commerce through PROCOLOMBIA. These organisations continue to facilitate introductions in many counties in the Asia-Pacific and Latin America.

In Colombia, IMEXHS has developed important relationships with PROCOLOMBIA, (a government agency attached to the Ministry of Commerce which promotes Colombian companies and exports) and InvestInBogotá (a leading investment promotion agency which is a partnership between the Bogotá Chamber of Commerce and the Bogotá City Government). Through PROCOLOMBIA, IMEXHS has been introduced to various groups including the Colombian Association of Hospitals and Clinics. Both organisations will assist with further introductions to potential clients in Colombia and overseas.

During the June half, IMEXHS also won a number of new contracts, including with Centro Médico Buenos Aires in Colombia ; and Clínica Sedna and Hospital Escandón in Mexico. IMEXHS also commenced operations in a joint operation to provide radiology services for the Hospital Central Policía Nacional in Colombia.

IMEXHS renewed and extended a number of key contracts. In Colombia, it renewed the strategically important Colsubsidio contract and extended the Radiofam contract with the addition of a seventh site. The Company also extended its contract with Clínica Los Valles in Ecuador in terms of length and the number of licences.

The Total Contract Value of these new contracts and extensions in the first half was over \$4.7m.

### **Product and Software Update**

In partnership with AG Mednet, IMEXHS continues to enhance HIRUKO™ for use in clinical trials. The Company's clinical research collaboration agreement with AG Mednet has been extended to include a full-time IMEXHS software engineer, who is funded by AG Mednet to develop new features specific to clinical trial work. This includes the development of a capability for physicians to store annotations as text and within images as a DICOM readable object; an enhancement that is important to facilitate AI model training and data capture.

IMEXHS has continued to focus on the development of HIRUKO's capabilities, including the development of Orthopantomography capabilities, which have been successfully implemented at the Hunter Dental Group in New South Wales, as well as integrating with Australia's Medicare payments system via MDR-Medical Systems.

The Company has enhanced the HIRUKO™ Universal Viewer with the addition of an enhanced PDF presentation layer allowing it to support both DICOM and PDF images. As part of the development of the anatomical pathology product, ALULA, IMEXHS has extended the Universal Viewer's capabilities to view Hamamatsu digital microscopy images. Hamamatsu Photonics is a leading provider of microscopy imaging products.

IMEXHS's strategic focus on artificial intelligence (AI) continued with the development of Stella AI, which is designed to support medical decision-making by identifying normal and pathological radiological patterns by modality and by study.

Stella's first capabilities are based on the identification of normal patterns as well as fourteen pathological patterns on X-rays. Stella CX identifies normal X-rays and possible pathological patterns for 14 chest diseases.

IMEXHS has continued to develop its AI capabilities to facilitate the diagnosis of COVID-19.

A new service for Stella AI is now in beta testing which identifies potential COVID-19 pneumonia cases from a lung axial CT image. It is integrated with IMEXHS's universal viewer and uses secondary capture to interact with the Stella AI results. The service was trained with positive and negative COVID-19 cases that produced over 9,000 individual slices of the lungs and achieved a sensitivity of over 95% and specificity over 95%.

In addition, as part of the framework agreement for medical research between IMEXHS and RIMAB SAS, a manual segmentation process has been developed to identify areas with lung parenchymal involvement in CT images. The purpose of this agreement is to build a unique service for Stella AI that allows the automatic identification of areas of compromise due to a parenchymal infection possibly associated with COVID-19.

For further information see significant changes in the state of affairs below.

## **5 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

### COVID-19 Pandemic

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 first half 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.

## 6 OUTLOOK FOR 2020

### USA

Following the establishment of permanent operations in the USA, IMEXHS is now in the process of recruiting experienced sales and support staff and plans to initially focus on Florida and Texas.

### Australia

In Australia, the Company has appointed a General Manager–Business Development who will commence on 1 September. IMEXHS will seek to develop its presence in the Australian market, leveraging its *Aquila in the Cloud* model.

### Brazil

IMEXHS received ANVISA (Agência Nacional de Vigilância Sanitária, Brazil's Health Regulatory Agency) certification in August 2020 and will now pursue the leads it already has in LATAM's largest market.

### LATAM

The Company has seen strong interest in the *Aquila in the Cloud* offer and will focus its efforts in the second half on converting the promising leads that have already been generated.

### General

There has been a significant increase in interest in IMEXHS's fully web-based software in the first half as the COVID-19 pandemic accelerated the shift to the cloud. It also reflects the recent reorganisation and strengthening of IMEXHS's sales function and its partner programme.

The COVID-19 outbreak has led to an extension of the sales cycle as it impacted decision-making on larger contracts although these remain live opportunities. Recent actions to establish operations in USA, Brazil (including ANVISA certification) and Australia are unlikely to have a material impact on revenue in FY20.

Notwithstanding the impacts of COVID-19, current trading in the second half to date is in line with the Company's business plans and IMEXHS expects to achieve revenue in the range of \$10.0m - \$12.0m for the full year.

## 7 EVENTS AFTER THE REPORTING DATE

The full impact of COVID-19 outbreak continues to evolve as at the date of this report. As such IMEXHS is unable to estimate the full effects of the COVID-19 outbreak on its financial position, liquidity and operations for the full-financial year 2020, however the IMEXHS is confident that its revenue targets will be met.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operation of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

## 8 FUTURE DEVELOPMENTS AND RESULTS

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

## 9 ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**10 AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 30 June 2020 has been received and can be found on page 10 of the financial report.

This Directors' report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'DF', followed by a long horizontal flourish.

Doug Flynn

Chairman

Dated this 28 August 2020



## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF IMEXHS LIMITED

As lead auditor for the review of ImExHS Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ImExHS Limited and the entities it controlled during the period.



**Dean Just**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 28 August 2020

# IMEXHS LIMITED INTERIM FINANCIAL REPORT 2020

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Half-Year	
		2020 \$	2019 \$
Sales Revenue	4	4,491,780	2,675,561
Interest and other revenue		94,967	98,056
<b>Revenue from Ordinary Activities</b>		<b>4,586,747</b>	<b>2,773,617</b>
Hardware & Licence Expenses		(278,439)	(345,876)
R&D and Support Expenses		(435,632)	(1,111,864)
Platform as a Service Expenses		(332,473)	(289,712)
Clinical Services Expenses		(2,472,157)	(640,946)
Administration and Sales Expenses	5	(1,959,157)	(1,693,438)
Interest, foreign exchange and other expenses		(638,627)	(208,941)
Listing and Share Based Payment Expenses	6	(476,123)	(15,875)
Depreciation and Amortisation		(515,303)	(348,888)
Write-back / (impairment) in inventories		91,960	(51,473)
Impairment gains / (losses) on trade receivables		66,634	(234,880)
<b>Profit / (Loss) from ordinary activities before income tax</b>		<b>(2,362,570)</b>	<b>(2,168,276)</b>
Income tax benefit / (expense)		-	-
<b>Profit / (Loss) from ordinary activities after income tax</b>		<b>(2,362,570)</b>	<b>(2,168,276)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit and loss</b>			
Foreign currency translation of international subsidiaries		(426,579)	38,027
<b>Total items that may be reclassified to profit and loss</b>		<b>(426,579)</b>	<b>38,027</b>
<b>Other Comprehensive Profit / (Loss) for the year</b>		<b>(426,579)</b>	<b>38,027</b>
<b>Total comprehensive profit / (loss) for the period attributable to the members of IMEXHS Limited</b>		<b>(2,789,149)</b>	<b>(2,130,249)</b>
Basic earnings / (loss) per share (cents per share)		(0.20)	(0.23)
Diluted earnings / (loss) per share (cents per share)		(0.20)	(0.23)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# IMEXHS LIMITED INTERIM FINANCIAL REPORT 2020

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	30 June 2020 \$	31 Dec 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	6,293,533	7,149,683
Trade and other receivables	8	3,190,895	3,653,647
Inventories		469,615	107,354
<b>Total Current Assets</b>		9,954,043	10,910,684
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	2,880,749	3,376,006
Intangibles	10	752,781	469,887
Right of Use Assets		70,218	40,805
<b>Total Non-Current Assets</b>		3,703,748	3,886,698
<b>TOTAL ASSETS</b>		13,657,791	14,797,382
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		837,433	870,151
Contract Liabilities		42,248	63,936
Borrowings	11	1,444,524	715,407
Lease liabilities		69,575	40,574
Employee Benefits		825,614	850,081
Other	12	847,212	1,113,703
<b>Total Current Liabilities</b>		4,066,606	3,653,852
<b>Non-Current Liabilities</b>			
Borrowings	11	1,061,358	826,894
<b>Total Non-Current Liabilities</b>		1,061,358	826,894
<b>TOTAL LIABILITIES</b>		5,127,964	4,480,746
<b>NET ASSETS</b>		8,529,827	10,316,636
<b>EQUITY</b>			
Issued capital	13	20,253,243	19,757,466
Share-based payments reserve	14	2,985,043	2,478,480
Foreign Currency Translation Reserve		(447,811)	(21,232)
Retained profits / (accumulated losses)		(14,260,648)	(11,898,078)
<b>TOTAL EQUITY</b>		8,529,827	10,316,636

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# IMEXHS LIMITED FINANCIAL REPORT 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Note	Issued Capital \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 January 2019</b>		10,553,259	1,208,718	(15,394)	(5,895,789)	5,850,794
Result for the half-year		-	-	-	(2,168,276)	(2,168,276)
Other comprehensive income for the half-year		-	-	38,027	-	38,027
Total comprehensive loss for the half-year		-	-	38,027	(2,168,276)	(2,130,249)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of Ordinary Shares, net of transaction costs		-	-	-	-	-
Shares & Options issued		-	15,875	-	-	15,875
<b>Balance at 30 June 2019</b>		10,553,259	1,224,593	22,633	(8,064,065)	3,736,420
<b>Balance at 1 January 2020</b>		19,757,466	2,478,480	(21,232)	(11,898,078)	10,316,636
Result for the half-year		-	-	-	(2,362,570)	(2,362,570)
Other comprehensive income for the half-year		-	-	(426,579)	-	(426,579)
Total comprehensive loss for the half-year		-	-	(426,579)	(2,362,570)	(2,789,149)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of Ordinary Shares, net of transaction costs	13	495,777	-	-	-	495,777
Shares & Options issued	14	-	506,563	-	-	506,563
<b>Balance at 30 June 2020</b>		20,253,243	2,985,043	(447,811)	(14,260,648)	8,529,827

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# IMEXHS LIMITED FINANCIAL REPORT 2020

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2020

		Half-Year	
	Note	2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,638,544	3,390,087
Payments to suppliers and employees		(5,464,974)	(4,494,901)
		(826,430)	(1,104,814)
Interest received		13,845	1,108
Interest paid		(249,979)	(52,090)
<b>Net cash flow from operating activities</b>		<b>(1,062,564)</b>	<b>(1,155,796)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(619,986)	(1,155,400)
Purchase of intangible assets		(359,782)	(103,271)
<b>Net cash flow from investing activities</b>		<b>(979,768)</b>	<b>(1,258,671)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		500,000	-
Proceeds from issue of options		30,440	-
Share issue transaction costs		(5,410)	-
Proceeds from borrowings		939,825	265,867
Repayment of borrowings		(205,087)	(46,507)
Principal elements of lease payments		(40,963)	(45,025)
<b>Net cash flow from financing activities</b>		<b>1,218,805</b>	<b>174,335</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(823,527)</b>	<b>(2,240,132)</b>
Cash and cash equivalents at beginning of year		7,149,683	2,445,329
Foreign exchange differences		(32,623)	14,812
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<b>6,293,533</b>	<b>220,009</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

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### 1 REPORTING ENTITY

IMEXHS Limited (“Company”) is a listed public company incorporated and domiciled in Australia. The consolidated interim financial report of the Company as at and for the half-year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the “consolidated entity” or “Group”).

IMEXHS Limited is a company limited by shares. The interim financial report is presented in Australian currency. IMEXHS Limited is a for-profit entity.

The consolidated financial report was authorised by the Board of Directors on the date of signing of the Directors’ Declaration.

### 2 BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed interim financial report for the half year reporting period ended 30 June 2020 has been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by IMEXHS Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

### 3 SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

#### *Software Development expenditure*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over the expected useful life of five years.

#### *Impairment of non-financial assets*

The Company determines whether intangibles are impaired at least annually by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. An asset’s recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

### *Joint Arrangements – Joint Operations*

IMEXHS Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

### *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 consolidated entity 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 consolidated entity 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 consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

## 4 REVENUES

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Medical equipment and licences	116,958	106,269
Leasing equipment and software and services	4,188,657	2,402,091
Sale of inputs	119,380	158,672
Service and maintenance of equipment and software	66,785	83,399
Returns and discounts given	-	(74,870)
	<u>4,491,780</u>	<u>2,675,561</u>
<b>Timing of revenue recognition:</b>		
Over time	4,281,100	2,529,356
At a point in time	210,680	146,205
	<u>4,491,780</u>	<u>2,675,561</u>

The group derived all material revenue from one geographic region, Latin America.

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 5 ADMINISTRATION AND DISTRIBUTION EXPENSES

	2020	2019
	\$	\$
Employee and Director Benefit Expenses	953,320	826,178
Audit, Legal and Tax Advice Fees	245,684	162,943
Taxes	99,460	67,048
Office expenses	139,096	137,488
Insurance	46,179	36,893
Advertising & Marketing	27,246	39,274
Corporate expenses	295,599	277,311
Maintenance	571	1,489
Travel	25,356	107,473
Other	126,646	37,341
	<u>1,959,157</u>	<u>1,693,438</u>

### 6 LISTING AND SHARE BASED PAYMENT EXPENSES

	2020	2019
	\$	\$
Share based payment expense on issue of Director options	471,784	15,875
Share based payment expense on issue of Employee options	4,339	-
	<u>476,123</u>	<u>15,875</u>

### 7 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	841,425	924,928
Savings and Investments	5,452,108	6,224,755
	<u>6,293,533</u>	<u>7,149,683</u>

### 8 TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	1,765,772	2,692,470
Prepayments	686,618	250,619
Indirect tax receivables	733,750	700,840
Other	4,755	9,718
	<u>3,190,895</u>	<u>3,653,647</u>

Trade receivables are non-interest bearing.



# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 9 PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	Computer Equipment	Medical Equipment	Total
	\$	\$	\$	\$
<b>At 31 December 2019</b>				
Cost or fair value	26,286	1,640,412	2,519,140	4,185,838
Accumulated depreciation	(8,709)	(433,092)	(368,031)	(809,832)
Net carrying amount	17,577	1,207,320	2,151,109	3,376,006
<b>Movements in carrying amounts</b>				
Balance at 1 January 2020	17,577	1,207,320	2,151,109	3,376,006
Additions	18,647	7,389	263,839	289,875
Disposals	-	(82,560)	-	(82,560)
Depreciation expense	(3,027)	(205,863)	(153,062)	(361,952)
Exchange differences	(1,843)	(109,298)	(229,479)	(340,620)
Net carrying amount - 30 June 2020	31,354	816,988	2,032,407	2,880,749
<b>At 30 June 2020</b>				
Cost or fair value	42,065	1,400,977	2,494,283	3,937,325
Accumulated depreciation	(10,711)	(583,989)	(461,876)	(1,056,576)
Net carrying amount	31,354	816,988	2,032,407	2,880,749

### 10 INTANGIBLES

	Copyright	Licences	Software	Total
	\$	\$	\$	\$
<b>At 31 December 2019</b>				
Cost or fair value	27,768	959,465	-	987,233
Accumulated amortisation	(17,355)	(499,991)	-	(517,346)
Net carrying amount	10,413	459,474	-	469,887
<b>Movements in carrying amounts</b>				
Balance at 1 January 2020	10,413	459,474	-	469,887
Additions	-	34,135	359,782	393,917
Disposals	-	-	-	-
Amortisation expense	(1,625)	(104,927)	-	(106,552)
Exchange differences	(1,023)	(3,448)	-	(4,471)
Net carrying amount - 30 June 2020	7,765	385,234	359,782	752,781
<b>At 30 June 2020</b>				
Cost or fair value	24,820	891,499	359,782	1,276,101
Accumulated amortisation	(17,055)	(506,265)	-	(523,320)
Net carrying amount	7,765	385,234	359,782	752,781

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 11 BORROWINGS

#### Current

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Credit Cards	11,099	6,866
Unsecured Revolving Credit Loans	39,881	91,652
Unsecured Fixed term loans	856,401	612,501
Unsecured other loans	-	4,388
Secured Loans from related parties*	1,000,000	-
Cost of borrowing*	(462,857)	-
	<u>1,444,524</u>	<u>715,407</u>

#### Non-Current

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Unsecured Revolving Credit Loans	48,881	13,276
Unsecured Fixed term loans	1,012,477	585,047
Secured Loans from related parties*	-	1,000,000
Cost of borrowing*	-	(771,429)
	<u>1,061,358</u>	<u>826,894</u>

\* 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 Doug Lingard. The cost of the options is amortised over the length of the loan.

This loan has been repaid subsequent to 30 June 2020.

The carrying amount of borrowings are assumed to be the same as their fair values.

### 12 OTHER CURRENT LIABILITIES

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Income taxes	28,532	41,469
Indirect taxes	398,644	442,511
PaaS equipment financing loan	307,992	517,182
Other	112,044	112,541
	<u>847,212</u>	<u>1,113,703</u>

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

### 13 ISSUED CAPITAL

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	1,192,323,853	1,175,657,186	20,253,243	19,757,466

#### ***Movements in ordinary share capital***

	No of shares	\$
Balance at 1 January 2019	1,175,657,186	19,757,466
Issue of Shares pursuant to Shareholder Approval	16,666,667	500,000
Cost of share issue	-	(4,223)
Balance at 30 June 2020	1,192,323,853	20,253,243

### 14 SHARE BASED PAYMENTS RESERVE

	2020 \$	2019 \$
Amounts paid on issue of options	35,503	5,063
Option valuation reserve	2,949,540	2,473,417
	2,985,043	2,478,480

Option valuation reserve comprises:

Option valuation reserve comprises:

	No of Options	\$
Balance at 1 January 2020	278,500,000	2,473,417
Options issued pursuant to employee remuneration (refer below)	3,000,000	4,339
Options issued pursuant to Director Remuneration (refer below)	28,000,000	471,784
Balance at 30 June 2020	309,500,000	2,949,540

# IMEXHS LIMITED FINANCIAL REPORT 2020

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

The terms and conditions of each grant of options affecting remuneration in the current or future reporting period are as follows:

	Number	Grant date	Vesting and exercise date	Expiry date	Exercise price \$	Value per option at grant date \$	Vested %
Mr Doug Flynn	8,000,000	21 May 2020	21 May 2020	9 Mar 2027	0.055	0.026	100
Mr Doug Flynn	8,000,000	21 May 2020	21 May 2020	9 Mar 2027	0.070	0.025	100
Mr Doug Flynn (a)	12,000,000	21 May 2020	31 Dec 2021	9 Mar 2027	0.030	0.027	0

(a) Vests when the Company's share price reaches or exceeds a 30 day VWAP of 12 cents

### 15 RELATED PARTY TRANSACTIONS

During the period, IMEXHS commenced operations in a joint agreement with RIMAB SAS, a related party of Dr Arango, on a tender it won for the Colombian Ministry of National Defence to supply radiology services to the Hospital Central Policía Nacional (National Police Hospital). This contract has a Total Contract Value of \$2.2m with IMEXHS's share being 30%. The structure of this contact was mandated by the terms of the tender. This contract will facilitate access to public sector tenders in Colombia. The principal place of business of the joint operation is Colombia. During the half-year, the joint operation contributed income of \$270,251 and expenses of \$236,642.

### 16 GOING CONCERN

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the half-year ended 30 June 2020, the Group generated a consolidated loss of \$2,362,570 and incurred operating cash outflows of \$1,062,564. As at 30 June 2020, the Group had cash and cash equivalents of \$6,293,533, a surplus of net current assets of \$5,887,437 and surplus of net assets of \$8,529,827.

The Directors believe that the Group has sufficient funding to meet its minimum expenditure commitments and support its planned level of expenditures and therefore it is appropriate to prepare the financial statements on the going concern basis.

### 17 EVENTS OCCURRING AFTER THE REPORTING PERIOD

The full impact of COVID-19 outbreak continues to evolve as at the date of this report. As such IMEXHS is unable to estimate the effects of the COVID-19 outbreak on its financial position, liquidity, and operations for the full-financial year 2020.

Other than as already noted in the financial report, there have been no significant subsequent events in the affairs of the Group at the date of this report.

### 18 CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

### 19 SEGMENT INFORMATION

The consolidated entity is organised into one main operating segment. All of the consolidated entity'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 consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

# IMEXHS LIMITED INTERIM FINANCIAL REPORT 2020

## DIRECTORS' DECLARATION

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The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 21 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the half-year ended on that date of the Company and entity; and
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Doug Flynn

Chairman

Dated this 28 August 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ImExHS Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of ImExHS Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

**Dean Just**

**Director**

Perth, 28 August 2020